

# ACCOUNTS PAYABLE MANAGEMENT DOCUMENT

## CONFIDENTIAL LEGAL INSTRUMENT

### PARTIES

This Accounts Payable Management Document ("Document") is executed by and between:

Nexus Intelligent Systems, Inc., a Delaware corporation with principal offices at 1200 Technology Park Drive, San Jose, California 95134 (hereinafter referred to as "Company")

### EFFECTIVE DATE

Effective as of January 22, 2024

## 1. DEFINITIONS

1 "Accounts Payable" shall mean all outstanding financial obligations, invoices, vendor contracts, and monetary liabilities owed by the Company to third-party vendors, suppliers, and service providers.

2 "Material Payable" shall be defined as any individual or aggregate vendor obligation exceeding \$50,000 in total value.

3 "Payment Cycle" refers to the standardized timeline for processing, approving, and remitting vendor payments as established by the Company's financial protocols.

## 2. ACCOUNTS PAYABLE MANAGEMENT PROTOCOLS

### 1 Vendor Classification

The Company shall maintain a comprehensive vendor classification system with the following hierarchical tiers:

- Tier 1: Critical Infrastructure Vendors
- Tier 2: Strategic Technology Partners
- Tier 3: Supplemental Service Providers

### 2 Payment Terms

All vendor payment terms shall adhere to the following standardized structures:

- a) Net 30 Days: Standard payment window for most vendor relationships

- b) Net 45 Days: Reserved for strategic technology and infrastructure partners
- c) Prepaid/Advanced Payment: Permitted only with explicit executive authorization

### 3 Documentation Requirements

Each accounts payable transaction must be accompanied by:

- Detailed invoice with line-item breakdown
- Purchase order or contract reference number
- Authorized internal approval signatures
- Corresponding delivery/service completion documentation

## **3. FINANCIAL RISK MITIGATION**

### 1 Vendor Risk Assessment

The Company shall conduct quarterly comprehensive risk assessments for all Material Payable vendors, evaluating:

- Financial stability
- Service delivery performance
- Contractual compliance
- Potential concentration risks

### 2 Payment Reconciliation

Monthly reconciliation processes shall include:

- Cross-verification of invoices against contracted services
- Identification and resolution of discrepancies
- Validation of payment accuracy and completeness

## **4. COMPLIANCE AND REPORTING**

### 1 Internal Controls

The Company's finance department shall maintain rigorous internal controls, including:

- Segregation of payment authorization duties
- Multi-tier approval workflows
- Regular audit trail documentation
- Automated anomaly detection systems

## 2 Reporting Requirements

Quarterly comprehensive reports shall be generated detailing:

- Total accounts payable balance
- Aging of outstanding invoices
- Vendor payment performance metrics
- Identified financial risks or potential disruptions

## 5. CONFIDENTIALITY AND LIMITATIONS

1 The information contained within this document represents confidential financial protocols and is intended solely for internal use and potential due diligence review.

2 Any unauthorized reproduction or distribution of this document is strictly prohibited.

## 6. EXECUTION

Executed by authorized representatives of Nexus Intelligent Systems, Inc.:

Dr. Elena Rodriguez

Chief Executive Officer

Date: January 22, 2024

Michael Chen

Chief Financial Officer

Date: January 22, 2024