

SALARY BAND STRUCTURE DOCUMENTATION

DeepShield Systems, Inc.

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1. PURPOSE AND SCOPE

1. This Salary Band Structure Documentation ("Structure") establishes the formal compensation framework for DeepShield Systems, Inc. (the "Company") and applies to all full-time employees across all divisions and departments.

2. This Structure is designed to ensure:

- (a) Competitive market positioning
- (b) Internal equity
- (c) Compliance with applicable employment laws
- (d) Clear career progression pathways
- (e) Retention of key technical talent in the industrial cybersecurity sector

2. DEFINITIONS

- 1. "Salary Band" refers to the prescribed range of base compensation for a specific job level or grade.
- 2. "Midpoint" refers to the targeted market position within each band (50th percentile).
- 3. "Range Spread" refers to the percentage difference between minimum and maximum of each band.
- 4. "Compa-ratio" refers to an employee's actual salary divided by the midpoint of their assigned band.

3. SALARY BAND STRUCTURE

1. Technical Track

- Band T1: Junior Technical Specialist (\$70,000 - \$95,000)
- Band T2: Technical Specialist (\$85,000 - \$120,000)
- Band T3: Senior Technical Specialist (\$110,000 - \$155,000)

- Band T4: Principal Technical Specialist (\$140,000 - \$195,000)
- Band T5: Distinguished Technical Fellow (\$180,000 - \$250,000)

2. Engineering Track

- Band E1: Associate Engineer (\$75,000 - \$100,000)
- Band E2: Engineer (\$90,000 - \$130,000)
- Band E3: Senior Engineer (\$120,000 - \$170,000)
- Band E4: Principal Engineer (\$150,000 - \$210,000)
- Band E5: Distinguished Engineer (\$190,000 - \$265,000)

3. Management Track

- Band M1: Team Lead (\$95,000 - \$135,000)
- Band M2: Manager (\$120,000 - \$170,000)
- Band M3: Senior Manager (\$150,000 - \$210,000)
- Band M4: Director (\$180,000 - \$250,000)
- Band M5: Vice President (\$220,000 - \$320,000)

4. ADMINISTRATION AND GOVERNANCE

1. Band Assignment

- (a) Initial band placement shall be determined by Human Resources in consultation with hiring managers
- (b) Band assignments must be approved by department heads for levels 1-3
- (c) Band assignments for levels 4-5 require Executive Committee approval

2. Annual Review

- (a) Salary bands shall be reviewed annually by the Compensation Committee
- (b) Market adjustments shall be implemented based on industry compensation surveys
- (c) Band adjustments require Board approval if exceeding 10% year-over-year change

3. Exceptions

- (a) Out-of-band compensation requires CEO approval
- (b) Documentation of business justification is required for all exceptions
- (c) Exceptions shall be reviewed bi-annually by the Compensation Committee

5. EQUITY COMPENSATION

1. Stock Option Eligibility

- Bands 1-2: Up to 2,500 options
- Bands 3-4: Up to 7,500 options
- Band 5: Up to 20,000 options

2. Restricted Stock Unit (RSU) Eligibility

- Bands 1-2: Up to \$50,000 value
- Bands 3-4: Up to \$150,000 value
- Band 5: Up to \$400,000 value

6. COMPLIANCE AND REPORTING

1. The Company shall maintain records of:

- (a) All band assignments and changes
- (b) Compensation decisions and justifications
- (c) Exception approvals and rationales
- (d) Annual review outcomes

2. Quarterly reports shall be generated for:

- (a) Band distribution analysis
- (b) Compa-ratio trending
- (c) Gender and diversity pay equity analysis
- (d) Exception monitoring

7. CONFIDENTIALITY

1. This document contains confidential and proprietary information of DeepShield Systems, Inc. and shall not be disclosed to unauthorized parties.

2. All salary information shall be treated as strictly confidential and shared only on a need-to-know basis.

8. AMENDMENTS

1. This Structure may be amended by the Board of Directors upon recommendation from the Compensation Committee.

2. Material changes shall be communicated to affected employees with reasonable notice.

APPROVED BY:

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Chief Executive Officer

Robert Kessler

Chief Financial Officer

Date: December 15, 2023