

# LIABILITY COVERAGE AGREEMENT - AUTOMATED SYSTEMS

## LIABILITY COVERAGE AGREEMENT - AUTO

THIS LIABILITY COVERAGE AGREEMENT (the "Agreement") is made this 15th day of January, 2024 (the "Effective Date"), by Polar Dynamics Robotics, a Delaware corporation, with its principal place of business at 2100 Arcturion Drive, Suite 400, Dover, Delaware 19901 ("Company").

### RECITALS

WHEREAS, the Company develops, manufactures, and deploys autonomous robots featuring its proprietary BlueCore(TM) technology for use in ex-

environments ("Automated Systems");

WHEREAS, the Company wishes to establish comprehensive liability coverage for the operation of its Automated Systems in customer facilities;

NOW, THEREFORE, the Company hereby establishes the following terms and conditions regarding liability coverage for its Automated Systems:

## 1. DEFINITIONS

1 "Automated System" means any autonomous mobile robot manufactured by the Company.

2 "Covered Incident" means any occurrence involving an Automated System while operating within the Specified Operating Parameters.

3 "Customer Facility" means any facility where Automated Systems are being operated.

4 "Specified Operating Parameters" means the environmental and operational conditions set forth in the Company's Automated System User Manual.

## **2. COVERAGE SCOPE**

1 The Company shall maintain commercial general liability insurance

2 Coverage extends to:

(a) Physical damage to Customer Facility infrastructure

(b) Damage to inventory or materials being transported

(c) Bodily injury to Customer Facility personnel

(d) Business interruption losses directly attributable to Automated System malfunction

3 Coverage is limited to incidents occurring during normal operation with

## **3. EXCLUSIONS**

1 Coverage explicitly excludes:

- (a) Damage resulting from operation outside Specified Operating Parameters
- (b) Unauthorized modifications to Automated Systems
- (c) Improper maintenance or failure to follow prescribed maintenance
- (d) Operator error or negligence
- (e) Force majeure events
- (f) Cyber security incidents or data breaches
- (g) Consequential or indirect damages

## **4. CLAIMS PROCEDURE**

1 Notice Requirements

- (a) Written notice of any Covered Incident must be provided within 48 hours
- (b) Notice shall include detailed description, witness statements, and

photographic evidence

(c) Company must be granted immediate access to incident site and A  
System

## 2 Investigation Process

(a) Company shall commence investigation within 24 hours of notice

(b) Customer shall preserve all relevant evidence and data logs

(c) Company may engage third-party experts as needed

## 3 Claims Resolution

(a) Company shall respond to claims within 30 days of completed investigation

(b) Valid claims shall be settled within 60 days of acceptance

(c) Disputed claims shall be subject to mandatory mediation

# 5. RISK MITIGATION REQUIREMENTS

## 1 Customer Obligations

- (a) Maintain specified safety protocols and procedures
- (b) Provide proper training to all personnel
- (c) Maintain facility conditions within Specified Operating Parameters
- (d) Allow regular safety audits by Company personnel

## 2 Maintenance Requirements

- (a) Adhere to prescribed maintenance schedule
- (b) Use only Company-approved parts and procedures
- (c) Maintain detailed maintenance records
- (d) Allow periodic system inspections

## **6. TERM AND TERMINATION**

1 This Agreement shall remain in effect for the operational life of each

2 Company may terminate coverage for specific units upon:

(a) Repeated operation outside Specified Operating Parameters

(b) Failure to maintain required safety protocols

(c) Unauthorized modifications

(d) Non-payment of associated service fees

## 7. GENERAL PROVISIONS

1 Governing Law

This Agreement shall be governed by the laws of the State of Delaware

2 Assignment

This Agreement may not be assigned without prior written consent of

### 3 Amendments

This Agreement may be amended only by written instrument executed by the Company.

### 4 Severability

If any provision is held invalid, the remaining provisions shall remain in effect.

## 8. EXECUTION

IN WITNESS WHEREOF, the Company has executed this Agreement on the \_\_\_\_\_ Date.

POLAR DYNAMICS ROBOTICS, INC.

By: \_



Name: ~~Victoria~~ Wells

Title: Chief Financial Officer

Date: January 15, 2024

## SCHEDULE A

### Specified Operating Parameters

[Detailed technical specifications for temperature ranges, humidity levels, air quality, floor conditions, lighting requirements, and other operational parameters are incorporated by reference]

