

Director Independence Assessment Framework

Nexus Intelligent Systems, Inc.

1. PURPOSE AND SCOPE

1 This Director Independence Assessment Framework ("Framework") establishes comprehensive guidelines for evaluating the independence of board members for Nexus Intelligent Systems, Inc. (the "Company"), in compliance with applicable corporate governance standards and regulatory requirements.

2 The primary objectives of this Framework are to:

- a) Define objective criteria for director independence
- b) Establish a systematic process for ongoing independence assessment
- c) Mitigate potential conflicts of interest
- d) Ensure robust corporate governance practices

2. INDEPENDENCE DEFINITIONS

1 An "Independent Director" shall be defined as a board member who:

- a) Is not an employee or executive officer of the Company
- b) Has no material financial, professional, or personal relationship that could compromise objective decision-making
- c) Meets the independence standards outlined in this Framework

2 Material relationships that may compromise independence include, but are not limited to:

- Direct employment with the Company within the past five (5) years
- Significant financial transactions exceeding \$120,000 annually
- Immediate family members employed in executive leadership roles
- Substantial business relationships with the Company

3. INDEPENDENCE ASSESSMENT CRITERIA

1 Financial Independence Evaluation

- a) No director shall receive more than \$50,000 in annual compensation from the Company, excluding standard board retainer and meeting fees

- b) Directors must disclose all financial interests that could potentially create conflicts
- c) Annual compensation must represent less than 5% of the director's total annual income

2 Professional Relationship Assessment

- a) Directors must not serve as legal counsel, financial advisor, or strategic consultant to the Company
- b) Any prior professional engagement must have concluded at least two (2) years prior to board appointment
- c) Consulting or advisory relationships are subject to comprehensive disclosure and Board Governance Committee review

4. ASSESSMENT METHODOLOGY

1 Initial Independence Determination

- a) Comprehensive background investigation upon board nomination
- b) Detailed questionnaire requiring full disclosure of potential conflicts
- c) Third-party verification of disclosed information

2 Ongoing Independence Monitoring

- a) Annual written certification of independence
- b) Continuous disclosure requirements for emerging potential conflicts
- c) Mandatory recusal from discussions involving potential conflicts of interest

5. CONFLICT MANAGEMENT PROTOCOLS

1 Conflict Identification Process

- a) Mandatory quarterly conflict disclosure statements
- b) Immediate reporting requirements for emerging potential conflicts
- c) Comprehensive review by Board Governance Committee

2 Remediation Procedures

- a) Temporary recusal from specific board discussions
- b) Potential board membership modification
- c) Comprehensive documentation of conflict management actions

6. COMPLIANCE AND ENFORCEMENT

1 Non-Compliance Consequences

- a) Potential removal from board membership
- b) Mandatory reputational disclosure
- c) Potential legal and financial penalties

2 Annual Review

The Board Governance Committee shall conduct an annual comprehensive review of this Framework, ensuring continued alignment with evolving corporate governance standards.

7. LEGAL DISCLAIMER

1 This Framework represents the current governance standards of Nexus Intelligent Systems, Inc. and is subject to modification at the Board's discretion.

2 Nothing in this document shall be construed as a guarantee of board membership or independence status.

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

Chief Technology Officer

Nexus Intelligent Systems, Inc.