

# **COMPENSATION COMMITTEE CHARTER**

**DeepShield Systems, Inc.**

*Effective as of January 15, 2024*

## **I. PURPOSE AND SCOPE**

The Compensation Committee (the "Committee") of the Board of Directors (the "Board") of DeepShield Systems, Inc. (the "Company") is established to discharge the Board's responsibilities relating to compensation of the Company's executive officers and directors. The Committee has overall responsibility for evaluating and approving the Company's compensation plans, policies, and programs, particularly those concerning executive compensation.

## **II. COMPOSITION**

1. The Committee shall consist of at least three (3) members of the Board, each of whom shall:
  - (a) meet the independence requirements of the Securities Exchange Act of 1934;
  - (b) qualify as "non-employee directors" under Rule 16b-3 of the Exchange Act; and
  - (c) meet any additional independence standards established by applicable law or stock exchange rules.
2. Committee members shall be appointed by the Board upon recommendation of the Nominating and Corporate Governance Committee and may be removed by the Board at any time.

## **III. MEETINGS AND PROCEDURES**

1. The Committee shall meet at least quarterly and more frequently as circumstances require.
2. The Committee shall maintain written minutes of its meetings, which shall be filed with the minutes of the Board meetings.
3. The Committee may form subcommittees and delegate authority when appropriate.
4. The Committee shall regularly report to the Board on its discussions and actions.

## **IV. RESPONSIBILITIES AND DUTIES**

1. Executive Compensation

- (a) Review and approve corporate goals relevant to CEO compensation
- (b) Evaluate CEO performance and determine CEO compensation
- (c) Review and approve compensation for all other executive officers
- (d) Review and approve employment agreements, severance arrangements, and change in control provisions for executive officers

## 2. Compensation Programs

- (a) Review and approve the Company's overall compensation strategy
- (b) Administer and periodically review all annual bonus, long-term incentive compensation, stock option, employee pension and welfare benefit plans
- (c) Review and approve all equity compensation plans
- (d) Ensure compensation programs do not encourage unnecessary risk-taking

## 3. Specific to Industrial Cybersecurity Context

- (a) Consider compensation structures that attract and retain specialized cybersecurity talent
- (b) Evaluate industry-specific metrics for performance-based compensation
- (c) Review compensation packages against industrial technology sector benchmarks
- (d) Ensure alignment with the Company's critical infrastructure protection mission

## 4. Compliance and Governance

- (a) Ensure compliance with SEC rules regarding executive compensation disclosure
- (b) Review and discuss Compensation Discussion and Analysis (CD&A) with management
- (c) Produce annual Compensation Committee Report
- (d) Monitor compensation trends and regulatory developments

# **V. RESOURCES AND AUTHORITY**

1. The Committee shall have the authority to retain and terminate any compensation consultant, legal counsel, or other advisor to assist in execution of duties.
2. The Committee shall have sole authority to approve related fees and retention terms.
3. The Company shall provide appropriate funding for payment of reasonable compensation to advisors.

# **VI. ANNUAL EVALUATION**

1. The Committee shall annually review its own performance.
2. The Committee shall review and reassess this Charter annually and recommend any proposed changes to the Board.

## **VII. DISCLOSURE OF CHARTER**

This Charter shall be made available on the Company's website at [www.deepshieldsystems.com](http://www.deepshieldsystems.com).

## **VIII. AMENDMENT**

This Charter may be amended by the Board at any time.

*Adopted by the Board of Directors of DeepShield Systems, Inc. on January 15, 2024*

APPROVED:

Dr. Marcus Chen

Chief Executive Officer

[Name]

Chair, Compensation Committee

[Name]

Secretary of the Board