

# EMPLOYEE STOCK OPTION PLAN SUMMARY

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**Polar Dynamics Robotics, Inc.**

*Effective Date: January 1, 2024*

### 1. INTRODUCTION

This document summarizes the key terms and conditions of the Polar Dynamics Robotics, Inc. 2024 Employee Stock Option Plan (the "Plan"), as adopted by the Board of Directors on December 15, 2023. This summary is qualified in its entirety by reference to the complete Plan document.

## **2. PLAN ADMINISTRATION**

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1. The Plan shall be administered by the Compensation Committee (the "Com

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2. The Committee has full authority to:

- (a) Select eligible participants
- (b) Determine the size and terms of option grants
- (c) Interpret the Plan
- (d) Adopt rules for Plan administration
- (e) Make all determinations necessary for Plan operation

## **3. ELIGIBILITY AND PARTICIPATION**

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1. Eligible participants include full-time employees, officers, and directors of

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2. Consultants and independent contractors may be eligible at the Committee

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3. The total number of shares reserved for issuance under the Plan shall not e

#### **4. OPTION TERMS**

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1. Exercise Price

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The exercise price shall not be less than 100% of the Fair Market Value of C

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Fair Market Value shall be determined by the Committee based on recent price

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## 2. Vesting Schedule

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Standard vesting: 25% after one year of continuous service, with remaining s

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Accelerated vesting may apply upon Change in Control, as defined in Section

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## 3. Option Term

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Options expire on the earlier of:

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10 years from grant date

- - 4 -

90 days after termination of employment

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Immediately upon termination for cause

## **5. EXERCISE PROCEDURES**

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1. Options may be exercised by:

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Written notice to the Company

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Payment of exercise price in full

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Satisfaction of applicable tax withholding obligations

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## 2. Payment Methods

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Cash or check

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Net exercise

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Broker-assisted cashless exercise

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Other methods approved by the Committee

## **6. TRANSFERABILITY**

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1. Options are generally non-transferable except:

- - 6 -

By will or laws of descent and distribution

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Pursuant to a qualified domestic relations order

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To immediate family members with Committee approval

## **7. CHANGE IN CONTROL**

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1. Upon a Change in Control:

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Unvested options accelerate and become fully vested

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Committee may provide for option assumption or substitution

- - 7 -

Cash-out of outstanding options at transaction price

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2. "Change in Control" means:

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Sale of all/substantially all Company assets

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Merger resulting in over 50% change in ownership

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Acquisition of more than 50% of voting power

## **8. ADJUSTMENTS**

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1. The Committee shall make appropriate adjustments to:

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Number of shares reserved

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Option exercise prices

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Individual grant limits

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2. Adjustments shall be made for:

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Stock splits

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Recapitalizations

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Similar corporate events

## **9. AMENDMENT AND TERMINATION**

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1. The Board may amend or terminate the Plan at any time, provided that:

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No amendment shall impair existing option rights

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Certain amendments require stockholder approval

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Plan termination shall not affect outstanding options

## **10. TAX MATTERS**

- - 10 -

1. Options may be granted as:

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Incentive Stock Options (ISOs) qualifying under IRC Section 422

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Non-qualified Stock Options (NSOs)

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2. Participants are responsible for all tax obligations

## **11. LEGAL COMPLIANCE**

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1. The Plan shall comply with:

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Securities laws

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Stock exchange requirements

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Internal Revenue Code

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Other applicable regulations

## **DISCLAIMER**

This summary is for informational purposes only and does not constitute legal or tax advice. Participants should consult their own advisors regarding their personal situations. The Company reserves the right to modify or terminate the Plan at any time.

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