

RELATED PARTY TRANSACTION POLICY

DeepShield Systems, Inc.

Effective Date: January 15, 2024

1. PURPOSE AND SCOPE

1. This Related Party Transaction Policy (the "Policy") establishes the framework for identifying, reviewing, approving and disclosing transactions between DeepShield Systems, Inc. (the "Company") and Related Parties (as defined below).

2. This Policy is designed to ensure compliance with applicable securities laws, Delaware corporate law, and stock exchange listing requirements, while promoting transparency and fairness in the Company's dealings with Related Parties.

2. DEFINITIONS

1. "Related Party" means:

- (a) Any director, officer, or nominee for director of the Company;
- (b) Any person known to be the beneficial owner of more than 5% of the Company's voting securities;
- (c) Any immediate family member of any person listed in (a) or (b) above;
- (d) Any entity in which any person listed in (a), (b), or (c) has a material financial interest or serves as an officer or partner.

2. "Related Party Transaction" means any transaction, arrangement, or relationship (including any indebtedness or guarantee) in which:

- (a) The aggregate amount involved exceeds \$120,000;
- (b) The Company is a participant; and
- (c) Any Related Party has or will have a direct or indirect material interest.

3. REVIEW AND APPROVAL PROCEDURES

1. Identification and Disclosure

- (a) Each director and executive officer shall promptly notify the Chief Financial Officer of any potential Related Party Transaction.

(b) The CFO shall maintain a database of all Related Parties and review proposed transactions against this database.

2. Audit Committee Review

(a) All potential Related Party Transactions must be presented to the Audit Committee for review and approval.

(b) The Committee shall consider:

(i) The business purpose and commercial reasonableness

(ii) Terms compared to arm's-length transactions

(iii) Conflicts of interest and appearance of impropriety

(iv) Impact on director independence

(v) Materiality to the Company and the Related Party

3. Board Approval

(a) Transactions requiring Board approval under Delaware law shall be submitted to the full Board.

(b) Interested directors shall recuse themselves from voting.

4. STANDING PRE-APPROVAL FOR CERTAIN TRANSACTIONS

1. The following transactions shall be deemed pre-approved:

(a) Executive officer compensation approved by the Compensation Committee

(b) Director compensation arrangements

(c) Transactions involving competitive bids

(d) Regulated transactions with standard terms

(e) Transactions where all shareholders receive proportional benefits

5. DISCLOSURE AND REPORTING

1. SEC Filings

(a) All Related Party Transactions shall be disclosed in the Company's applicable SEC filings as required by securities laws.

(b) Disclosure shall include material terms, Related Party's interest, and approval process.

2. Internal Reporting

(a) The CFO shall maintain a log of all Related Party Transactions.

(b) Quarterly reports shall be provided to the Audit Committee.

6. COMPLIANCE AND ENFORCEMENT

1. Annual Review

(a) The Audit Committee shall review this Policy annually.

(b) Directors and officers shall complete annual questionnaires identifying Related Party relationships.

2. Violations

(a) Violations may result in disciplinary action up to termination.

(b) The Company reserves all rights and remedies under applicable law.

7. AMENDMENTS

1. This Policy may be amended by the Board of Directors upon recommendation of the Audit Committee.

8. EFFECTIVE DATE AND ADOPTION

1. This Policy was adopted by the Board of Directors on January 15, 2024.

APPROVED:

Dr. Marcus Chen

Chief Executive Officer

Robert Kessler

Chief Financial Officer

Chair, Audit Committee