

CORPORATE GOVERNANCE GUIDELINES

DeepShield Systems, Inc.

As adopted by the Board of Directors on March 15, 2024

1. Introduction and Purpose

These Corporate Governance Guidelines (the "Guidelines") have been adopted by the Board of Directors (the "Board") of DeepShield Systems, Inc. (the "Company") to assist the Board in the exercise of its responsibilities and to serve the interests of the Company and its stockholders. These Guidelines should be interpreted in the context of all applicable laws, the Company's certificate of incorporation, bylaws, and other corporate governance documents.

2. Board Composition and Director Qualifications

2.1 Size of the Board

The Board shall consist of such number of directors as determined by the Board from time to time, consistent with the Company's bylaws. The Board currently consists of seven (7) members and believes this size is appropriate given the Company's current stage and operational complexity.

2.2 Independence Requirements

A majority of the Board shall consist of directors who meet the criteria for independence established by the Nasdaq Stock Market and applicable securities laws. The Board shall review annually the relationships that each director has with the Company to determine independence.

2.3 Director Qualifications

The Nominating and Corporate Governance Committee shall be responsible for reviewing the qualifications of potential director candidates and recommending to the Board those candidates to be nominated for Board membership. Candidates shall be selected for their:

- Experience in industrial cybersecurity, critical infrastructure protection, or related fields
- Leadership experience in technology companies
- Financial and operational expertise
- Independence of thought and judgment
- Ability to devote sufficient time to Board duties

3. Board Leadership Structure

3.1 Chairman of the Board

The Board shall select its Chairman in the manner it determines to be in the best interests of the Company. The Chairman may be an independent director or the Chief Executive Officer, as determined by the Board.

3.2 Lead Independent Director

If the Chairman is not an independent director, the independent directors shall select a Lead Independent Director who shall have the duties and responsibilities set forth in these Guidelines.

4. Board Meetings and Procedures

4.1 Frequency of Meetings

The Board shall hold at least four (4) regularly scheduled meetings each year. Additional meetings may be called as necessary to address specific needs of the Company.

4.2 Strategic Planning

The Board shall hold an annual strategic planning session to review and approve the Company's long-term strategic plan, with particular focus on cybersecurity trends, technological developments, and market opportunities in the industrial control system security sector.

4.3 Executive Sessions

Independent directors shall meet in executive session without management present at least quarterly.

5. Board Committees

5.1 Standing Committees

The Board shall maintain the following standing committees:

- Audit Committee
- Compensation Committee
- Nominating and Corporate Governance Committee
- Technology and Cybersecurity Committee

5.2 Committee Composition

Each committee shall consist of at least three directors. The Audit, Compensation, and Nominating and Corporate Governance Committees shall be composed entirely of independent directors.

6. Director Responsibilities

6.1 Basic Responsibilities

Directors must exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its stockholders. Directors are expected to:

- Attend and participate in Board and committee meetings
- Review meeting materials in advance
- Maintain confidentiality of Company information
- Disclose potential conflicts of interest
- Stay informed about the Company's business and operations

6.2 Cybersecurity Oversight

Given the Company's focus on industrial cybersecurity, directors shall maintain current knowledge of cybersecurity threats, regulatory requirements, and industry best practices affecting critical infrastructure protection.

7. Director Access to Management and Independent Advisors

7.1 Access to Management

Directors shall have full access to the Company's senior management. Executive officers and other members of senior management are expected to attend Board meetings at the Board's request.

7.2 Independent Advisors

The Board and each committee shall have the authority to retain independent legal, financial, or other advisors as they deem necessary.

8. Director Compensation

The Compensation Committee shall review and recommend to the Board the form and amount of director compensation, including cash, equity-based awards, and other compensation. Directors who are Company employees shall not receive additional compensation for Board service.

9. Director Orientation and Continuing Education

9.1 New Director Orientation

New directors shall participate in an orientation program to familiarize them with the Company's

business, strategic plans, operations, and corporate governance practices.

9.2 Continuing Education

Directors are encouraged to participate in continuing education programs focused on corporate governance, cybersecurity, and other relevant topics.

10. Annual Performance Evaluation

The Board shall conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee shall oversee this evaluation process.

11. Amendment and Review

These Guidelines shall be reviewed annually by the Nominating and Corporate Governance Committee, which shall recommend any proposed changes to the Board. The Board may amend these Guidelines from time to time as it deems necessary or appropriate.

Adopted: March 15, 2024

Last Amended: March 15, 2024