

# **MINUTES OF THE EXECUTIVE COMPENSATION COMMITTEE MEETING**

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

### **Q3 2023 Regular Meeting**

**September 21, 2023, 2:00 PM EDT**

A regular meeting of the Executive Compensation Committee (the "Committee") of the Board of Directors of Polar Dynamics Robotics, Inc., a Delaware corporation (the "Company"), was held virtually via secure videoconference on Thursday, September 21, 2023, commencing at 2:00 PM EDT.

### **ATTENDANCE AND QUORUM**

#### **Present:**

- Patricia Montgomery, Committee Chair
- Robert Zhao, Committee Member
- Dr. Victoria Edwards, Committee Member
- Jennifer Torres, Independent Director

#### **Also Present:**

- Katherine Wells, Chief Financial Officer
- Michael Davidson, VP of Human Resources
- Amanda Chen, Corporate Secretary
- Representatives from Meridian Compensation Partners, LLC (External Compensation Consultants)

A quorum was present for the transaction of business.

### **CALL TO ORDER**

Ms. Montgomery, serving as Chair of the Committee, called the meeting to order at 2:00 PM EDT.

Ms. Chen served as Secretary of the meeting.

### **APPROVAL OF PRIOR MINUTES**

Upon motion duly made and seconded, the Committee unanimously approved the minutes of the Q2 2023 regular meeting held on June 15, 2023.

## **BUSINESS ITEMS**

### **1. Review of Executive Performance Metrics and Goals**

The Committee reviewed the year-to-date performance against established executive compensation metrics for FY2023, with particular focus on:

- a) Revenue growth targets (current achievement: 118% of plan)
- b) EBITDA margins (current achievement: 92% of plan)
- c) Market penetration in key verticals (current achievement: 105% of plan)
- d) Product development milestones for IceNav 2.0 platform (current achievement: 95% of plan)

### **2. Annual Compensation Review**

The Committee received a presentation from Meridian Compensation Partners regarding:

- a) Peer group compensation analysis
- b) Market positioning of current executive compensation packages
- c) Proposed adjustments to maintain competitive positioning

After discussion, the Committee approved the following recommendations:

RESOLVED, that the base salary for the following executives shall be adjusted effective October 1, 2023:

- Chief Executive Officer: 4.5% increase
- Chief Technology Officer: 4.0% increase
- Chief Operating Officer: 4.0% increase
- Chief Robotics Officer: 4.0% increase
- Chief Financial Officer: 4.0% increase

### **3. Long-Term Incentive Plan Updates**

The Committee reviewed and approved modifications to the Long-Term Incentive Plan (LTIP) structure:

a) Revised performance share unit (PSU) metrics to include:

- Relative Total Shareholder Return (40% weighting)
- Revenue Growth (30% weighting)
- Operating Margin Expansion (30% weighting)

b) Updated PSU performance period to align with strategic plan:

- Three-year performance period (2024-2026)
- Cliff vesting at end of period

#### **4. Retention Program Review**

The Committee evaluated the effectiveness of the current retention program and approved:

- a) Implementation of a special retention grant for key engineering talent
- b) Extension of change-in-control provisions for senior executives
- c) Modified vesting schedules for restricted stock units (RSUs)

### **EXECUTIVE SESSION**

The Committee met in executive session without management present to discuss CEO performance and compensation matters.

### **NEW BUSINESS**

The Committee discussed the timeline for the annual review of the Committee Charter and executive compensation philosophy, scheduled for Q4 2023.

### **ADJOURNMENT**

There being no further business to come before the Committee, the meeting was adjourned at 4:15 PM EDT.

Respectfully submitted,

/s/ Amanda Chen

Amanda Chen

Corporate Secretary

Approved:

/s/ Patricia Montgomery

Patricia Montgomery

Committee Chair

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## **CERTIFICATION**

I, Amanda Chen, Corporate Secretary of Polar Dynamics Robotics, Inc., hereby certify that the foregoing is a true and correct copy of the minutes of the Executive Compensation Committee meeting held on September 21, 2023.

/s/ Amanda Chen

Corporate Secretary

Date: September 28, 2023

[COMPANY SEAL]