

# **2023 EMPLOYEE STOCK OPTION PLAN**

## **POLAR DYNAMICS ROBOTICS, INC.**

**Adopted by the Board of Directors: March 15, 2023**

**Approved by the Stockholders: April 1, 2023**

### **1. PURPOSE**

The purpose of this 2023 Employee Stock Option Plan (the "Plan") is to advance the interests of Polar Dynamics Robotics, Inc. (the "Company") by providing eligible employees with the opportunity to acquire an ownership interest in the Company through the grant of stock options, thereby encouraging their commitment to the Company's long-term success and growth.

### **2. DEFINITIONS**

1. "Board" means the Board of Directors of the Company.
2. "Committee" means the Compensation Committee of the Board.
3. "Common Stock" means the Company's Common Stock, par value \$0.001 per share.
4. "Fair Market Value" means, as of any date, the value of Common Stock determined by the Board in compliance with Section 409A of the Internal Revenue Code.
5. "Option" means a stock option granted pursuant to the Plan.
6. "Participant" means an employee who holds an outstanding Option.

### **3. ADMINISTRATION**

1. The Plan shall be administered by the Committee, which shall have full power to:
  - (a) Select employees to receive Options
  - (b) Determine the terms and conditions of Options
  - (c) Interpret the Plan and Option agreements
  - (d) Adopt rules for Plan administration
2. All decisions by the Committee shall be final and binding on all parties.

#### **4. STOCK SUBJECT TO PLAN**

1. Subject to adjustment under Section 8, the maximum aggregate number of shares issuable under the Plan shall be 2,500,000 shares of Common Stock.
2. Shares issued under the Plan may consist of authorized but unissued shares or treasury shares.

#### **5. ELIGIBILITY AND PARTICIPATION**

1. All full-time employees of the Company and its subsidiaries are eligible to receive Options under the Plan.
2. Consultants and non-employee directors are not eligible to participate.

#### **6. TERMS OF OPTIONS**

##### **1. Exercise Price**

The exercise price per share for Options shall not be less than 100% of Fair Market Value on the date of grant.

##### **2. Vesting Schedule**

Unless otherwise determined by the Committee, Options shall vest over four years with 25% vesting on the first anniversary of the grant date and the remainder vesting in equal monthly installments thereafter.

##### **3. Term**

Options shall expire on the tenth anniversary of the grant date, unless terminated earlier under Section 7.

##### **4. Exercise Method**

Options may be exercised by written notice accompanied by payment of the exercise price in cash, shares, or other methods approved by the Committee.

#### **7. TERMINATION OF EMPLOYMENT**

##### **1. Resignation or Termination for Cause**

All unvested Options terminate immediately. Vested Options must be exercised within 30 days.

##### **2. Termination Without Cause**

Unvested Options continue vesting for 3 months. Vested Options must be exercised within 90 days.

### 3. Death or Disability

All unvested Options vest immediately. Exercise period extends to 12 months.

## 8. ADJUSTMENTS

1. In the event of any stock split, reverse stock split, stock dividend, reorganization, merger, consolidation, spin-off, combination, repurchase, or share exchange, or other similar corporate transaction or event affecting the Common Stock, the Committee shall make appropriate adjustments to:

- (a) The number and kind of shares available for issuance under the Plan
- (b) The number and kind of shares subject to outstanding Options
- (c) The exercise price of outstanding Options

## 9. AMENDMENT AND TERMINATION

1. The Board may amend, suspend, or terminate the Plan at any time, provided that no amendment shall materially impair the rights under any outstanding Option without the Participant's consent.

## 10. GENERAL PROVISIONS

### 1. Compliance with Laws

The Company shall not be required to issue shares upon exercise of Options if such issuance would violate applicable securities laws.

### 2. No Employment Rights

Neither the Plan nor any Option shall confer upon any Participant any right to continued employment.

### 3. Governing Law

The Plan shall be governed by Delaware law without regard to conflicts of law principles.

## 11. EFFECTIVE DATE

This Plan shall become effective upon adoption by the Board and approval by the Company's stockholders. Unless earlier terminated, the Plan shall continue in effect for ten years from the

effective date.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officer as of the date first above written.

POLAR DYNAMICS ROBOTICS, INC.

**By: \_**

Katherine Wells

Chief Financial Officer

ATTEST:

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Corporate Secretary