

# **Compensation Committee Guidelines**

**Nexus Intelligent Systems, Inc.**

**Effective Date: January 22, 2024**

## **1. PURPOSE AND SCOPE**

1 These Compensation Committee Guidelines ("Guidelines") establish the framework for the Compensation Committee of the Board of Directors of Nexus Intelligent Systems, Inc. (the "Company"), defining its purpose, responsibilities, composition, and operational protocols.

2 The Compensation Committee shall serve as a critical governance mechanism to ensure fair, competitive, and strategically aligned compensation practices that support the Company's mission of delivering advanced AI-driven enterprise solutions.

## **2. COMMITTEE COMPOSITION**

### **1 Membership**

- The Committee shall consist of no fewer than three (3) and no more than five (5) independent directors
- All members must be "independent directors" as defined by applicable securities regulations
- Members shall be appointed annually by the Board of Directors

### **2 Qualifications**

- Members must possess:
  - a) Demonstrated financial literacy
  - b) Understanding of executive compensation practices
  - c) Experience in corporate governance
  - d) No material financial relationship with the Company beyond directorship

## **3. COMMITTEE RESPONSIBILITIES**

### **1 Executive Compensation Strategy**

- Develop and recommend comprehensive compensation strategies aligned with Company objectives
- Evaluate and approve compensation packages for:

- a) Chief Executive Officer
- b) Executive Officers
- c) Senior Leadership Team

## 2 Compensation Design

- Establish performance metrics and targets for variable compensation
- Review and approve:
  - Base salary structures
  - Annual incentive plans
  - Long-term equity compensation programs
  - Retirement and benefits packages

## 3 Benchmarking and Competitive Analysis

- Conduct annual comprehensive market analysis of compensation practices
- Utilize independent compensation consultants to ensure competitive positioning
- Compare compensation against peer group in enterprise AI and technology services sectors

# 4. MEETING PROTOCOLS

## 1 Frequency

- Minimum of four (4) meetings annually
- Special meetings may be called by Committee Chair or majority vote

## 2 Quorum and Voting

- Majority of Committee members constitutes quorum
- Decisions require majority vote
- Chair possesses tie-breaking vote

## 3 Reporting

- Prepare quarterly reports for Board of Directors
- Maintain detailed minutes of all meetings
- Provide annual comprehensive compensation review

# 5. COMPENSATION PRINCIPLES

## 1 Guiding Philosophy

- Align compensation with long-term shareholder value
- Attract and retain top-tier talent in competitive AI technology market
- Promote performance-driven culture
- Ensure equity and transparency in compensation practices

## 2 Performance Metrics

Key performance indicators shall include:

- Revenue growth
- Profitability
- Customer acquisition and retention
- Innovation and product development milestones
- Operational efficiency

## **6. LEGAL COMPLIANCE**

### 1 Regulatory Adherence

- Comply with SEC regulations
- Follow Sarbanes-Oxley Act requirements
- Maintain transparency in executive compensation disclosures

### 2 Conflict of Interest

- Members must immediately disclose potential conflicts
- Recusal required for decisions involving personal financial interests

## **7. AMENDMENT AND MODIFICATION**

1 These Guidelines may be amended by:

- Majority vote of Board of Directors
- Recommendation of Compensation Committee
- Compliance with evolving regulatory requirements

## **8. DISCLAIMER**

1 These Guidelines are intended as a governance framework and do not constitute a contractual obligation. The Board of Directors retains ultimate discretion in compensation matters.

## **EXECUTION**

Approved by the Board of Directors on January 22, 2024

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Dr. Elena Rodriguez

Chief Executive Officer

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Michael Chen

Board Chair, Compensation Committee