

# **COMPENSATION REVIEW SCHEDULE FY2023**

**DeepShield Systems, Inc.**

**Effective Date: January 1, 2023**

## **1. PURPOSE AND SCOPE**

1. This Compensation Review Schedule ("Schedule") establishes the framework and procedures for conducting compensation reviews for all employees of DeepShield Systems, Inc. (the "Company") during Fiscal Year 2023.

2. This Schedule applies to all full-time and part-time employees, excluding temporary contractors and consultants, across all Company locations and divisions.

## **2. REVIEW CYCLES AND TIMING**

### **1. Primary Review Period**

- Annual reviews conducted: March 1 - March 31, 2023
- Compensation adjustments effective: April 1, 2023
- Performance period evaluated: January 1 - December 31, 2022

### **2. Mid-Year Adjustments**

- Secondary review window: September 1 - September 15, 2023
- Limited to critical retention cases and exceptional performance
- Subject to Executive Committee approval

## **3. COMPENSATION COMPONENTS**

### **1. Base Salary**

- Market alignment within 85-115% of industry benchmarks
- Adjustment ranges: 0-15% for standard performance
- Merit increases based on performance rating matrix
- Geographic differentials applied per approved location bands

### **2. Variable Compensation**

- Annual bonus target: 10-40% of base salary

- Engineering roles: Additional project completion bonuses
- Sales roles: Commission structure per Sales Compensation Plan
- Executive team: Long-term incentive plan participation

### 3. Equity Compensation

- RSU grants for key positions (Levels L3 and above)
- Performance-based stock options for executive team
- New hire equity grants per approved band structure
- Retention grants subject to Board approval

## 4. BUDGET ALLOCATION

### 1. Total Compensation Pool

- Base salary merit pool: 4.5% of total payroll
- Promotional increases: Additional 1.5% allocation
- Market adjustments: 1.0% discretionary pool
- Total FY2023 increase budget: 7.0% of payroll

### 2. Department Allocations

- Engineering: 40% of total pool
- Sales & Marketing: 25% of total pool
- Product & Research: 20% of total pool
- G&A Functions: 15% of total pool

## 5. REVIEW PROCEDURES

### 1. Manager Requirements

- Complete performance evaluations by February 15, 2023
- Submit compensation recommendations by February 28, 2023
- Conduct employee feedback sessions by March 31, 2023

### 2. HR Process

- Compensation analysis completion: March 1-15, 2023
- Executive Committee review: March 16-23, 2023

- Final approvals: March 24-31, 2023
- HRIS system updates: March 25-31, 2023

## **6. SPECIAL CONSIDERATIONS**

### **1. Critical Skills Adjustments**

- Cybersecurity specialists: Up to 20% additional adjustment
- AI/ML engineers: Market-based adjustment pool
- Maritime security experts: Competitive alignment review

### **2. Retention Program**

- Key employee identification by February 1, 2023
- Individual retention plans development
- Special equity grant considerations
- Non-standard timing allowances

## **7. COMPLIANCE AND GOVERNANCE**

### **1. Documentation Requirements**

- Standardized justification forms
- Market data reference points
- Internal equity analysis
- Budget variance explanations

### **2. Approval Authority**

- Up to 10% increases: Department VP
- 10-20% increases: CEO approval
- Above 20% increases: Board Compensation Committee
- Off-cycle adjustments: CEO and CFO joint approval

## **8. CONFIDENTIALITY**

1. All compensation information contained within this Schedule and related reviews is strictly confidential and proprietary to the Company. Unauthorized disclosure is prohibited.

## **9. AMENDMENTS**

1. This Schedule may be amended only by written authorization of the Board Compensation Committee and CEO.

APPROVED BY:

Dr. Marcus Chen

Chief Executive Officer

Date: December 15, 2022

Robert Kessler

Chief Financial Officer

Date: December 15, 2022

Chair, Board Compensation Committee

Date: December 15, 2022