

SERVICE TERRITORY AGREEMENT

THIS SERVICE TERRITORY AGREEMENT (the "Agreement") is made and entered into as of February 15, 2024 (the "Effective Date"), by and between:

POLAR DYNAMICS ROBOTICS, INC., a Delaware corporation with its principal place of business at 2100 Frost Innovation Drive, Cambridge, Massachusetts 02142 ("PDR" or the "Company")

and

ARCTIC AUTOMATION LTD., a Canadian corporation with its principal place of business at 500 Technology Boulevard, Edmonton, Alberta T5J 3E4 ("Distributor")

RECITALS

WHEREAS, PDR develops and manufactures autonomous mobile robots featuring proprietary cold-resistant technology for use in temperature-controlled environments;

WHEREAS, Distributor possesses substantial experience in the distribution and servicing of industrial automation equipment in the Canadian market; and

WHEREAS, PDR desires to grant Distributor certain rights to distribute and service PDR's products within a defined territory, and Distributor desires to accept such rights, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. DEFINITIONS

1 "Products" means PDR's IceNav-enabled autonomous mobile robots and related components, spare parts, and accessories as listed in Exhibit A.

2 "Territory" means the provinces of Alberta, British Columbia, Manitoba, and Saskatchewan, Canada.

3 "Customers" means end-users of the Products operating cold storage, pharmaceutical, or food processing facilities within the Territory.

2. APPOINTMENT AND TERRITORY

1 Appointment. PDR hereby appoints Distributor as its exclusive distributor and authorized service provider for the Products within the Territory.

2 Restrictions. Distributor shall not:

- (a) Actively solicit sales of Products outside the Territory;
- (b) Establish branch offices or distribution depots for the Products outside the Territory; or
- (c) Engage sub-distributors without PDR's prior written consent.

3. DISTRIBUTOR OBLIGATIONS

1 Sales Targets. Distributor shall meet the minimum annual sales targets specified in Exhibit B.

2 Technical Capability. Distributor shall:

- (a) Maintain adequately trained technical staff certified on PDR's products;
- (b) Participate in PDR's technical training programs;
- (c) Maintain sufficient spare parts inventory;
- (d) Provide warranty and post-warranty service to Customers.

3 Marketing. Distributor shall:

- (a) Actively promote Products within the Territory;
- (b) Participate in relevant trade shows and industry events;
- (c) Comply with PDR's branding guidelines;
- (d) Submit marketing materials for PDR's approval prior to use.

4. PDR'S OBLIGATIONS

1 Product Supply. PDR shall:

- (a) Supply Products to Distributor at the prices specified in Exhibit C;
- (b) Maintain adequate inventory to fulfill Distributor's orders;
- (c) Provide reasonable notice of product changes or discontinuations.

2 Support. PDR shall:

- (a) Provide technical training and certification programs;
- (b) Supply technical documentation and updates;

- (c) Provide second-level technical support;
- (d) Assist with complex Customer installations.

5. FINANCIAL TERMS

1 Pricing. Distributor shall purchase Products at the prices specified in Exhibit C, subject to annual adjustment.

2 Payment Terms. Payment shall be made within 30 days of invoice date.

3 Currency. All payments shall be made in United States Dollars.

6. INTELLECTUAL PROPERTY

1 Ownership. PDR retains all intellectual property rights in the Products.

2 License. PDR grants Distributor a non-exclusive license to use PDR's trademarks solely for promoting and selling Products within the Territory.

7. TERM AND TERMINATION

1 Term. This Agreement shall commence on the Effective Date and continue for three (3) years, with automatic one-year renewals unless terminated.

2 Termination. Either party may terminate:

- (a) For convenience with 90 days' written notice;
- (b) Immediately for material breach;
- (c) Upon the other party's bankruptcy or insolvency.

8. CONFIDENTIALITY

1 Each party shall maintain the confidentiality of the other party's confidential information for five (5) years following disclosure.

9. WARRANTY AND INDEMNIFICATION

1 Product Warranty. PDR warrants Products according to its standard warranty terms in Exhibit D.

2 Mutual Indemnification. Each party shall indemnify the other against third-party claims arising

from its breach of this Agreement.

10. MISCELLANEOUS

1 Governing Law. This Agreement shall be governed by Delaware law.

2 Dispute Resolution. Disputes shall be resolved through binding arbitration in Boston, Massachusetts.

3 Assignment. Neither party may assign this Agreement without the other party's written consent.

4 Entire Agreement. This Agreement constitutes the entire understanding between the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

POLAR DYNAMICS ROBOTICS, INC.

By:

Name: Katherine Wells

Title: Chief Financial Officer

Date:

ARCTIC AUTOMATION LTD.

By:

Name: Robert Mackenzie

Title: President

Date:

[Exhibits A-D to be attached]