

Professional Development Budget Allocation Policy

1. PREAMBLE

WHEREAS, Nexus Intelligent Systems, Inc. (hereinafter "the Company") recognizes the critical importance of continuous professional development in maintaining technological leadership and employee engagement within the enterprise AI services sector;

WHEREAS, the Company is committed to investing in its human capital through strategic professional development initiatives;

NOW, THEREFORE, the following Professional Development Budget Allocation Policy is hereby established:

2. DEFINITIONS

1 "Professional Development" shall mean structured learning activities designed to enhance employee skills, knowledge, and capabilities directly related to their current role or potential future responsibilities within the organization.

2 "Eligible Employees" shall include full-time employees who have completed a minimum of six (6) consecutive months of continuous employment with the Company.

3 "Training Budget" refers to the annual monetary allocation designated for professional development activities.

3. BUDGET ALLOCATION FRAMEWORK

1 Annual Budget Allocation

The Company shall annually allocate a professional development budget equivalent to 2.5% of total annual compensation, with the following distribution:

- a) Technical Roles (Engineering, Data Science): Up to \$5,000 per employee
- b) Professional Services & Consulting Roles: Up to \$3,500 per employee
- c) Administrative & Support Roles: Up to \$2,000 per employee

2 Budget Utilization Parameters

- Funds may be used for:

- i. Certified training programs
 - ii. Professional conference attendance
 - iii. Online course subscriptions
 - iv. Professional certification examinations
 - v. Advanced degree partial reimbursement
- Funds cannot be used for:
- i. Personal development unrelated to professional skills
 - ii. Entertainment expenses
 - iii. Travel not directly associated with training
 - iv. Expenses exceeding allocated budget

4. APPROVAL PROCESS

1 Submission Requirements

Employees must submit a comprehensive professional development proposal including:

- Detailed training/program description
- Anticipated learning outcomes
- Direct relevance to current role or strategic company objectives
- Estimated total cost
- Proposed timeline

2 Approval Authority

- Department Heads: Initial review and recommendation
- Human Resources: Compliance and budget verification
- Chief Strategy Officer: Final approval

5. REIMBURSEMENT AND COMPLIANCE

1 Reimbursement Conditions

- Employees must achieve minimum performance standards in associated training
- Proof of successful completion required for full reimbursement
- Partial reimbursement may be granted for incomplete programs

2 Retention Commitment

Employees receiving training investments exceeding \$2,500 must commit to a twelve (12) month retention period following program completion. Early departure may require prorated repayment.

6. REPORTING AND ACCOUNTABILITY

1 Annual Reporting

The Human Resources department shall provide an annual report to executive leadership detailing:

- Total budget allocation
- Individual and departmental training investments
- Skill enhancement metrics
- Return on training investment analysis

7. POLICY MODIFICATIONS

1 The Company reserves the right to modify, suspend, or terminate this Professional Development Budget Allocation Policy at its sole discretion, with thirty (30) days written notice to employees.

8. EXECUTION

Executed this 22nd day of January, 2024.

Authorized Signatures:

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Michael Chen

Chief Technology Officer

Nexus Intelligent Systems, Inc.

Sarah Williamson

Chief Strategy Officer

Nexus Intelligent Systems, Inc.