

ANNUAL PERFORMANCE REVIEW GUIDELINES

DeepShield Systems, Inc.

Effective Date: January 1, 2024

Document Version: 2.0

1. PURPOSE AND SCOPE

1. These Annual Performance Review Guidelines ("Guidelines") establish the framework and procedures for conducting performance evaluations of all employees of DeepShield Systems, Inc. (the "Company").
2. These Guidelines apply to all full-time and part-time employees who have completed at least three (3) months of continuous employment with the Company.

2. DEFINITIONS

1. "Performance Review Period" means the twelve (12) month period from January 1 to December 31 of each calendar year.
2. "Reviewer" means the immediate supervisor or manager responsible for conducting the performance evaluation.
3. "Reviewee" means the employee being evaluated.

3. REVIEW SCHEDULE AND FREQUENCY

1. Annual Reviews shall be conducted between January 15 and February 28 of each year for the preceding Performance Review Period.
2. New employees hired after October 1 may have their first review delayed until the following review cycle.
3. Additional interim reviews may be conducted at management's discretion for employees on performance improvement plans or in specialized circumstances.

4. EVALUATION CRITERIA

1. Technical Competencies

- Cybersecurity expertise and knowledge
- Industrial control systems understanding
- Programming and development skills
- System architecture and design capabilities
- Technical documentation and communication

2. Core Competencies

- Problem-solving and analytical thinking
- Innovation and creativity
- Communication and collaboration
- Project management
- Client relationship management

3. Leadership Competencies (where applicable)

- Team management and development
- Strategic planning and execution
- Decision-making capabilities
- Resource allocation and optimization
- Risk management

5. REVIEW PROCESS

1. Pre-Review Requirements

- a) Reviewers must complete mandatory performance evaluation training
- b) HR shall distribute review forms and guidelines 30 days prior to review period
- c) Employees must complete self-evaluation forms
- d) Reviewers must gather peer feedback where applicable

2. Review Meeting Requirements

- a) Minimum 60-minute duration
- b) Private, confidential setting
- c) Documentation of discussion points
- d) Goal-setting for upcoming period

e) Development plan creation

3. Post-Review Requirements

- a) Signed acknowledgment by both parties
- b) Submission to HR within 5 business days
- c) Integration with compensation review process
- d) Creation of development action plans

6. RATING SCALE

1. Performance shall be evaluated using the following five-point scale:

- Exceptional (5): Consistently exceeds all expectations
- Exceeds Expectations (4): Surpasses most requirements
- Meets Expectations (3): Fulfills all job requirements
- Needs Improvement (2): Falls short of some requirements
- Unsatisfactory (1): Fails to meet basic job requirements

7. COMPENSATION LINKAGE

1. Performance ratings shall inform, but not solely determine, compensation adjustments.

2. Rating-based compensation guidelines:

- Exceptional: 8-12% increase consideration
- Exceeds Expectations: 5-8% increase consideration
- Meets Expectations: 3-5% increase consideration
- Needs Improvement: 0-2% increase consideration
- Unsatisfactory: No increase

8. CONFIDENTIALITY AND RECORD KEEPING

1. All performance review documentation shall be treated as confidential personnel information.

2. Review records shall be maintained by HR for a minimum of seven (7) years.

3. Access to review documentation shall be limited to:

- a) The employee

- b) Direct supervisor
- c) Department head
- d) HR personnel
- e) Legal counsel as required

9. APPEALS PROCESS

1. Employees may appeal their performance review within 10 business days of receipt.
2. Appeals must be submitted in writing to HR with specific grounds for disagreement.
3. Appeals shall be reviewed by the next-level manager and HR representative.

10. AMENDMENTS AND UPDATES

1. These Guidelines may be modified or updated at any time by the Company's HR department with approval from Legal and Executive Leadership.
2. Material changes shall be communicated to all employees with 30 days' notice.

APPROVAL AND ADOPTION

These Guidelines have been reviewed and approved by:

Robert Kessler

Chief Financial Officer

Date: January 1, 2024

Director of Human Resources

Date: January 1, 2024