

# **Annual Tax Compliance Certification**

## **CERTIFICATION OF TAX COMPLIANCE**

**Nexus Intelligent Systems, Inc.**

### **PRELIMINARY STATEMENT**

This Annual Tax Compliance Certification ("Certification") is executed as of January 22, 2024, by Nexus Intelligent Systems, Inc., a Delaware corporation (the "Company"), in connection with its ongoing tax reporting and compliance obligations.

### **1. DEFINITIONS**

1 "Applicable Tax Laws" shall mean all federal, state, local, and foreign income tax laws, regulations, rules, and administrative practices applicable to the Company's business operations.

2 "Material Tax Liability" shall mean any tax obligation exceeding \$50,000 or representing more than 2% of the Company's annual revenue.

3 "Tax Period" shall mean the fiscal year ending December 31, 2023.

### **2. REPRESENTATIONS AND WARRANTIES**

#### **1 Tax Return Compliance**

The Company hereby certifies that:

- All required federal, state, and local tax returns have been timely filed
- All tax returns are complete and accurate in all material respects
- No tax returns are currently under audit or examination by any taxing authority

#### **2 Tax Payment Obligations**

The Company represents that:

- All tax liabilities for the Tax Period have been fully paid
- No outstanding tax deficiencies exist
- All estimated tax payments have been made in accordance with applicable regulations

#### **3 Special Tax Considerations**

The Company confirms:

- All research and development tax credits have been properly documented
- Employee stock option tax treatments comply with IRS Section 409A
- Transfer pricing documentation is current and compliant with international tax regulations

### **3. SPECIFIC DISCLOSURES**

#### **1 Potential Tax Contingencies**

The following potential tax contingencies are disclosed:

- Ongoing review of R&D tax credit calculations for fiscal years 2021-2023
- Potential state tax nexus issues related to remote workforce arrangements
- Pending clarification on certain international consulting revenue tax treatments

#### **2 Tax Jurisdictions**

The Company operates and files tax returns in the following jurisdictions:

- Delaware (primary incorporation)
- California (primary operations)
- New York (secondary office location)
- International jurisdictions: Canada, United Kingdom

### **4. COMPLIANCE VERIFICATION**

#### **1 Internal Review Process**

This Certification is based on:

- Comprehensive review by internal finance team
- External tax advisor consultation
- Detailed examination of financial records and tax documentation

#### **2 Documentation Support**

The Company maintains comprehensive supporting documentation, including:

- Detailed general ledgers
- Contemporaneous transfer pricing documentation
- Comprehensive payroll and employee compensation records
- Vendor payment and international transaction logs

### **5. LIMITATIONS AND QUALIFICATIONS**

## 1 Scope of Certification

This Certification is provided with the understanding that:

- Absolute tax compliance cannot be guaranteed
- Future tax interpretations may differ from current understanding
- Material changes in business operations may impact tax positions

## 2 Forward-Looking Statement

The Company acknowledges that this Certification represents its best current understanding and is subject to potential future adjustments.

## 6. EXECUTIVE CERTIFICATION

I, Dr. Elena Rodriguez, Chief Executive Officer of Nexus Intelligent Systems, Inc., hereby certify that to the best of my knowledge and after reasonable investigation, the statements contained in this Annual Tax Compliance Certification are true, complete, and accurate as of the date first written above.

## SIGNATURE BLOCK

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Date: January 22, 2024

## DISCLAIMER

This document is provided for informational purposes and does not constitute legal or tax advice. Consultation with qualified tax professionals is recommended.