

Performance-Based Compensation Allocation Model

Confidential Document - Nexus Intelligent Systems, Inc.

PRELIMINARY RECITALS

WHEREAS, Nexus Intelligent Systems, Inc. (hereinafter "Company") maintains a strategic commitment to aligning executive and key personnel compensation with measurable organizational performance metrics;

WHEREAS, the Company seeks to implement a comprehensive performance-based compensation framework that incentivizes exceptional achievement and sustainable growth;

NOW, THEREFORE, the following Performance-Based Compensation Allocation Model is hereby established:

1. DEFINITIONS

1 "Performance Period" shall mean the twelve (12) consecutive calendar months commencing January 1 and concluding December 31 of each fiscal year.

2 "Target Compensation" means the base salary plus potential performance-based incentive allocations for eligible participants.

3 "Performance Metrics" shall include quantitative measurements of corporate and individual achievement, including but not limited to:

- a) Revenue growth
- b) Operational efficiency
- c) Client acquisition and retention
- d) Strategic initiative completion
- e) Innovation and intellectual property development

2. ELIGIBILITY CRITERIA

1 Eligible Participants shall include:

- Executive Leadership Team
- Senior Management (Director-level and above)

- Key Technical Personnel
- Strategic Business Unit Leaders

2 Participation Requirements:

- Minimum continuous employment of twelve (12) months
- Active employment status during performance measurement period
- Satisfactory performance evaluation

3. PERFORMANCE METRIC WEIGHTINGS

1 Corporate Performance Metrics (60% of Total Allocation):

- Annual Revenue Growth: 25%
- EBITDA Performance: 20%
- Strategic Initiative Completion: 15%

2 Individual Performance Metrics (40% of Total Allocation):

- Individual KPI Achievement: 20%
- Leadership and Collaboration: 10%
- Innovation Contributions: 10%

4. COMPENSATION ALLOCATION METHODOLOGY

1 Base Allocation Calculation

Performance-based compensation shall be calculated using the following formula:

[Target Compensation] [Corporate Performance Score] [Individual Performance Score]

2 Performance Score Determination

- Scores range from 0.0 to 1.5
- Threshold performance: 1.0
- Exceptional performance: Maximum 1.5 multiplier
- Underperformance: Potential reduction to 0.0

5. GOVERNANCE AND ADMINISTRATION

1 The Compensation Committee shall:

- Annually review and validate performance metrics
- Conduct comprehensive performance assessments
- Approve final compensation allocations
- Maintain documentation of evaluation processes

2 Independent Verification

An external compensation consulting firm shall annually review the allocation methodology to ensure compliance and market competitiveness.

6. LEGAL RESERVATIONS

1 The Company reserves absolute discretion in interpreting and implementing this Performance-Based Compensation Allocation Model.

2 This document does not constitute a contractual guarantee of compensation and may be modified at the Company's sole discretion.

7. EXECUTION

Approved and Executed:

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Date: January 22, 2024

Michael Chen

Chief Technology Officer

Sarah Williamson

Chief Strategy Officer

8. CONFIDENTIALITY CLAUSE

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