

EQUITY DISTRIBUTION AND STOCK OPTION PLAN

OF NEXUS INTELLIGENT SYSTEMS, INC.

ARTICLE I: PRELIMINARY PROVISIONS

1.1 Purpose

This Equity Distribution and Stock Option Plan (the "Plan") is established by Nexus Intelligent Systems, Inc., a Delaware corporation (the "Company"), to provide equity incentives to key employees, executives, and strategic contributors, thereby aligning individual performance with long-term corporate objectives and shareholder value creation.

1.2 Definitions

For purposes of this Plan, the following terms shall have the meanings set forth below:

- a) "Board" means the Board of Directors of Nexus Intelligent Systems, Inc.
- b) "Participant" means an eligible employee, executive, consultant, or advisor selected to receive equity awards under this Plan.
- c) "Fair Market Value" means the per-share valuation as determined by the Board, consistent with applicable 409A regulations.
- d) "Vesting Period" means the duration over which equity awards become non-forfeitable.

ARTICLE II: EQUITY AWARD STRUCTURE

2.1 Authorized Shares

The Company hereby reserves 1,500,000 shares of common stock for issuance under this Plan, representing approximately 15% of the company's fully diluted capitalization as of the effective date.

2.2 Eligibility

Equity awards may be granted to:

- a) Full-time employees
- b) Executive officers
- c) Non-employee directors
- d) Key consultants and strategic advisors

2.3 Award Types

The Plan shall accommodate the following equity instruments:

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

ARTICLE III: VESTING AND EXERCISE PROVISIONS

3.1 Standard Vesting Schedule

Equity awards shall follow a four-year vesting schedule with a one-year cliff:

- 25% of awarded shares vest after 12 months of continuous service
- Remaining shares vest quarterly over subsequent 36 months
- Accelerated vesting may occur upon change of control events

3.2 Exercise Conditions

- a) Options shall remain exercisable for ten years from grant date
- b) Termination of employment impacts exercisability as follows:
 - Voluntary resignation: Pro-rated vesting, 90-day exercise window
 - Involuntary termination without cause: Accelerated partial vesting
 - Termination for cause: Immediate forfeiture of unvested awards

ARTICLE IV: ADMINISTRATION

4.1 Plan Administration

The Compensation Committee of the Board shall have full authority to:

- a) Interpret Plan provisions
- b) Determine participant eligibility
- c) Establish individual award terms
- d) Adjust the Plan as necessary

4.2 Compliance Requirements

All equity grants shall comply with:

- Securities and Exchange Commission regulations
- Internal Revenue Code Section 409A

- Financial Accounting Standards Board guidelines

ARTICLE V: MISCELLANEOUS PROVISIONS

5.1 Amendment and Termination

The Board reserves the right to modify, suspend, or terminate the Plan, provided such actions do not materially impair existing participant rights.

5.2 Transferability

Equity awards are non-transferable except by will, inheritance, or as specifically approved by the Board.

EXECUTION

IN WITNESS WHEREOF, the undersigned hereby executes this Equity Distribution and Stock Option Plan effective as of January 22, 2024.

Dr. Elena Rodriguez
Chief Executive Officer
Nexus Intelligent Systems, Inc.

Michael Chen
Chief Technology Officer
Nexus Intelligent Systems, Inc.