

Financial Oversight and Reporting Procedures

Nexus Intelligent Systems, Inc.

Corporate Governance Policy and Procedural Framework

1. PURPOSE AND SCOPE

1 This Financial Oversight and Reporting Procedures document ("Procedures") establishes comprehensive guidelines for financial management, internal controls, and reporting protocols for Nexus Intelligent Systems, Inc. (the "Company").

2 These Procedures are designed to:

- a) Ensure accurate and timely financial reporting
- b) Maintain robust internal financial controls
- c) Mitigate financial risk and operational uncertainty
- d) Comply with applicable regulatory requirements

2. FINANCIAL REPORTING FRAMEWORK

1 Reporting Standards

- All financial reporting shall adhere to Generally Accepted Accounting Principles (GAAP)
- Quarterly and annual financial statements must undergo independent third-party audit
- Reporting periods shall be defined as calendar quarters ending March 31, June 30, September 30, and December 31

2 Reporting Responsibilities

2.1 Chief Financial Officer (CFO) Obligations

- Oversee preparation of all financial documentation
- Validate accuracy of financial statements
- Ensure timely submission of required reports
- Implement and maintain internal financial control mechanisms

2.2 Departmental Financial Reporting

- Each operational department must submit monthly financial performance reports
- Reports must include:

- a) Budget variance analysis
- b) Projected expenditures
- c) Revenue projections
- d) Material financial deviations

3. INTERNAL FINANCIAL CONTROL MECHANISMS

1 Approval Thresholds

- Expenditures under \$10,000: Departmental Manager Approval
- Expenditures \$10,001 - \$50,000: CFO Approval
- Expenditures over \$50,000: CEO and Board of Directors Approval

2 Audit and Compliance

- Annual independent financial audit by external accounting firm
- Quarterly internal financial reviews
- Mandatory financial control training for all management personnel
- Whistleblower protection for reporting potential financial irregularities

4. RISK MANAGEMENT PROTOCOLS

1 Financial Risk Assessment

- Quarterly comprehensive risk assessment
- Identification of potential financial vulnerabilities
- Development of mitigation strategies
- Maintenance of financial risk registry

2 Investment and Capital Allocation

- All significant investments require multi-stage approval process
- Investment proposals must include:
 - a) Detailed financial projections
 - b) Risk analysis
 - c) Strategic alignment assessment
 - d) Expected return on investment (ROI)

5. CONFIDENTIALITY AND DISCLOSURE

1 Information Handling

- All financial documents classified as confidential
- Access restricted to authorized personnel
- Mandatory non-disclosure agreements for all employees with financial access

2 Regulatory Compliance

- Full compliance with SEC reporting requirements
- Timely disclosure of material financial events
- Maintenance of comprehensive financial records

6. TECHNOLOGY AND FINANCIAL SYSTEMS

1 Financial Technology Infrastructure

- Utilization of enterprise-grade financial management software
- Mandatory multi-factor authentication
- Regular system security audits
- Encrypted data storage and transmission

2 Data Integrity Protocols

- Automated financial data reconciliation
- Real-time transaction monitoring
- Comprehensive audit trail maintenance

7. AMENDMENT AND MODIFICATION

1 This document may be amended by majority vote of the Board of Directors

2 Amendments require 30-day written notice to all relevant stakeholders

3 All modifications must be documented and archived

8. DISCLAIMER

1 These procedures represent internal guidelines and do not constitute legal advice

2 The Company reserves the right to modify these procedures as necessary

9. EXECUTION

Approved and Executed:

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Date: January 22, 2024