

Quarterly Estimated Tax Payments Documentation

Nexus Intelligent Systems, Inc.

1. PRELIMINARY STATEMENTS

1 This document ("Tax Payment Memorandum") represents the official quarterly estimated tax payment protocol for Nexus Intelligent Systems, Inc., a Delaware corporation with principal offices located at 1200 Innovation Park Drive, San Jose, California 95134.

2 The purpose of this document is to establish a comprehensive framework for managing quarterly estimated tax obligations in compliance with federal and state tax regulations, specifically addressing Internal Revenue Code Section 6654 requirements.

2. TAX PAYMENT METHODOLOGY

1 Calculation Principles

- Estimated tax payments shall be calculated based on projected annual income
- Calculations will utilize current year's estimated revenue projections
- Tax estimates will incorporate:
 - a) Gross revenue
 - b) Operational expenses
 - c) Research and development tax credits
 - d) Depreciation and amortization adjustments

2 Payment Schedule

Quarterly estimated tax payments will be processed as follows:

- Q1 Payment: April 15th
- Q2 Payment: June 15th
- Q3 Payment: September 15th
- Q4 Payment: January 15th (following tax year)

3. FINANCIAL COMPUTATION PARAMETERS

1 Revenue Baseline

For fiscal year 2024, the revenue baseline is established at \$12,500,000, with anticipated growth rate

of 22-27% based on current market projections and existing enterprise contracts.

2 Tax Rate Considerations

- Federal Corporate Tax Rate: 21%
- California State Corporate Tax Rate: 8.84%
- Effective Combined Tax Rate: Approximately 29.84%

3 Estimated Tax Payment Calculation

The quarterly estimated tax payment will be computed using the following formula:

$$[(\text{Projected Annual Income} - \text{Allowable Deductions}) \times \text{Effective Tax Rate}] \div 4$$

4. COMPLIANCE AND DOCUMENTATION

1 Record Keeping

The finance department shall maintain comprehensive documentation supporting each quarterly estimated tax payment, including:

- Detailed income statements
- Expense reconciliation reports
- Research and development credit documentation
- Depreciation schedules

2 Internal Audit Requirements

- Quarterly tax estimates must be reviewed by the Chief Financial Officer
- Independent tax consultant verification required annually
- Documentation must be retained for minimum of seven (7) years

5. RISK MITIGATION PROVISIONS

1 Underpayment Penalty Protection

To mitigate potential underpayment penalties, Nexus Intelligent Systems commits to:

- Maintaining estimated tax payments at or above 100% of prior year's tax liability
- Implementing conservative revenue and expense projections
- Establishing a tax reserve fund representing 110% of anticipated tax obligations

6. AUTHORIZATION AND EXECUTION

1 Authorized Signatories

The following executives are authorized to approve quarterly estimated tax payments:

- Dr. Elena Rodriguez, Chief Executive Officer
- Michael Chen, Chief Technology Officer
- Sarah Williamson, Chief Strategy Officer

2 Execution Certification

By implementing this Tax Payment Memorandum, Nexus Intelligent Systems, Inc. affirms its commitment to accurate, timely, and compliant tax reporting.

7. DISCLAIMER

1 This document represents internal policy and is not a substitute for professional tax advice. All tax strategies should be independently verified by qualified tax professionals.

8. EFFECTIVE DATE

1 This Tax Payment Memorandum becomes effective January 22, 2024, superseding all prior tax payment protocols.

Executed this 22nd day of January, 2024

/s/ Dr. Elena Rodriguez

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.