

Director Independence and Qualification Standards

Nexus Intelligent Systems, Inc.

Board of Directors Governance Policy

PREAMBLE

WHEREAS, Nexus Intelligent Systems, Inc. (the "Company") is committed to maintaining the highest standards of corporate governance and board effectiveness;

WHEREAS, the Board of Directors plays a critical role in providing strategic oversight, fiduciary responsibility, and independent governance;

NOW, THEREFORE, the following Director Independence and Qualification Standards are hereby established:

1. DIRECTOR INDEPENDENCE STANDARDS

1.1 Definition of Independent Director

An "Independent Director" shall be defined as a board member who:

- a) Is not, and has not been within the past three (3) years, an employee of the Company or its subsidiaries;
- b) Does not have a material financial, professional, or personal relationship that could reasonably be perceived to compromise independent judgment;
- c) Has no direct or indirect material interest in any transaction with the Company exceeding \$120,000 annually;
- d) Is not an immediate family member of any current executive officer or previously employed senior executive;

1.2 Independence Disqualification Criteria

The following circumstances shall automatically disqualify a director from being considered independent:

- a) Current employment with the Company or its affiliates
- b) Receiving more than \$120,000 in direct compensation from the Company annually, excluding

standard board and committee fees

- c) Being a partner, controlling shareholder, or executive officer of an organization that has a material business relationship with Nexus Intelligent Systems
- d) Serving as an employee, partner, or controlling shareholder of the Company's independent auditor

2. DIRECTOR QUALIFICATION STANDARDS

2.1 Professional Qualifications

Directors must demonstrate:

- a) Significant professional experience in technology, enterprise services, AI/machine learning, or related strategic domains
- b) Proven leadership experience in public or private companies
- c) Advanced degree or equivalent professional credentials
- d) Minimum of ten (10) years senior executive or board-level experience

2.2 Specific Competency Requirements

Directors shall possess demonstrable expertise in one or more of the following areas:

- a) Enterprise technology strategy
- b) Artificial intelligence and machine learning
- c) Corporate finance and capital markets
- d) Risk management and compliance
- e) Digital transformation
- f) Cybersecurity and data governance

2.3 Ethical and Personal Standards

Directors must:

- a) Demonstrate unquestionable personal and professional integrity
- b) Commit to acting in the best interests of shareholders
- c) Maintain strict confidentiality regarding Company information
- d) Avoid actual or potential conflicts of interest
- e) Participate actively in board and committee responsibilities

3. INDEPENDENCE ASSESSMENT PROCEDURES

3.1 Annual Review Process

The Nominating and Governance Committee shall:

- a) Conduct annual comprehensive independence assessments
- b) Review potential conflicts of interest
- c) Document and validate each director's independent status
- d) Recommend remedial actions if independence standards are compromised

3.2 Disclosure Requirements

Directors must promptly disclose:

- a) Any potential conflicts of interest
- b) Changes in professional affiliations
- c) Personal circumstances that might impact independence status

4. COMPLIANCE AND ENFORCEMENT

4.1 Non-Compliance Consequences

Failure to meet independence and qualification standards may result in:

- a) Immediate board membership review
- b) Potential removal from board committees
- c) Recommendation for board membership termination

5. AMENDMENT AND INTERPRETATION

The Board of Directors reserves the right to modify these standards, with any amendments requiring majority board approval.

EXECUTION

Adopted by the Board of Directors on: January 22, 2024

Dr. Elena Rodriguez

Chief Executive Officer

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Michael Chen

Chairman of the Board