

# **Board Performance Evaluation Methodology**

## **1. Purpose and Scope**

1 This Board Performance Evaluation Methodology ("Methodology") establishes the comprehensive framework for conducting periodic assessments of the Board of Directors of Nexus Intelligent Systems, Inc. (the "Company"), designed to enhance corporate governance, strategic alignment, and organizational effectiveness.

2 The primary objectives of this Methodology are to:

- a) Systematically evaluate individual and collective board performance
- b) Identify areas of strategic strength and potential improvement
- c) Ensure alignment with corporate governance best practices
- d) Promote continuous professional development of board members

## **2. Evaluation Frequency and Timing**

1 Comprehensive Board Performance Evaluations shall be conducted annually, with the following specific timelines:

- a) Full Board Evaluation: Conducted annually in Q4
- b) Individual Director Assessments: Conducted concurrently with annual evaluation
- c) Interim Performance Reviews: Conducted semi-annually in Q2

2 The Nominating and Governance Committee shall be responsible for managing and coordinating the evaluation process.

## **3. Evaluation Methodology Components**

1 Quantitative Assessment

a) Structured Questionnaire Design

- Standardized evaluation instrument covering key performance dimensions
- Numeric rating scales (1-5) for objective measurement
- Consistent year-over-year comparative analysis capabilities

b) Performance Metrics

- Strategic guidance effectiveness
- Risk management oversight
- Financial performance monitoring
- Compliance and governance adherence
- Executive leadership evaluation

## 2 Qualitative Assessment

### a) Confidential Individual Interviews

- Conducted by independent third-party governance consultant
- Structured open-ended discussion protocol
- Comprehensive feedback collection mechanism

### b) Peer and Self-Evaluation Components

- 360-degree assessment approach
- Anonymized feedback collection
- Comprehensive interpersonal and professional competency analysis

## **4. Evaluation Dimensions**

### 1 Individual Director Evaluation Criteria

- a) Strategic Contribution
- b) Meeting Preparation and Engagement
- c) Expertise Relevance
- d) Collaborative Capabilities
- e) Ethical Standards and Integrity

### 2 Collective Board Evaluation Criteria

- a) Composition and Diversity
- b) Decision-making Effectiveness
- c) Committee Performance
- d) Stakeholder Representation
- e) Governance Innovation

## **5. Reporting and Follow-up**

## 1 Evaluation Report Preparation

- a) Comprehensive written report prepared by independent consultant
- b) Detailed findings with actionable recommendations
- c) Confidential distribution to Board Chair and Nominating Committee

## 2 Performance Improvement Planning

- a) Mandatory development action items
- b) Professional education and training recommendations
- c) Potential board composition adjustments

## **6. Confidentiality and Disclosure**

1 All evaluation materials shall be considered strictly confidential.

2 Aggregate, anonymized findings may be included in corporate governance disclosures consistent with applicable securities regulations.

## **7. Legal Disclaimer**

1 This Methodology represents a non-binding framework for board performance assessment and does not constitute a contractual obligation.

2 The Board reserves the right to modify this Methodology at its discretion.

## **8. Execution**

Approved by the Board of Directors on: January 22, 2024

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Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

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Michael Chen

Chairman of the Board

Nexus Intelligent Systems, Inc.