

# **MANAGEMENT CARVE-OUT PLAN**

## **POLAR DYNAMICS ROBOTICS, INC.**

*Effective Date: January 15, 2024*

### **1. PURPOSE AND ADMINISTRATION**

1. **\*\*Purpose\*\***. This Management Carve-Out Plan (the "Plan") is established by Polar Dynamics Robotics, Inc., a Delaware corporation (the "Company"), to provide incentives for key management personnel to continue their employment through and following a Change in Control (as defined below) of the Company.

2. **\*\*Administration\*\***. The Plan shall be administered by the Board of Directors of the Company (the "Board") or its Compensation Committee. The Administrator shall have full authority to interpret the Plan and make all determinations necessary for its administration.

### **2. DEFINITIONS**

1. **\*\*Change in Control\*\*** means:

(a) Any person or entity becomes the beneficial owner of more than 50% of the Company's voting securities;

(b) A merger, consolidation, or reorganization where pre-transaction shareholders hold less than 50% of the resulting entity;

(c) A sale of substantially all Company assets; or

(d) A complete liquidation or dissolution of the Company.

2. **\*\*Carve-Out Pool\*\*** means an amount equal to 7.5% of the Net Transaction Proceeds from a Change in Control.

3. **\*\*Net Transaction Proceeds\*\*** means the total consideration received in a Change in Control, less:

(a) Transaction expenses;

(b) Repayment of outstanding debt;

(c) Amounts paid to holders of preferred stock pursuant to liquidation preferences.

### **3. PARTICIPANT ELIGIBILITY AND ALLOCATION**

1. **\*\*Eligible Participants\*\*** shall include:

- (a) C-suite executives
- (b) Vice Presidents
- (c) Senior Directors
- (d) Other key employees designated by the Board

2. **\*\*Initial Allocations\*\***. The Carve-Out Pool shall be initially allocated as follows:

- CEO: 25%
- CTO: 15%
- COO: 15%
- Chief Robotics Officer: 12%
- CFO: 10%
- Discretionary Pool: 23%

#### **4. VESTING AND PAYMENT TERMS**

1. **\*\*Vesting Schedule\*\***. Allocated interests shall vest as follows:

- (a) 50% upon completion of Change in Control
- (b) 25% on 6-month anniversary of Change in Control
- (c) 25% on 12-month anniversary of Change in Control

2. **\*\*Acceleration Events\*\***. Full acceleration of vesting upon:

- (a) Participant's termination without Cause within 12 months following Change in Control
- (b) Participant's resignation for Good Reason within 12 months following Change in Control
- (c) Participant's death or Disability

3. **\*\*Payment Terms\*\***. Payments shall be made in same form and timing as payments to shareholders in the Change in Control transaction.

#### **5. CONDITIONS AND LIMITATIONS**

1. **\*\*Required Agreement\*\***. Participants must execute:

- (a) Participation Agreement
- (b) Non-competition Agreement (12 months)
- (c) Non-solicitation Agreement (24 months)
- (d) Confidentiality Agreement

2. **\*\*Forfeiture\*\***. Participants forfeit unvested interests upon:

- (a) Voluntary resignation without Good Reason
- (b) Termination for Cause
- (c) Violation of restrictive covenants

## **6. AMENDMENT AND TERMINATION**

1. The Board may amend or terminate the Plan at any time, provided that:

- (a) No amendment shall adversely affect vested interests
- (b) Participant consent is required for certain modifications
- (c) Plan cannot be terminated following signing of definitive Change in Control agreement

## **7. GENERAL PROVISIONS**

1. **\*\*No Employment Rights\*\***. Nothing in this Plan creates any employment rights or prevents the Company from terminating any participant's employment.

2. **\*\*Governing Law\*\***. This Plan shall be governed by Delaware law without regard to conflicts of law principles.

3. **\*\*Section 409A\*\***. This Plan is intended to comply with, or be exempt from, Section 409A of the Internal Revenue Code.

4. **\*\*Withholding\*\***. The Company may withhold from any payments amounts required for tax purposes.

## **8. ADOPTION**

ADOPTED by the Board of Directors of Polar Dynamics Robotics, Inc. on January 15, 2024.

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POLAR DYNAMICS ROBOTICS, INC.

**By:** \_

Katherine Wells

Chief Financial Officer

**Attest:** \_

Corporate Secretary

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