

# **Compensation Committee Guidelines**

## **Nexus Intelligent Systems, Inc.**

### **1. Purpose and Scope**

1 These Compensation Committee Guidelines ("Guidelines") establish the framework for the Compensation Committee (the "Committee") of Nexus Intelligent Systems, Inc. (the "Company"), a Delaware corporation, in accordance with best corporate governance practices and applicable securities regulations.

2 The purpose of these Guidelines is to define the Committee's responsibilities, composition, authority, and operational protocols in overseeing the Company's compensation strategies and practices.

### **2. Committee Composition**

#### **1 Membership**

- a) The Committee shall consist of no fewer than three (3) and no more than five (5) independent directors.
- b) All Committee members must be independent as defined by applicable NASDAQ listing standards and SEC regulations.
- c) Members shall be appointed annually by the Board of Directors.

#### **2 Qualifications**

- a) Committee members must possess:
  - Financial literacy
  - Understanding of executive compensation principles
  - Experience in human resources, corporate strategy, or related fields
- b) At least one member shall have specific expertise in executive compensation practices.

### **3. Committee Responsibilities**

#### **1 Executive Compensation Oversight**

- a) Review and approve compensation strategies for:
  - Chief Executive Officer
  - Executive Officers

- Senior Leadership Team
- b) Evaluate annual performance and recommend compensation adjustments
- c) Design and administer equity compensation programs

## 2 Compensation Philosophy

- a) Develop and maintain a comprehensive compensation philosophy aligned with:
  - Company strategic objectives
  - Market competitive practices
  - Shareholder value creation
- b) Ensure compensation structures incentivize long-term performance and sustainable growth

## 3 Equity and Incentive Programs

- a) Design, implement, and monitor:
  - Stock option plans
  - Restricted stock unit programs
  - Performance-based compensation mechanisms
- b) Ensure compliance with securities regulations and accounting standards

# **4. Meeting Protocols**

## 1 Frequency

- a) Regular meetings: Quarterly
- b) Special meetings: As required, with minimum 48-hour notice
- c) Annual comprehensive compensation review

## 2 Decision-Making

- a) Quorum: Majority of Committee members
- b) Decisions made by majority vote
- c) Formal documentation of meeting minutes and decisions

# **5. Reporting and Transparency**

## 1 Board Reporting

- a) Provide quarterly reports to the Board of Directors
- b) Annual comprehensive compensation review presentation

- c) Immediate disclosure of material compensation decisions

## 2 Shareholder Communication

- a) Annual compensation disclosure in proxy statements
- b) Detailed explanation of executive compensation rationale
- c) Advisory "Say on Pay" vote recommendations

## **6. Conflict of Interest and Independence**

### 1 Independence Requirements

- a) No Committee member may:
  - Be a current executive officer
  - Receive consulting or advisory fees from the Company
  - Have any material financial relationship with the Company
- b) Annual independence certification required

### 2 Conflict Management

- a) Mandatory disclosure of potential conflicts
- b) Recusal from decisions involving direct personal interests
- c) Documented conflict management procedures

## **7. External Advisors**

### 1 Compensation Consultants

- a) Authority to engage independent compensation consultants
- b) Evaluate consultant independence annually
- c) Direct oversight of consultant recommendations

## **8. Amendments and Review**

### 1 These Guidelines shall be:

- a) Reviewed annually by the Committee
- b) Updated to reflect regulatory changes
- c) Approved by the Board of Directors

## **9. Disclaimer**

1 These Guidelines are intended to provide general governance framework and do not constitute a contractual obligation.

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Approved by the Board of Directors: January 22, 2024

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Dr. Elena Rodriguez

Chief Executive Officer

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Michael Chen

Chairman of the Board