

Employee Payroll Tax Withholding Records 2022

Confidential Document - Nexus Intelligent Systems, Inc.

PRELIMINARY STATEMENT

This document represents the comprehensive payroll tax withholding records for Nexus Intelligent Systems, Inc. (hereinafter referred to as the "Company") for the fiscal year ending December 31, 2022, prepared in accordance with applicable federal and state tax regulations.

1. DOCUMENT AUTHENTICATION

- 1 Prepared By: Corporate Finance Department, Nexus Intelligent Systems, Inc.
- 2 Date of Preparation: January 15, 2023
- 3 Reporting Period: January 1, 2022 - December 31, 2022
- 4 Total Employees Covered: 87 Full-Time Employees

2. TAX WITHHOLDING SUMMARY

1 Federal Tax Withholdings

- Total Federal Income Tax Withheld: \$1,247,625.00
- Average Federal Withholding per Employee: \$14,341.44
- Percentage of Gross Payroll: 9.98%

2 State Tax Withholdings

- Delaware State Income Tax Withheld: \$412,375.00
- Average State Withholding per Employee: \$4,740.17
- Percentage of Gross Payroll: 3.30%

3. PAYROLL TAX COMPLIANCE CERTIFICATION

The Company hereby certifies that:

- 1 All tax withholdings have been calculated in strict compliance with:
 - Internal Revenue Code (IRC)
 - Delaware State Tax Regulations
 - Federal Insurance Contributions Act (FICA)

- Federal Unemployment Tax Act (FUTA)

2 Verification Procedures

- All withholding calculations have been independently audited
- Quarterly reconciliation reports have been maintained
- All required federal and state tax forms (W-2, 941) have been timely filed

4. EMPLOYEE CLASSIFICATION BREAKDOWN

1 Employee Categories

- Full-Time Employees: 87
- Exempt Employees: 62
- Non-Exempt Employees: 25

2 Compensation Tiers

- Tier 1 (Entry Level): \$65,000 - \$95,000
- Tier 2 (Mid-Level): \$95,001 - \$145,000
- Tier 3 (Senior/Executive): \$145,001 - \$250,000

5. WITHHOLDING METHODOLOGY

1 Calculation Methodology

- Standard W-4 Withholding Tables
- Individual Employee Tax Election Forms
- Adjusted Gross Income Calculations
- Applicable Tax Credits and Deductions

2 Special Considerations

- Stock Option Tax Withholding: Calculated at supplemental wage rate
- Bonus Compensation: Taxed at enhanced withholding rate
- Equity Compensation: Treated as supplemental wages

6. DOCUMENTATION LIMITATIONS AND DISCLAIMERS

1 This document is provided for informational purposes only and does not constitute tax advice.

2 All information is presented on an "as-is" basis without warranty of accuracy beyond reasonable

corporate accounting standards.

3 Confidentiality Notice: This document contains sensitive financial information and is intended solely for authorized review purposes.

7. AUTHORIZED SIGNATURES

Dr. Elena Rodriguez	Michael Chen
Chief Executive Officer	Chief Financial Officer
Nexus Intelligent Systems	Nexus Intelligent Systems
Date: January 22, 2024	Date: January 22, 2024

8. CERTIFICATION OF ACCURACY

The undersigned hereby certify that the foregoing payroll tax withholding records are true, complete, and accurate to the best of their knowledge and belief.

9. DOCUMENT CONTROL

1 Document Version: 1.0
2 Internal Reference Number: NIS-TAX-2022-001
3 Total Pages: 3