

OVERTIME POLICY FOR TECHNICAL STAFF

DeepShield Systems, Inc.

Effective Date: January 1, 2024

Policy Number: HR-2024-OT-001

Version: 2.0

1. PURPOSE AND SCOPE

1. This Overtime Policy ("Policy") establishes guidelines and procedures for overtime work performed by technical staff at DeepShield Systems, Inc. ("Company"), including but not limited to software engineers, security architects, systems analysts, and operational technology specialists.
2. This Policy applies to all non-exempt technical employees as defined under the Fair Labor Standards Act (FLSA) and state labor laws.

2. DEFINITIONS

1. "Overtime" refers to all hours worked in excess of forty (40) hours in a single workweek.
2. "Technical Staff" includes employees in the Engineering, Security Operations, Product Development, and Infrastructure Support departments who are classified as non-exempt.
3. "On-Call Duty" refers to designated periods during which technical staff must be available to respond to critical system alerts, security incidents, or customer emergencies.

3. OVERTIME COMPENSATION

1. Non-exempt technical staff shall receive overtime compensation at a rate of one and one-half (1.5) times their regular hourly rate for all hours worked in excess of forty (40) hours per workweek.
2. Double-time compensation (2.0 times regular hourly rate) applies to:
 - a) Hours worked on Company-designated holidays
 - b) Hours worked in excess of twelve (12) consecutive hours
 - c) Emergency response calls exceeding four (4) hours between 11:00 PM and 5:00 AM

4. OVERTIME AUTHORIZATION

1. All overtime work must receive prior written authorization from:

- a) Immediate supervisor or department manager
- b) VP of Engineering for engineering staff
- c) Chief Security Architect for security operations staff

2. Exceptions to prior authorization requirement:

- a) Critical security incidents requiring immediate response
- b) System outages affecting customer operations
- c) Scheduled maintenance windows outside regular business hours

5. ON-CALL ROTATION AND COMPENSATION

1. Technical staff assigned to on-call rotation shall receive:

- a) Base on-call pay of \$200 per week while on rotation
- b) Minimum two (2) hours of overtime pay for each incident response
- c) Regular overtime rates for actual time worked beyond two hours

2. On-call rotation schedules shall be published at least thirty (30) days in advance.

6. TIME REPORTING AND DOCUMENTATION

1. Technical staff must accurately record all overtime hours using the Company's designated time-tracking system (Workday).

2. Documentation requirements for overtime work:

- a) Detailed description of work performed
- b) Associated project or incident number
- c) Authorization reference
- d) Start and end times for each overtime period

7. COMPENSATORY TIME OFF

1. The Company does not provide compensatory time off in lieu of overtime pay unless specifically required by state law.

8. MEAL AND REST PERIODS

1. Technical staff working overtime must take:
 - a) 30-minute meal break for every 5 consecutive hours worked
 - b) 15-minute rest period for every 4 hours worked
 - c) Additional breaks as required by state law

9. TRAVEL TIME AND TRAINING

1. Overtime compensation for travel time shall be paid when:
 - a) Traveling between customer sites during the workday
 - b) Attending required training outside regular work hours
 - c) Responding to on-site emergency calls

10. COMPLIANCE AND ENFORCEMENT

1. Violation of this Policy may result in disciplinary action, up to and including termination of employment.
2. The Human Resources department shall conduct quarterly audits of overtime records to ensure compliance.

11. POLICY REVIEW AND UPDATES

1. This Policy shall be reviewed annually by the Legal and Human Resources departments.
2. Updates will be communicated to all affected employees with at least thirty (30) days' notice.

12. GOVERNING LAW

1. This Policy shall be governed by and construed in accordance with federal law and the laws of the State of Delaware.

APPROVAL AND EXECUTION

APPROVED AND ADOPTED by DeepShield Systems, Inc. on December 15, 2023.

By:

Robert Kessler

Chief Financial Officer

By:

James Morrison

VP of Engineering

By:

Sarah Martinez

Director of Human Resources