

# **SERIES C RIGHT OF FIRST REFUSAL AGREEMENT**

THIS SERIES C RIGHT OF FIRST REFUSAL AGREEMENT (this "Agreement") is made and entered into as of January 15, 2024 (the "Effective Date"), by and among DEEPSHIELD SYSTEMS, INC., a Delaware corporation (the "Company"), and the holders of Series C Preferred Stock listed on Exhibit A hereto (each, a "Series C Holder" and collectively, the "Series C Holders").

## **RECITALS**

WHEREAS, the Company has authorized the sale and issuance of up to 12,500,000 shares of its Series C Preferred Stock (the "Series C Preferred");

WHEREAS, pursuant to that certain Series C Preferred Stock Purchase Agreement dated January 15, 2024 (the "Purchase Agreement"), the Series C Holders have agreed to purchase shares of Series C Preferred; and

WHEREAS, as a condition to the Series C Holders' investment, the Company has agreed to provide certain rights of first refusal with respect to future sales of the Company's securities.

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

## **1. DEFINITIONS**

1 "New Securities" means any capital stock of the Company whether now authorized or not, and rights, options or warrants to purchase such capital stock, and securities of any type whatsoever that are, or may become, convertible into capital stock; provided, however, that "New Securities" does not include:

- (a) securities issued pursuant to the acquisition of another corporation by the Company;
- (b) shares of Common Stock issued or issuable to employees, directors, consultants and other service providers pursuant to stock option plans or agreements approved by the Board of Directors;
- (c) securities issued pursuant to any equipment leasing arrangement or debt financing from a bank or similar financial institution; or
- (d) securities issued in connection with strategic partnerships or joint ventures approved by the Board of Directors.

## **2. RIGHT OF FIRST REFUSAL**

1 Right of First Refusal. Subject to the terms and conditions specified in this Section 2, the Company hereby grants to each Series C Holder a right of first refusal to purchase its pro rata share of any New Securities that the Company may, from time to time, propose to sell and issue.

2 Pro Rata Share. Each Series C Holder's pro rata share shall be equal to the ratio of (a) the number of shares of Series C Preferred held by such Series C Holder, to (b) the total number of shares of Series C Preferred then outstanding.

3 Notice. In the event the Company proposes to undertake an issuance of New Securities, it shall give each Series C Holder written notice of its intention (the "Notice"), describing the type of New Securities, the price, and the general terms upon which the Company proposes to issue the same. Each Series C Holder shall have twenty (20) days from the date of receipt of the Notice to agree to purchase up to its pro rata share of such New Securities for the price and upon the terms specified in the Notice by giving written notice to the Company indicating the quantity of New Securities to be purchased.

## **3. EXERCISE OF RIGHTS**

1 Exercise Period. The Series C Holders shall have twenty (20) days from the date of the Notice (the "Exercise Period") to exercise their rights hereunder by giving written notice to the Company stating the quantity of New Securities to be purchased.

2 Failure to Exercise. In the event any Series C Holder fails to exercise in full its right of first refusal within the Exercise Period, the Company shall have ninety (90) days thereafter to sell the New Securities with respect to which the Series C Holders' rights were not exercised, at a price and upon terms no more favorable to the purchasers thereof than specified in the Notice.

## **4. TERMINATION**

1 This Agreement shall terminate upon the earlier of:

(a) the closing of a Qualified IPO (as defined in the Company's Certificate of Incorporation);

(b) the consummation of a Deemed Liquidation Event (as defined in the Company's Certificate of Incorporation); or

(c) the written consent of Series C Holders holding at least 66 % of the then-outstanding shares of

Series C Preferred.

## **5. MISCELLANEOUS**

1 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto.

2 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware without regard to principles of conflicts of law.

3 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

5 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt.

IN WITNESS WHEREOF, the parties have executed this Series C Right of First Refusal Agreement as of the date first written above.

COMPANY:

DEEPSHIELD SYSTEMS, INC.

**By:** \_

Name: Dr. Marcus Chen

Title: Chief Executive Officer

SERIES C HOLDERS:

[Signature pages for Series C Holders to follow]

EXHIBIT A

Schedule of Series C Holders

[List of Series C Holders with share amounts to be attached]