

Employee Equity Participation Guidelines

Nexus Intelligent Systems, Inc.

Effective Date: January 22, 2024

1. INTRODUCTION AND PURPOSE

1 These Employee Equity Participation Guidelines (the "Guidelines") establish the comprehensive framework for equity compensation and participation for employees of Nexus Intelligent Systems, Inc. (the "Company"), a Delaware corporation specializing in enterprise AI services and predictive analytics.

2 The primary objectives of these Guidelines are to:

- a) Attract and retain exceptional talent in the competitive technology sector
- b) Align employee interests with long-term corporate strategic objectives
- c) Create meaningful wealth creation opportunities for key personnel
- d) Establish clear, transparent mechanisms for equity distribution and vesting

2. ELIGIBILITY CRITERIA

1 Equity participation shall be available to the following categories of employees:

- a) Full-time employees with continuous employment status
- b) Executive leadership team members
- c) Critical technical and strategic personnel
- d) Select high-performance individual contributors

2 Eligibility shall be determined by:

- a) Role complexity and strategic importance
- b) Individual performance metrics
- c) Tenure with the Company
- d) Recommendation from direct supervisors and executive leadership

3. EQUITY COMPENSATION INSTRUMENTS

1 The Company may utilize the following equity compensation instruments:

- a) Incentive Stock Options (ISOs)

- b) Non-Qualified Stock Options (NSOs)
- c) Restricted Stock Units (RSUs)
- d) Performance-Based Equity Grants

2 Each equity instrument shall have specific:

- a) Vesting schedules
- b) Exercise conditions
- c) Transferability restrictions
- d) Forfeiture provisions

4. VESTING SCHEDULES

1 Standard Vesting Structure:

- a) Four-year vesting period with a one-year cliff
- b) 25% of granted equity vests after initial 12 months of continuous employment
- c) Remaining equity vests pro-rata monthly over subsequent 36 months

2 Accelerated Vesting Provisions:

- a) Full acceleration upon change of control event
- b) Partial acceleration for strategic personnel during significant corporate transitions

5. GRANT DETERMINATION METHODOLOGY

1 Equity grants shall be determined through:

- a) Annual performance evaluations
- b) Role-specific compensation benchmarking
- c) Individual contribution assessments
- d) Company's financial performance and funding stage

2 Grant sizes will be categorized as:

- a) Junior Level: 0.05% - 0.25% total equity
- b) Mid-Level: 0.25% - 1.0% total equity
- c) Senior Leadership: 1.0% - 5.0% total equity

6. COMPLIANCE AND ADMINISTRATION

1 The Compensation Committee shall:

- a) Oversee equity participation program
- b) Review and approve individual grants
- c) Ensure compliance with securities regulations
- d) Maintain comprehensive documentation

2 Participants must:

- a) Execute all required documentation
- b) Comply with insider trading policies
- c) Maintain confidentiality of equity terms

7. TERMINATION AND FORFEITURE

1 Equity rights shall be subject to:

- a) Immediate forfeiture upon termination for cause
- b) Prorated vesting for voluntary resignation
- c) Potential repurchase rights for the Company

8. MISCELLANEOUS PROVISIONS

1 These Guidelines are subject to:

- a) Board of Directors' discretionary modifications
- b) Compliance with applicable securities laws
- c) Company's Articles of Incorporation and Bylaws

2 This document does not constitute a contract of employment and creates no guaranteed continued employment rights.

9. SIGNATURE BLOCK

Approved by the Board of Directors:

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

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