

EMPLOYEE STOCK OPTION PLAN DOCUMENTATION

Nexus Intelligent Systems, Inc.

Effective Date: January 22, 2024

1. PLAN OVERVIEW

1 Purpose

This Employee Stock Option Plan ("Plan") is established by Nexus Intelligent Systems, Inc., a Delaware corporation (the "Company"), to provide eligible employees with an opportunity to acquire a proprietary interest in the Company's future growth and success through equity participation.

2 Objectives

The primary objectives of this Plan are to:

- a) Attract and retain highly qualified technical and professional personnel
- b) Provide competitive compensation aligned with company performance
- c) Create long-term value alignment between employees and shareholders
- d) Incentivize continued commitment to the Company's strategic objectives

2. ELIGIBILITY

1 Participant Classification

Eligible participants shall include:

- a) Full-time employees
- b) Executive leadership team members
- c) Key technical and strategic personnel
- d) Consultants providing critical ongoing services

2 Discretionary Determination

The Company's Compensation Committee shall have sole discretion in determining individual participant eligibility, with final approval resting with the Chief Executive Officer.

3. OPTION GRANT STRUCTURE

1 Option Types

The Plan shall provide two primary option classifications:

- a) Incentive Stock Options (ISOs)
- b) Non-Qualified Stock Options (NSOs)

2 Grant Parameters

- Vesting Schedule: Four-year cliff with 25% annual vesting
- Exercise Price: Fair Market Value at grant date
- Maximum Term: Ten (10) years from grant date

3 Annual Allocation

The Company reserves the right to grant up to 15% of outstanding common shares through this Plan, with annual participant allocations not to exceed:

- Executive Leadership: 5% individual cap
- Senior Professionals: 2% individual cap
- Standard Employees: 0.5% individual cap

4. VESTING CONDITIONS

1 Standard Vesting

Options shall vest according to the following schedule:

- Year 1: 0% (cliff period)
- Year 2: 25% cumulative
- Year 3: 50% cumulative
- Year 4: 100% cumulative

2 Accelerated Vesting Provisions

Accelerated vesting may occur under specific circumstances:

- a) Change of Control transaction
- b) Involuntary termination without cause
- c) Permanent disability
- d) Death of participant

5. EXERCISE PROCEDURES

1 Exercise Mechanism

Participants may exercise vested options through:

- a) Cash payment
- b) Cashless exercise via broker transaction
- c) Net exercise methodology

2 Blackout Restrictions

Option exercises are subject to Company trading windows and SEC regulations governing insider transactions.

6. TAX CONSIDERATIONS

1 Tax Treatment

Participants are solely responsible for understanding and managing individual tax implications associated with option grants and exercises.

2 Section 409A Compliance

This Plan is designed to comply with Section 409A of the Internal Revenue Code, with all interpretations and implementations consistent with applicable regulations.

7. MISCELLANEOUS PROVISIONS

1 Plan Amendment

The Board of Directors retains absolute discretion to modify, suspend, or terminate this Plan, with reasonable notice to participants.

2 Non-Transferability

Options granted under this Plan are non-transferable and exercisable only by the original participant, except in cases of death or court-ordered transfer.

8. ACKNOWLEDGMENT

By participating in this Employee Stock Option Plan, individuals acknowledge full understanding of the terms, conditions, and potential risks associated with equity compensation.

SIGNATURE BLOCK

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Dated: January 22, 2024