

# EMPLOYMENT AGREEMENT

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This Employment Agreement ("Agreement") is entered into as of February 1, 2026 (the "Start Date"), by and between:

Employer: CloudScale Systems Inc., a Delaware corporation, with its principal place of business at 3500 Deer Creek Road, Palo Alto, CA 94304 ("Company")

Employee: James Patrick Morrison, residing at 1425 Oak Avenue, Apt 204, Mountain View, CA 94040 ("Employee")

## RECITALS

WHEREAS, the Company desires to employ the Employee, and the Employee desires to be employed by the Company, on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein, the parties agree as follows:

## 1. POSITION AND DUTIES

1.1 The Company hereby employs the Employee as Senior Software Engineer, reporting to the VP of Engineering.

1.2 The Employee shall perform such duties as are customarily associated with the position, including but not limited to:

- (a) Designing, developing, and maintaining scalable cloud infrastructure and microservices;
- (b) Leading technical architecture decisions for assigned projects;
- (c) Mentoring junior engineers and conducting code reviews;
- (d) Participating in on-call rotation for production systems;
- (e) Contributing to technical roadmap planning and sprint execution.

1.3 The Employee agrees to devote full-time professional efforts to the Company and shall not engage in any other employment, consulting, or business activity without the Company's prior written consent.

## 2. COMPENSATION AND BENEFITS

2.1 Base Salary. The Company shall pay the Employee an annual base salary of \$195,000.00 USD, payable in accordance with the Company's regular payroll schedule, less applicable withholdings and deductions.

2.2 Annual Bonus. The Employee shall be eligible for an annual performance bonus of up to 20% of the base salary, based on individual and company performance metrics as determined by the Company in its sole discretion.

2.3 Equity Compensation. Subject to Board approval, the Employee shall be granted an option to purchase 15,000 shares of the Company's common stock at fair market value on the date of grant. The options shall vest over four (4) years with a one (1) year cliff, subject to continued employment.

2.4 Benefits. The Employee shall be eligible to participate in the Company's standard employee benefit programs, including:

- (a) Health, dental, and vision insurance (Company pays 90% of premiums for employee plus dependents);
- (b) 401(k) retirement plan with 4% Company match;
- (c) Twenty (20) days of paid time off per calendar year;

- (d) Ten (10) paid holidays per year;
- (e) \$5,000 annual professional development allowance;
- (f) Monthly wellness stipend of \$150.

2.5 Relocation. Not applicable.

### **3. AT-WILL EMPLOYMENT**

3.1 The Employee's employment with the Company is at-will, meaning either party may terminate the employment relationship at any time, with or without cause, and with or without notice.

3.2 Notwithstanding the at-will nature of employment, the Company agrees to provide the following severance benefits if the Employee's employment is terminated by the Company without Cause (as defined below):

- (a) Six (6) months of continued base salary payments;
- (b) Payment of COBRA premiums for six (6) months;
- (c) Acceleration of vesting of equity awards that would have vested in the six (6) months following termination.

3.3 "Cause" means: (a) conviction of a felony; (b) willful misconduct or gross negligence in performance of duties; (c) material breach of this Agreement or Company policies; (d) fraud or dishonesty affecting the Company; or (e) continued failure to perform duties after written notice and a 30-day cure period.

### **4. CONFIDENTIALITY**

4.1 The Employee acknowledges that during employment, the Employee will have access to and may develop Confidential Information. The Employee agrees to hold all Confidential Information in strict confidence during and after employment.

4.2 "Confidential Information" includes all non-public information relating to the Company's business, technology, products, customers, finances, and strategies.

### **5. INTELLECTUAL PROPERTY**

5.1 All inventions, improvements, designs, original works of authorship, formulas, processes, software programs, databases, and trade secrets that the Employee makes, conceives, or first reduces to practice during the Employee's employment, whether or not during working hours, that relate to the Company's business or anticipated business, or that are developed using the Company's resources, shall be the sole and exclusive property of the Company ("Company IP").

5.2 The Employee hereby assigns and agrees to assign to the Company all right, title, and interest in and to any Company IP.

5.3 This Section does not apply to inventions that qualify under California Labor Code Section 2870.

### **6. NON-SOLICITATION**

6.1 During employment and for twelve (12) months after termination, the Employee shall not directly or indirectly:

- (a) Solicit or attempt to solicit any employee or contractor of the Company to leave their engagement with the Company;
- (b) Solicit or attempt to solicit any customer, client, or vendor of the Company with whom the Employee had material contact during the last twelve (12) months of employment.

### **7. NON-COMPETE**

7.1 The Employee acknowledges and agrees that during the term of employment, the Employee will not engage in any business activities that directly compete with the Company's core business of cloud infrastructure services.

7.2 Post-employment non-compete restrictions are not included in this Agreement, in compliance with California Business and Professions Code Section 16600.

## **8. DISPUTE RESOLUTION**

8.1 Any dispute arising from or related to this Agreement shall be resolved through binding arbitration in Santa Clara County, California, administered by JAMS under its Employment Arbitration Rules.

8.2 Each party shall bear its own legal fees unless otherwise required by applicable law.

## **9. GENERAL PROVISIONS**

9.1 This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof.

9.2 This Agreement shall be governed by the laws of the State of California.

9.3 No modification of this Agreement shall be effective unless in writing and signed by both parties.

9.4 If any provision is held unenforceable, the remainder shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CLOUDSCALE SYSTEMS INC.

EMPLOYEE

By: \_\_\_\_\_

Name: Dr. Priya Raghavan

James Patrick Morrison

Title: VP of Engineering

Date: February 1, 2026

Date: February 1, 2026