

# DELEGATION OF AUTHORITY MATRIX

**DeepShield Systems, Inc.**

*Effective Date: January 1, 2024*

## 1. PURPOSE AND SCOPE

1. This Delegation of Authority Matrix ("Matrix") establishes the framework for delegating decision-making authority within DeepShield Systems, Inc. (the "Company") and defines approval requirements for various business activities and transactions.
2. This Matrix applies to all employees, officers, and directors of the Company and its subsidiaries.

## 2. GENERAL PRINCIPLES

1. All delegations must be exercised in accordance with:
  - a) Applicable laws and regulations
  - b) Company's Certificate of Incorporation and Bylaws
  - c) Board resolutions and corporate policies
  - d) Annual operating and capital budgets
  - e) Contractual obligations
2. Delegated authorities may not be sub-delegated unless explicitly permitted.

## 3. BOARD RESERVED MATTERS

1. The following matters require Board of Directors approval:
  - a) Annual strategic plan and budget
  - b) Capital expenditures exceeding \$2,000,000
  - c) Mergers, acquisitions, and divestitures
  - d) Equity issuances and stock-based compensation plans
  - e) Executive officer appointments and compensation
  - f) Material litigation settlements exceeding \$1,000,000
  - g) Major cybersecurity infrastructure investments exceeding \$5,000,000

## 4. EXECUTIVE AUTHORITY LEVELS

#### 1. Chief Executive Officer

- Strategic partnerships: Up to \$5,000,000
- Capital expenditures: Up to \$2,000,000
- Operating expenses: Up to \$1,000,000
- Employment offers: VP level and above
- Customer contracts: Up to \$10,000,000 annually

#### 2. Chief Financial Officer

- Banking relationships and cash management
- Capital expenditures: Up to \$500,000
- Operating expenses: Up to \$250,000
- Treasury operations
- Tax matters

#### 3. Chief Technology Officer

- Technology infrastructure: Up to \$1,000,000
- R&D investments: Up to \$750,000
- Technical hiring: Director level and below
- IP strategy implementation

### **5. DEPARTMENTAL AUTHORITY**

#### 1. Sales and Business Development

- VP, Sales: Contracts up to \$2,000,000 annually
- Regional Directors: Contracts up to \$500,000 annually
- Standard pricing deviations: Up to 15%

#### 2. Engineering and Product Development

- VP, Engineering: Development projects up to \$500,000
- Product Directors: Projects up to \$250,000
- Technical vendor selection: Up to \$100,000

#### 3. Operations

- VP, Operations: Facility agreements up to \$500,000

- Security infrastructure: Up to \$250,000
- Vendor agreements: Up to \$200,000

## **6. FINANCIAL CONTROLS**

### **1. Payment Authorization**

- Over \$500,000: Two executive signatures required
- \$100,000 - \$500,000: One executive signature
- \$25,000 - \$100,000: Department VP
- Under \$25,000: Department Director

### **2. Contract Execution**

- All contracts must be reviewed by Legal Department
- Contracts over \$1,000,000 require CEO signature
- Standard templates may be executed per Section 5

## **7. COMPLIANCE AND REPORTING**

### **1. All delegated authorities must maintain records of:**

- Decisions made under delegated authority
- Supporting documentation and approvals
- Compliance with internal controls
- Quarterly reporting to executive team

### **2. Internal Audit shall review compliance annually.**

## **8. AMENDMENTS AND REVIEWS**

1. This Matrix shall be reviewed annually by the Board.
2. Amendments require Board approval and written notice to affected parties.

## **9. EFFECTIVE DATE AND APPROVAL**

This Delegation of Authority Matrix has been approved by the Board of Directors of DeepShield Systems, Inc. on December 15, 2023, to be effective as of January 1, 2024.

APPROVED:

Dr. Marcus Chen

Chief Executive Officer

Robert Kessler

Chief Financial Officer

[Name]

Chairman of the Board