

# **EXECUTIVE COMPENSATION AND STOCK OPTION PLAN**

## **OF NEXUS INTELLIGENT SYSTEMS, INC.**

### **ARTICLE I: INTRODUCTION AND PURPOSE**

1 **\*\*Establishment of Plan\*\***. This Executive Compensation and Stock Option Plan (the "Plan") is established by Nexus Intelligent Systems, Inc., a Delaware corporation (the "Company"), effective as of January 22, 2024, to attract, retain, and motivate key executive talent through competitive equity compensation mechanisms.

2 **\*\*Objectives\*\***. The primary objectives of this Plan are to:

- (a) Align executive compensation with long-term shareholder value creation
- (b) Provide meaningful equity participation for critical leadership personnel
- (c) Create performance-based incentive structures that drive strategic company goals

### **ARTICLE II: DEFINITIONS**

1 **\*\*Defined Terms\*\***:

- (a) "Participant" shall mean any executive officer or key employee selected to receive stock options under this Plan
- (b) "Fair Market Value" means the per share valuation as determined by the Board of Directors, consistent with most recent independent third-party valuation
- (c) "Vesting Period" refers to the predetermined timeline during which stock options become exercisable

### **ARTICLE III: STOCK OPTION GRANT PROVISIONS**

1 **\*\*Eligibility\*\***. Participants shall be limited to:

- (a) Current executive officers of the Company
- (b) Key employees identified as critical to the Company's strategic objectives
- (c) Newly hired executives meeting specific performance and potential criteria

2 **\*\*Option Types\*\***:

- (a) Incentive Stock Options (ISOs)
- (b) Non-Qualified Stock Options (NSOs)

(c) Performance-Based Stock Options

3 **\*\*Grant Limitations\*\***:

(a) Total available shares: 500,000 common stock equivalents

(b) Maximum individual grant: 100,000 shares per participant per calendar year

(c) Grants subject to annual Board of Directors approval

#### **ARTICLE IV: VESTING SCHEDULE**

1 **\*\*Standard Vesting Structure\*\***:

(a) Four-year vesting with one-year cliff

(b) 25% of granted options vest after first year of continuous service

(c) Remaining options vest ratably on a monthly basis over subsequent 36 months

2 **\*\*Accelerated Vesting Conditions\*\***:

(a) Full acceleration upon change of control event

(b) Partial acceleration for involuntary termination without cause

(c) Discretionary acceleration as determined by Compensation Committee

#### **ARTICLE V: EXERCISE PROVISIONS**

1 **\*\*Exercise Price\*\***. The exercise price shall be no less than the Fair Market Value at the time of grant, as determined by independent valuation.

2 **\*\*Exercise Period\*\***:

(a) Options expire ten (10) years from grant date

(b) Unexercised options terminate upon participant's separation from company

(c) Post-termination exercise windows subject to specific conditions outlined in individual grant agreements

#### **ARTICLE VI: TRANSFERABILITY AND RESTRICTIONS**

1 **\*\*Non-Transferability\*\***. Options granted under this Plan are non-transferable except by will or inheritance, and are exercisable only by the participant during their lifetime.

#### **ARTICLE VII: ADMINISTRATION**

1 **\*\*Plan Administration\*\***. The Compensation Committee of the Board of Directors shall have full

authority to interpret and implement this Plan.

#### **ARTICLE VIII: TAX CONSIDERATIONS**

1 **\*\*Tax Treatment\*\***. Participants are solely responsible for any tax implications arising from option grants or exercises.

#### **ARTICLE IX: AMENDMENT AND TERMINATION**

1 **\*\*Plan Modification\*\***. The Board reserves the right to modify, suspend, or terminate this Plan at any time, subject to existing option grant obligations.

#### **EXECUTION**

IN WITNESS WHEREOF, the undersigned hereby execute this Executive Compensation and Stock Option Plan as of the date first written above.

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Michael Chen

Chief Technology Officer

Nexus Intelligent Systems, Inc.

Dated: January 22, 2024