

Executive Compensation Risk Management Protocol

Preamble

This Executive Compensation Risk Management Protocol ("Protocol") is established by Nexus Intelligent Systems, Inc., a Delaware corporation (the "Company"), effective as of January 22, 2024, to provide comprehensive governance and risk mitigation strategies related to executive compensation practices.

1. Purpose and Scope

1 The purpose of this Protocol is to:

- a) Establish comprehensive guidelines for executive compensation design
- b) Mitigate potential financial and reputational risks associated with executive remuneration
- c) Ensure alignment between compensation structures and corporate strategic objectives
- d) Maintain compliance with regulatory requirements and best governance practices

2 This Protocol applies to all executive-level compensation arrangements for key leadership positions, including but not limited to:

- Chief Executive Officer
- Chief Technology Officer
- Chief Financial Officer
- Chief Strategy Officer
- Other C-suite and senior executive roles

2. Compensation Risk Assessment Framework

1 Compensation Structure Analysis

- a) Annual comprehensive review of total compensation packages
- b) Detailed assessment of fixed and variable compensation components
- c) Comparative market analysis against industry benchmarks

2 Risk Evaluation Metrics

The Company shall evaluate compensation risks across the following dimensions:

- Financial sustainability

- Performance alignment
- Potential for unintended behavioral incentives
- Regulatory compliance
- Shareholder value protection

3. Compensation Design Principles

1 Performance-Linked Compensation

- a) Minimum 40% of executive compensation shall be performance-based
- b) Performance metrics must be:
 - Objectively measurable
 - Aligned with long-term strategic objectives
 - Subject to independent verification

2 Clawback and Forfeiture Provisions

- a) All equity and cash incentive compensation shall include mandatory clawback provisions
- b) Circumstances triggering potential forfeiture include:
 - Material financial restatements
 - Ethical misconduct
 - Violation of company policies
 - Demonstrable harm to corporate interests

4. Governance and Oversight

1 Compensation Committee Responsibilities

The Compensation Committee shall:

- a) Conduct quarterly risk assessments of executive compensation structures
- b) Develop and maintain comprehensive compensation guidelines
- c) Provide independent oversight of compensation design
- d) Engage external compensation consultants for periodic independent review

2 Reporting and Transparency

- a) Annual detailed disclosure of executive compensation risk management strategies
- b) Comprehensive reporting to Board of Directors

c) Periodic shareholder communication regarding compensation governance

5. Compliance and Enforcement

1 Regulatory Compliance

The Company commits to full compliance with:

- Securities and Exchange Commission regulations
- Sarbanes-Oxley Act requirements
- Dodd-Frank executive compensation disclosure rules

2 Enforcement Mechanisms

- a) Immediate suspension of compensation elements deemed non-compliant
- b) Potential disciplinary action for policy violations
- c) Mandatory remediation of identified compensation risks

6. Disclaimer and Reservation of Rights

1 The Company reserves the right to modify, amend, or terminate this Protocol at any time, with appropriate notice to affected parties.

2 This Protocol does not constitute a contractual obligation and shall be interpreted as a governance guideline.

Execution

Approved and executed by:

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Date: January 22, 2024