

EMPLOYEE STOCK OPTION PLAN ADMINISTRATION GUIDE

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Polar Dynamics Robotics, Inc.

Effective Date: January 1, 2024

1. INTRODUCTION

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1. This Employee Stock Option Plan Administration Guide ("Guide") sets fo

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2. This Guide is intended to supplement, not replace, the Plan document and

2. DEFINITIONS

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1. "Administrator" means the Compensation Committee of the Board of Directors.

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2. "Company" means Polar Dynamics Robotics, Inc., a Delaware corporation.

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3. "Fair Market Value" means, as of any date, the value of Common Stock determined by the Administrator.

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4. Additional capitalized terms used but not defined herein shall have the meanings set forth in the Plan.

3. OPTION GRANT PROCEDURES

- - 2 -

1. Grant Authorization

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All option grants must be approved by the Administrator

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Grants require completed Grant Request Form with following information:

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Recipient name and employee ID

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Number of shares

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Exercise price

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Vesting schedule

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Proposed grant date

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2. Documentation Requirements

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Stock Option Agreement

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Notice of Grant

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Plan prospectus

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Tax withholding forms

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Confidentiality agreements

- - 4 -

3. Grant Timing

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Regular grants made quarterly (March, June, September, December)

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New hire grants processed monthly

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No grants during blackout periods

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Grant date must be on or after approval date

4. VESTING AND EXERCISE

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1. Standard Vesting Schedule

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25% vests on first anniversary of grant date

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Remaining 75% vests in equal monthly installments over next 36 months

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Full vesting occurs after 4 years

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2. Exercise Procedures

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Exercise requests submitted via online portal

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Payment methods:

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Cash payment

- - 6 -

Cashless exercise

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Stock swap

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Required documentation:

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Exercise Notice

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Payment/transfer instructions

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Tax withholding election

5. TERMINATION AND CHANGES IN STATUS

- - 7 -

1. Employment Termination

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Vesting ceases upon termination date

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Exercise periods:

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90 days for voluntary resignation

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180 days for involuntary termination without cause

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Immediate forfeiture for cause

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12 months for death/disability

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2. Leave of Absence

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Vesting continues for first 90 days

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Extended leaves require Administrator review

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FMLA/military leave per applicable law

6. ADMINISTRATIVE RESPONSIBILITIES

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1. Record Keeping

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Maintain grant documentation

- - 9 -

Track vesting schedules

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Record exercises and cancellations

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Update capitalization tables

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Generate required reports

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2. Tax Reporting

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Issue Form 3921 for ISO exercises

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Process tax withholding

- - 10 -

Generate year-end reports

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Coordinate with payroll department

7. COMPLIANCE

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1. Securities Law Compliance

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Monitor Rule 701 thresholds

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Track Section 16 reporting requirements

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Maintain required stockholder approvals

- - 11 -

Document exemption requirements

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2. Internal Controls

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Annual audit of option records

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Quarterly reconciliation reports

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Compliance certifications

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Documentation retention

8. AMENDMENTS AND INTERPRETATION

- - 12 -

1. The Administrator reserves the right to amend this Guide at any time.

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2. Questions regarding interpretation should be directed to the Legal Department.

9. CONTACT INFORMATION

Stock Plan Administration Department

Polar Dynamics Robotics, Inc.

Email: equity@polarodynamics.com

Phone: (555) 123-4567

APPROVAL

ADOPTED by the Compensation Committee of the Board of Directors

Date: December 15, 2023

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Victoria Wells

Chief Financial Officer

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Elena Frost

Chief Executive Officer

