

STOCK OPTION AND EMPLOYEE EQUITY PLAN

OF NEXUS INTELLIGENT SYSTEMS, INC.

ARTICLE I: INTRODUCTION AND PURPOSE

1 **Establishment of Plan**

Nexus Intelligent Systems, Inc., a Delaware corporation (the "Company"), hereby establishes the Stock Option and Employee Equity Plan (the "Plan") to attract, retain, and motivate key employees, consultants, and directors by providing them with opportunities to acquire a proprietary interest in the Company's success.

2 **Effective Date**

This Plan shall become effective as of January 22, 2024, as approved by the Board of Directors.

ARTICLE II: DEFINITIONS

1 **Defined Terms**

For purposes of this Plan, the following terms shall have the meanings set forth below:

(a) "Award" means any stock option, restricted stock unit, or other equity-based compensation granted under this Plan.

(b) "Participant" means an employee, consultant, or director of the Company who is selected to receive an Award under this Plan.

(c) "Fair Market Value" means the per share value of the Company's common stock, as determined by the Board of Directors in good faith compliance with applicable valuation regulations.

ARTICLE III: ADMINISTRATION

1 **Plan Administration**

The Plan shall be administered by the Compensation Committee of the Board of Directors, which shall have full authority to:

(a) Select Participants to receive Awards

(b) Determine the type and terms of Awards

(c) Interpret Plan provisions

(d) Establish rules for Plan implementation

2 ****Eligibility****

Participants shall be selected at the sole discretion of the Compensation Committee, considering:

- Individual performance
- Strategic role within the Company
- Potential for future contribution
- Alignment with Company objectives

ARTICLE IV: AWARD TYPES

1 ****Stock Options****

(a) Incentive Stock Options (ISOs) and Non-Qualified Stock Options (NSOs) may be granted under this Plan.

(b) Option Exercise Price shall be no less than 100% of Fair Market Value on the grant date.

(c) Maximum option term shall not exceed ten (10) years from the grant date.

2 ****Vesting Schedules****

(a) Standard vesting shall follow a four-year schedule with a one-year cliff:

- 25% vests after first year
- Remaining 75% vests monthly over subsequent 36 months

(b) Accelerated vesting may occur upon:

- Change of control
- Involuntary termination without cause
- Permanent disability

ARTICLE V: TRANSFERABILITY AND RESTRICTIONS

1 ****Non-Transferability****

Awards granted under this Plan are non-transferable except:

- By will or inheritance
- Through domestic relations orders
- With explicit Board approval

2 ****Forfeiture Provisions****

The Company reserves the right to cancel or reclaim Awards in cases of:

- Material misconduct
- Violation of confidentiality agreements
- Competitive actions against the Company

ARTICLE VI: TAX CONSIDERATIONS

1 ****Tax Withholding****

Participants are responsible for all tax implications arising from Award exercises or transfers.

2 ****Section 409A Compliance****

All Awards shall be structured to comply with Internal Revenue Code Section 409A requirements.

ARTICLE VII: AMENDMENT AND TERMINATION

1 ****Plan Modification****

The Board of Directors may amend or terminate this Plan, provided that:

- No amendment shall materially impair existing Award rights
- Shareholders shall be notified of substantial changes

ARTICLE VIII: MISCELLANEOUS

1 ****Governing Law****

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

2 ****Entire Agreement****

This document constitutes the entire understanding regarding employee equity compensation at Nexus Intelligent Systems, Inc.

SIGNATURE BLOCK

Executed this 22nd day of January, 2024.

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.