

PAYMENT SCHEDULE AGREEMENT

Polar Storage Systems Integration Project

Agreement No.: PSS-2023-1544

THIS PAYMENT SCHEDULE 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 2850 Arctic Circle Drive, Cambridge, MA 02142 ("PDR" or the "Company")

and

Polar Storage Systems, LLC, a Minnesota limited liability company with its principal place of business at 4501 Coldstream Way, Minneapolis, MN 55403 ("Customer")

1. DEFINITIONS

1. "Deployment Phase" means each distinct stage of AMR system implementation as defined in Exhibit A of the Master Services Agreement dated December 1, 2023.
2. "IceNav System" means PDR's proprietary cold-environment navigation and control software platform.
3. "Equipment" means the ruggedized autonomous mobile robots and associated hardware components specified in the Purchase Order (PO# PSS-23-892).

2. PAYMENT STRUCTURE

1. ****Total Contract Value****: \$4,875,000 USD
2. ****Payment Terms****: Net 30 from invoice date
3. ****Payment Method****: Wire transfer to Company's designated account

3. MILESTONE PAYMENT SCHEDULE

1. ****Initial Payment**** (Due upon contract execution)
 - Amount: \$975,000 USD (20% of total contract value)
 - Deliverables: Project initiation and engineering assessment

2. ****Equipment Delivery**** (Due upon shipment)

- Amount: \$1,462,500 USD (30% of total contract value)
- Deliverables: Delivery of 12 AMR units and base station hardware

3. ****Installation & Configuration**** (Due upon completion)

- Amount: \$975,000 USD (20% of total contract value)
- Deliverables: Physical installation and IceNav system configuration

4. ****System Integration**** (Due upon testing completion)

- Amount: \$731,250 USD (15% of total contract value)
- Deliverables: Integration with Customer's WMS and successful testing

5. ****Final Acceptance**** (Due upon sign-off)

- Amount: \$731,250 USD (15% of total contract value)
- Deliverables: System acceptance and handover documentation

4. PERFORMANCE CRITERIA

1. Each milestone payment is contingent upon satisfactory completion of the associated deliverables as determined by Customer's designated project manager.
2. Acceptance criteria for each milestone are detailed in Exhibit B of the Master Services Agreement.
3. PDR shall provide written notification of milestone completion, triggering the payment obligation timeline.

5. ADJUSTMENTS AND MODIFICATIONS

1. Any modifications to this payment schedule must be agreed upon in writing by both parties.
2. Change orders affecting project scope may result in proportional adjustments to remaining milestone payments.
3. Delays not attributable to PDR shall not affect payment obligations for completed milestones.

6. LATE PAYMENT PROVISIONS

1. Payments received after the due date shall accrue interest at 1.5% per month.

2. PDR reserves the right to suspend services if payments remain outstanding for more than 60 days.

7. WARRANTY AND SUPPORT

1. Final milestone payment does not affect warranty obligations as specified in the Master Services Agreement.

2. Annual support and maintenance fees commence upon final acceptance and are billed separately.

8. GENERAL PROVISIONS

1. This Agreement is governed by the laws of the State of Delaware.

2. All amounts are stated in United States Dollars.

3. This Agreement constitutes the complete understanding between the parties regarding payment terms.

IN WITNESS WHEREOF, the parties have executed this Payment Schedule Agreement as of the Effective Date.

POLAR DYNAMICS ROBOTICS, INC.

By:

Name: Katherine Wells

Title: Chief Financial Officer

Date:

POLAR STORAGE SYSTEMS, LLC

By:

Name:

Title:

Date:

EXHIBIT A

[Payment Instructions and Banking Details]

Bank Name: First National Bank of Boston

Account Name: Polar Dynamics Robotics, Inc.

Account Number: XXXXXXXX789

Routing Number: XXXXXXXX456

SWIFT Code: FNBBUSXX