

Fixed Asset Depreciation and Disposal Log

Confidential Document - Nexus Intelligent Systems, Inc.

1. PURPOSE AND SCOPE

1 This Fixed Asset Depreciation and Disposal Log ("Log") represents the comprehensive record of tangible capital assets owned by Nexus Intelligent Systems, Inc. (the "Company") as of January 22, 2024, detailing the financial and accounting treatment of corporate fixed assets in compliance with GAAP and IRS regulations.

2 The purpose of this Log is to:

- a) Provide a detailed accounting of all capitalized fixed assets
- b) Document depreciation methodologies
- c) Track asset lifecycle and disposal events
- d) Maintain accurate financial records for tax and reporting purposes

2. DEFINITIONS

1 "Fixed Assets" shall mean tangible property owned by the Company with a useful life exceeding twelve (12) months and a capitalization threshold of \$5,000 or greater.

2 "Depreciation Method" refers to the systematic allocation of an asset's depreciable cost over its estimated useful economic life.

3 "Disposal" means the permanent removal of an asset from active service through sale, retirement, replacement, or write-off.

3. DEPRECIATION METHODOLOGIES

1 Straight-Line Depreciation Method

The Company shall apply straight-line depreciation for the majority of fixed assets, calculated as follows:

$$\text{Annual Depreciation} = (\text{Asset Cost} - \text{Salvage Value}) \div \text{Estimated Useful Life}$$

2 Asset Class Depreciation Schedules

- a) Computer Equipment: 3-5 years
- b) Office Furniture: 7 years

- c) Laboratory and Technical Equipment: 5-7 years
- d) Vehicles: 5 years
- e) Leasehold Improvements: Lesser of lease term or improvement useful life

4. ASSET TRACKING REQUIREMENTS

1 Each fixed asset shall be assigned a unique asset identification number upon acquisition.

2 The following information must be maintained for each asset:

- Asset description
- Purchase date
- Original cost
- Depreciation method
- Estimated useful life
- Accumulated depreciation
- Net book value
- Current location
- Disposal date (if applicable)

5. DISPOSAL PROTOCOLS

1 Asset Disposal Approval

All asset disposals require:

- a) Written documentation of asset condition
- b) Approval from Chief Financial Officer
- c) Verification of no outstanding financial obligations

2 Disposal Methods

Authorized disposal methods include:

- Sale to third parties
- Donation to qualified organizations
- Recycling
- Technological destruction for sensitive equipment

3 Disposal Documentation

Each disposal event must be documented with:

- Reason for disposal
- Disposal method
- Sale price (if applicable)
- Gain or loss calculation
- Approval signatures

6. RECORD RETENTION

1 The Company shall maintain comprehensive records of all fixed assets for a minimum of seven (7) years following disposal or full depreciation.

2 Digital and physical records must be maintained with appropriate security protocols to prevent unauthorized access or modification.

7. TAX COMPLIANCE

1 This Log is prepared in strict accordance with:

- Generally Accepted Accounting Principles (GAAP)
- Internal Revenue Service (IRS) Regulations
- Financial Accounting Standards Board (FASB) guidelines

8. DISCLAIMER

1 This document represents the best available information as of the date of preparation. The Company reserves the right to modify depreciation methodologies and asset tracking protocols as required by changes in accounting standards or business conditions.

9. EXECUTION

Executed this 22nd day of January, 2024.

Michael Chen

Chief Technology Officer

Nexus Intelligent Systems, Inc.

Sarah Williamson

Chief Strategy Officer

Nexus Intelligent Systems, Inc.