

Employee Performance Incentive Calculation Model

Confidential Legal Document

Nexus Intelligent Systems, Inc.

1. PRELIMINARY PROVISIONS

1 Purpose

This Employee Performance Incentive Calculation Model ("Model") establishes the comprehensive framework for determining performance-based compensation and equity incentives for key personnel at Nexus Intelligent Systems, Inc. (the "Company"), effective January 1, 2024.

2 Scope of Application

This Model shall apply to all full-time employees classified as Senior Individual Contributors, Managers, Directors, and Executive Leadership within the Company's organizational structure.

2. PERFORMANCE METRICS

1 Core Performance Categories

The Company shall evaluate employee performance across the following primary dimensions:

a) Individual Performance Metrics (IPM)

- Technical Competency Score
- Project Delivery Effectiveness
- Innovation Contribution
- Client Satisfaction Ratings

b) Organizational Performance Metrics (OPM)

- Revenue Generation
- Operational Efficiency
- Strategic Initiative Advancement
- Market Expansion Outcomes

2 Weighted Performance Calculation

Performance incentives shall be calculated using the following weighted formula:

IPM Weight: 60%

OPM Weight: 40%

Total Performance Score = (IPM Score 0.60) + (OPM Score 0.40)

3. INCENTIVE STRUCTURE

1 Cash Compensation Incentives

Performance-based cash incentives shall be structured as follows:

- a) Senior Individual Contributors: 10-15% of base annual salary
- b) Managers: 15-25% of base annual salary
- c) Directors: 25-35% of base annual salary
- d) Executive Leadership: 35-50% of base annual salary

2 Equity Compensation Allocation

Qualified employees may receive additional equity compensation based on performance:

- a) Restricted Stock Units (RSUs)
- b) Performance Stock Options
- c) Long-Term Incentive Plan (LTIP) Grants

4. PERFORMANCE EVALUATION PROCESS

1 Annual Review Cycle

The Company shall conduct comprehensive performance evaluations annually, with the following key stages:

- a) Self-Assessment
- b) Peer and Managerial Review
- c) Executive Leadership Calibration
- d) Final Performance Score Determination

2 Performance Score Bands

- Exceptional Performance: 90-100%
- Strong Performance: 80-89%
- Meets Expectations: 70-79%
- Needs Improvement: 60-69%

- Unsatisfactory: <60%

5. LEGAL DISCLAIMERS

1 Discretionary Nature

The Company retains absolute discretion in interpreting and implementing this Performance Incentive Calculation Model. No provision herein shall be construed as a guaranteed compensation commitment.

2 Modification Rights

The Company reserves the right to modify, suspend, or terminate this Model at any time, with or without prior notice.

6. CONFIDENTIALITY AND PROPRIETARY INFORMATION

1 All details contained within this Model constitute confidential and proprietary information of Nexus Intelligent Systems, Inc. Unauthorized disclosure is strictly prohibited.

7. EXECUTION

Approved and Executed:

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Date: January 22, 2024