

# **Executive Leadership Compensation Framework**

**Confidential Document - Nexus Intelligent Systems, Inc.**

## **PREAMBLE**

THIS EXECUTIVE LEADERSHIP COMPENSATION FRAMEWORK (the "Framework") is established by Nexus Intelligent Systems, Inc., a Delaware corporation (the "Company"), effective as of January 22, 2024.

## **1. DEFINITIONS**

1 "Executive Leadership" shall mean the Chief Executive Officer, Chief Technology Officer, Chief Strategy Officer, and other C-suite executives as designated by the Board of Directors.

2 "Compensation" includes base salary, equity grants, performance bonuses, long-term incentive plans, and additional benefits as outlined in this Framework.

3 "Performance Metrics" means quantitative and qualitative measurements used to evaluate executive performance and determine compensation adjustments.

## **2. COMPENSATION STRUCTURE**

### **1 Base Compensation**

a) Base salaries shall be determined annually based on:

- Market competitive rates for enterprise AI services sector
- Individual executive performance
- Company financial performance
- Comparative industry benchmarks

### **2 Annual Performance Bonus**

a) Eligible executives may receive performance-based bonuses up to 50% of base salary

b) Bonus calculations will be based on:

- Company revenue growth
- Customer acquisition metrics
- Product development milestones
- Operational efficiency improvements

### 3 Equity Compensation

a) Long-term equity grants structured as follows:

- Initial grant of restricted stock units (RSUs)
- Annual performance-based equity awards
- Four-year vesting schedule with one-year cliff

b) Equity grant ranges:

- CEO: 2.5% - 4% of outstanding shares
- CTO: 1.5% - 2.5% of outstanding shares
- Other C-suite: 0.75% - 1.5% of outstanding shares

## **3. PERFORMANCE EVALUATION FRAMEWORK**

### 1 Annual Performance Review

a) Comprehensive performance assessment conducted annually

b) Evaluation criteria include:

- Strategic goal achievement
- Financial performance contributions
- Innovation and technological leadership
- Organizational development metrics

### 2 Key Performance Indicators (KPIs)

Specific KPIs for executive compensation will include:

- a) Revenue growth rate
- b) Customer retention percentage
- c) New product development cycles
- d) Operational cost management
- e) Strategic partnership development

## **4. BENEFITS AND ADDITIONAL COMPENSATION**

### 1 Health and Welfare Benefits

- Comprehensive medical, dental, and vision coverage
- Life and disability insurance

- Executive-level health screening program

## 2 Retirement and Savings

- 401(k) matching up to 6% of base compensation
- Additional deferred compensation options

## 3 Perquisites

- Annual professional development allowance
- Technology and communication device stipend
- Executive travel and entertainment budget

# 5. CLAWBACK AND FORFEITURE PROVISIONS

## 1 Compensation Recovery

The Company reserves the right to recover or cancel compensation in cases of:

- a) Material financial restatements
- b) Fraudulent or unethical conduct
- c) Violation of company policies
- d) Breach of confidentiality or non-compete agreements

# 6. COMPLIANCE AND GOVERNANCE

1 This Framework shall be reviewed and approved annually by the Compensation Committee of the Board of Directors.

2 All compensation decisions must comply with:

- Delaware corporate law
- SEC disclosure requirements
- Internal Revenue Service regulations

# 7. CONFIDENTIALITY AND LIMITATION

1 This document is confidential and intended solely for the purpose of defining executive compensation guidelines.

2 No provision herein constitutes a contractual guarantee of continued employment.

# EXECUTION

APPROVED BY THE BOARD OF DIRECTORS on January 22, 2024.

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Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.