

RELATED PARTY TRANSACTION POLICY

Polar Dynamics Robotics, Inc.

Effective Date: January 15, 2024

Policy No. GOV-2024-003

1. PURPOSE AND SCOPE

1. This Related Party Transaction Policy (the "Policy") establishes procedures for the review, approval, and oversight of transactions between Polar Dynamics Robotics, Inc. (the "Company") and Related Parties (as defined below).

2. This Policy is designed to ensure compliance with applicable laws and regulations, including Delaware General Corporation Law and Securities Exchange Act requirements, while promoting transparency and protecting the Company's interests.

2. DEFINITIONS

1. "Related Party" means:

- (a) Any director, officer, or person holding 5% or more of the Company's voting securities;
- (b) Any immediate family member of the persons identified in (a);
- (c) Any entity in which any person described in (a) or (b) has a material financial interest or holds a management position;
- (d) Any entity controlled by the Company that is not consolidated for financial reporting purposes.

2. "Related Party Transaction" means any transaction, arrangement, or relationship (including any indebtedness or guarantee) in which:

- (a) The aggregate amount involved exceeds \$120,000 in any fiscal year;
- (b) The Company is a participant; and
- (c) Any Related Party has or will have a direct or indirect material interest.

3. REVIEW AND APPROVAL PROCEDURES

1. Identification and Disclosure

(a) Each director and executive officer shall promptly notify the Chief Financial Officer of any potential Related Party Transaction.

(b) The CFO shall maintain a database of all identified Related Parties and review proposed transactions against this database.

2. Review Process

(a) The Audit Committee shall review all Related Party Transactions.

(b) The review shall consider:

(i) Business rationale and benefits to the Company

(ii) Terms and conditions compared to market standards

(iii) Potential conflicts of interest

(iv) Impact on director independence

(v) Disclosure requirements

3. Approval Requirements

(a) Related Party Transactions require prior approval by the Audit Committee.

(b) Transactions exceeding \$1,000,000 additionally require Board approval.

(c) The interested Related Party shall recuse themselves from voting.

4. STANDING PRE-APPROVAL FOR CERTAIN TRANSACTIONS

1. The following transactions are pre-approved under this Policy:

(a) Executive compensation approved by the Compensation Committee

(b) Director compensation approved by the Board

(c) Transactions available to all employees generally

(d) Transactions involving less than \$120,000 annually

5. DISCLOSURE AND REPORTING

1. The Company shall disclose all Related Party Transactions as required by:

(a) SEC rules and regulations

(b) GAAP requirements

(c) Stock exchange listing standards

2. The CFO shall maintain documentation of:

(a) All Related Party Transactions

(b) The review and approval process

- (c) Any material deliberations
- (d) Rationale for approvals or rejections

6. POLICY COMPLIANCE AND VIOLATIONS

1. The Audit Committee shall monitor compliance with this Policy.
2. Violations may result in:
 - (a) Disciplinary action up to termination
 - (b) Rescission of the transaction
 - (c) Legal remedies as appropriate

7. POLICY REVIEW AND AMENDMENTS

1. The Audit Committee shall review this Policy annually.
2. Amendments require approval by the Board of Directors.

8. EFFECTIVE DATE AND IMPLEMENTATION

1. This Policy is effective immediately upon approval.
2. The CFO shall implement appropriate procedures and controls to effectuate this Policy.

APPROVED BY THE BOARD OF DIRECTORS

POLAR DYNAMICS ROBOTICS, INC.

By:

Katherine Wells

Chief Financial Officer

Date: January 15, 2024

By:

Dr. Elena Frost

Chief Executive Officer

Date: January 15, 2024