

# **EMPLOYEE STOCK OPTION PLAN**

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

*Adopted by the Board of Directors on March 15, 2023*

### **1. PURPOSE AND SCOPE**

1. This Employee Stock Option Plan (the "Plan") is established by Polar Dynamics Robotics, Inc., a Delaware corporation (the "Company"), to attract, retain, and motivate employees through equity ownership in the Company's success.
2. The Plan provides for the grant of stock options to purchase shares of the Company's Common Stock to eligible employees, consultants, and directors of the Company.

### **2. DEFINITIONS**

1. "Board" means the Board of Directors of the Company.
2. "Committee" means the Compensation Committee appointed by the Board to administer the Plan.
3. "Common Stock" means the Company's Common Stock, par value \$0.001 per share.
4. "Fair Market Value" means the value of Common Stock as determined by the Board in good faith.
5. "Option" means a stock option granted pursuant to the Plan.
6. "Participant" means an individual granted an Option under the Plan.

### **3. ADMINISTRATION**

1. The Plan shall be administered by the Committee, which shall have full power to:
  - a) Select Participants
  - b) Determine the size and terms of Options
  - c) Interpret the Plan
  - d) Make all determinations necessary for Plan administration
2. The Committee's decisions shall be final and binding on all parties.

### **4. STOCK SUBJECT TO PLAN**

1. Subject to adjustment, the maximum aggregate number of shares reserved for issuance under the Plan is 2,500,000 shares of Common Stock.

2. Shares subject to Options that expire or terminate unexercised shall become available for future grants under the Plan.

## **5. ELIGIBILITY AND PARTICIPATION**

1. The following individuals are eligible to participate in the Plan:

- a) Full-time employees
- b) Part-time employees working more than 30 hours per week
- c) Officers and directors
- d) Key consultants as determined by the Committee

2. No person shall have any right to receive an Option grant.

## **6. OPTION TERMS**

1. Exercise Price: The exercise price shall not be less than 100% of Fair Market Value on the grant date.

2. Vesting Schedule:

- a) Standard four-year vesting with one-year cliff
- b) 25% vesting on first anniversary of grant date
- c) Monthly vesting thereafter for remaining 36 months

3. Term: Options shall expire no later than 10 years from the grant date.

4. Exercise Methods:

- a) Cash payment
- b) Cashless exercise
- c) Net exercise
- d) Other methods approved by the Committee

## **7. TERMINATION OF SERVICE**

1. Upon termination of service:

- a) Vested Options must be exercised within 90 days
- b) Unvested Options are immediately forfeited
- c) In case of death or disability, exercise period extended to 12 months

## **8. ADJUSTMENTS AND CORPORATE TRANSACTIONS**

1. In the event of stock splits, mergers, reorganizations, or similar events, the Committee shall make appropriate adjustments to:

- a) Number of shares reserved
- b) Number of shares subject to outstanding Options
- c) Exercise prices
- d) Other relevant terms

## **9. AMENDMENT AND TERMINATION**

- 1. The Board may amend, suspend, or terminate the Plan at any time.
- 2. No amendment shall adversely affect outstanding Options without Participant consent.

## **10. COMPLIANCE WITH LAWS**

- 1. The Plan shall comply with all applicable federal, state, and foreign laws.
- 2. The Company shall not be required to issue shares upon exercise until all legal requirements are met.

## **11. MISCELLANEOUS**

- 1. No Employment Rights: The Plan does not confer any right to continued employment.
- 2. Governing Law: This Plan shall be governed by Delaware law.
- 3. Severability: If any provision is held invalid, the remainder shall continue in effect.

## **ADOPTION AND APPROVAL**

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officer on March 15, 2023.

POLAR DYNAMICS ROBOTICS, INC.

**By: \_**

Dr. Elena Frost

Chief Executive Officer

ATTEST:

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Corporate Secretary