

FERC STANDARDS OF CONDUCT COMPLIANCE MANUAL

DeepShield Systems, Inc.

Effective Date: January 1, 2024

Document Version: 2.0

1. PURPOSE AND SCOPE

1. This Federal Energy Regulatory Commission (FERC) Standards of Conduct Compliance Manual ("Manual") establishes the policies and procedures for DeepShield Systems, Inc. ("Company") to ensure compliance with FERC's Standards of Conduct requirements under 18 CFR Part 358.

2. This Manual applies to all Company employees, contractors, and representatives who interact with or have access to Transmission Function Information or engage with Transmission Function Employees of regulated entities.

2. DEFINITIONS

1. "Transmission Function Information" means information relating to transmission system operations, grid reliability, or transmission services.

2. "Transmission Provider" means any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce.

3. "Critical Infrastructure Protection (CIP) Services" means the Company's cybersecurity solutions and services provided to Transmission Providers.

3. COMPLIANCE PROCEDURES

1. Information Handling Requirements

a) All employees must classify and handle Transmission Function Information according to the following protocols:

- Designation of information sensitivity levels
- Secure storage in approved repositories
- Encryption requirements for data in transit
- Access controls and authentication measures

b) Employees shall maintain separate secure environments for each Transmission Provider client's data.

2. Employee Training and Certification

- a) All employees must complete annual FERC Standards of Conduct training.
- b) Additional quarterly training for employees with direct access to Transmission Function Information.
- c) Certification of training completion must be documented and maintained for three years.

4. INFORMATION SECURITY CONTROLS

1. System Access Controls

- a) Implementation of role-based access control (RBAC)
- b) Multi-factor authentication for all systems containing Transmission Function Information
- c) Regular access rights review and adjustment
- d) Automated logging of all access attempts

2. Data Protection Measures

- a) End-to-end encryption for all Transmission Function Information
- b) Secure data backup and recovery procedures
- c) Data retention and destruction protocols
- d) Regular security audits and penetration testing

5. INCIDENT RESPONSE AND REPORTING

1. All potential violations of FERC Standards of Conduct must be reported immediately to the Chief Compliance Officer.

2. Incident Response Protocol:

- a) Initial assessment and documentation
- b) Immediate containment measures
- c) Root cause analysis
- d) Corrective action implementation
- e) Regulatory reporting as required

6. THIRD-PARTY MANAGEMENT

1. All contractors and vendors must:
 - a) Sign confidentiality agreements
 - b) Complete FERC compliance training
 - c) Adhere to all provisions of this Manual
 - d) Submit to regular compliance audits

7. COMPLIANCE MONITORING AND ENFORCEMENT

1. The Chief Compliance Officer shall:
 - a) Conduct quarterly compliance reviews
 - b) Maintain compliance documentation
 - c) Update procedures as regulations change
 - d) Report compliance status to executive management

8. AMENDMENTS AND UPDATES

1. This Manual shall be reviewed annually and updated as necessary to reflect:
 - a) Regulatory changes
 - b) Operational changes
 - c) Technology updates
 - d) Identified compliance gaps

9. CERTIFICATION

The undersigned hereby certifies that this Manual has been reviewed and approved by DeepShield Systems, Inc.'s Board of Directors.

Dated: January 1, 2024

Dr. Marcus Chen

Chief Executive Officer

DeepShield Systems, Inc.

Sarah Blackwood

Chief Technology Officer

DeepShield Systems, Inc.

Robert Kessler

Chief Compliance Officer

DeepShield Systems, Inc.

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APPENDIX A: REFERENCE MATERIALS

A.1. Relevant FERC Regulations

A.2. Internal Compliance Forms

A.3. Training Materials

A.4. Incident Response Templates

A.5. Audit Checklists

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