

LIABILITY AGREEMENT

NORTHERN COLD STORAGE FACILITY OPERATIONS

THIS LIABILITY AGREEMENT (the "Agreement") is made effective as of January 15, 2024 (the "Effective Date"), by and between:

POLAR DYNAMICS ROBOTICS, INC., a Delaware corporation with its principal place of business at 2100 Arctic Way, Suite 400, Cambridge, Massachusetts 02142 ("PDR" or the "Company")

and

NORTHERN COLD STORAGE, LLC, a Minnesota limited liability company with its principal place of business at 8500 Freezer Drive, Minneapolis, Minnesota 55401 ("Facility Operator")

(each a "Party" and collectively the "Parties")

RECITALS

WHEREAS, PDR manufactures and deploys autonomous mobile robots designed for cold storage environments ("AMR Units") utilizing its proprietary IceNav(TM) navigation system;

WHEREAS, Facility Operator operates temperature-controlled storage facilities and wishes to utilize PDR's AMR Units within its Minneapolis facility located at 8500 Freezer Drive, Minneapolis, Minnesota (the "Facility");

WHEREAS, the Parties desire to establish clear parameters regarding operational liability, risk allocation, and indemnification related to the deployment of AMR Units at the Facility;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS

1 "Authorized Personnel" means Facility Operator's employees who have completed PDR's required training programs for AMR Unit operation and oversight.

2 "Claims" means any and all claims, actions, suits, demands, assessments, or judgments, including associated costs, expenses, and reasonable attorneys' fees.

3 "Operating Parameters" means the specified conditions and requirements for AMR Unit operation as detailed in Schedule A, including but not limited to temperature ranges, load capacities, and navigation parameters.

4 "System Data" means all data collected by AMR Units during operation, including operational metrics, environmental readings, and navigation data.

2. OPERATIONAL RESPONSIBILITIES

1 PDR Responsibilities:

- (a) Maintain AMR Units in accordance with specifications
- (b) Provide initial and ongoing operator training
- (c) Supply software updates and technical support
- (d) Monitor system performance remotely
- (e) Respond to critical alerts within agreed timeframes

2 Facility Operator Responsibilities:

- (a) Maintain Facility conditions within Operating Parameters
- (b) Ensure only Authorized Personnel interact with AMR Units
- (c) Follow prescribed maintenance schedules
- (d) Report incidents promptly
- (e) Maintain required insurance coverage

3. LIABILITY ALLOCATION

1 PDR Liability:

PDR shall be liable for damages arising from:

- (a) AMR Unit mechanical or software failures
- (b) Design defects
- (c) Inadequate training materials
- (d) Navigation system malfunctions
- (e) Breach of warranty obligations

2 Facility Operator Liability:

Facility Operator shall be liable for damages arising from:

- (a) Operation outside specified parameters
- (b) Unauthorized modifications
- (c) Failure to maintain Facility conditions
- (d) Negligent acts of personnel
- (e) Breach of operational protocols

4. INDEMNIFICATION

1 PDR Indemnification:

PDR shall defend, indemnify, and hold harmless Facility Operator from Claims arising from:

- (a) PDR's gross negligence or willful misconduct
- (b) PDR's breach of this Agreement
- (c) Third-party intellectual property claims
- (d) Personal injury caused by AMR Unit malfunction

2 Facility Operator Indemnification:

Facility Operator shall defend, indemnify, and hold harmless PDR from Claims arising from:

- (a) Facility Operator's gross negligence or willful misconduct
- (b) Facility Operator's breach of this Agreement
- (c) Unauthorized use or modification of AMR Units
- (d) Facility condition-related incidents

5. INSURANCE REQUIREMENTS

1 Required Coverage:

Each Party shall maintain, at its own expense:

- (a) Commercial General Liability: \$5,000,000 per occurrence
- (b) Product Liability: \$10,000,000 aggregate
- (c) Workers' Compensation: Statutory limits
- (d) Cyber Liability: \$5,000,000 per claim

2 Additional Insured:

Each Party shall name the other as additional insured on relevant policies.

6. LIMITATION OF LIABILITY

1 Cap on Damages:

Neither Party's liability shall exceed the greater of:

- (a) \$10,000,000 USD
- (b) Amounts recovered from insurance
- (c) Twice the total fees paid in preceding 12 months

2 Exclusions:

Liability caps shall not apply to:

- (a) Gross negligence or willful misconduct
- (b) Breach of confidentiality obligations
- (c) Indemnification obligations
- (d) Personal injury or death

7. TERM AND TERMINATION

1 Term:

Initial term of three (3) years from Effective Date

2 Renewal:

Automatic one-year renewals unless terminated with 90 days' notice

3 Survival:

Sections 3, 4, 6, and 8 survive termination

8. MISCELLANEOUS

1 Governing Law:

Delaware law, excluding conflicts principles

2 Dispute Resolution:

Binding arbitration in Boston, Massachusetts

3 Force Majeure:

Standard exclusions for events beyond reasonable control

4 Assignment:

No assignment without prior written consent

5 Entire Agreement:

Complete understanding of Parties; supersedes prior agreements

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:

NORTHERN COLD STORAGE, LLC

By:

Name:

Title:

Date: