

Dividend Distribution Policy

Nexus Intelligent Systems, Inc.

Effective Date: January 22, 2024

1. PURPOSE AND SCOPE

1 This Dividend Distribution Policy ("Policy") establishes the framework and guidelines for dividend declarations, distributions, and management for Nexus Intelligent Systems, Inc. (the "Company"), a Delaware corporation engaged in enterprise AI services and predictive analytics.

2 The Policy is designed to balance shareholder returns with the Company's strategic growth objectives, capital preservation requirements, and ongoing investment in technological innovation.

2. DEFINITIONS

1 "Distributable Profits" shall mean the net income of the Company after:

- a) Satisfaction of all operational expenses
- b) Required tax provisions
- c) Mandatory legal and regulatory reserves
- d) Strategic reinvestment allocations

2 "Dividend" refers to cash distributions made to shareholders from the Company's accumulated earnings or retained profits.

3 "Board" means the Board of Directors of Nexus Intelligent Systems, Inc.

3. DIVIDEND ELIGIBILITY AND DETERMINATION

1 Dividend Considerations

The Board shall evaluate dividend distributions based on the following primary factors:

- a) Current and projected financial performance
- b) Capital expenditure requirements
- c) Research and development investment needs
- d) Debt service obligations
- e) Working capital requirements
- f) Overall market and industry conditions

2 Dividend Frequency

- a) The Company may declare dividends on an annual or semi-annual basis
- b) Extraordinary dividends may be considered in exceptional financial circumstances
- c) No guaranteed dividend frequency is implied by this Policy

4. DIVIDEND CALCULATION METHODOLOGY

1 Dividend Calculation Principles

- a) Dividends shall be calculated as a percentage of Distributable Profits
- b) The target dividend payout ratio shall range between 10% and 30% of annual net income
- c) The specific percentage shall be determined by the Board annually

2 Dividend Restrictions

- a) No dividend shall be declared that would compromise the Company's financial stability
- b) Dividends are contingent upon positive retained earnings
- c) The Company reserves the right to suspend or modify dividend distributions

5. SHAREHOLDER COMMUNICATION

1 The Company shall provide written notification of dividend declarations, including:

- a) Total dividend amount
- b) Per-share dividend value
- c) Record date
- d) Payment date

2 Notifications shall be distributed via:

- a) Official company communication channels
- b) Investor relations platforms
- c) SEC filings as required by applicable securities regulations

6. POLICY MODIFICATIONS

- 1 This Policy may be amended, modified, or rescinded by majority vote of the Board.
- 2 Any material changes shall be communicated to shareholders within 30 days of Board approval.

7. LEGAL DISCLAIMERS

1 This Policy does not constitute a contractual obligation for dividend payments.

2 Dividend declarations remain at the sole discretion of the Board.

3 Past dividend practices do not guarantee future distributions.

8. GOVERNING LAW

1 This Policy shall be governed by and construed in accordance with the laws of the State of Delaware.

9. AUTHORIZATION

Approved by the Board of Directors on January 22, 2024.

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Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

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Michael Chen

Chief Technology Officer

Nexus Intelligent Systems, Inc.