

Board-Level Risk Oversight and Governance Charter

Nexus Intelligent Systems, Inc.

1. PURPOSE AND SCOPE

1 This Board-Level Risk Oversight and Governance Charter ("Charter") establishes the comprehensive framework for enterprise risk management and governance at Nexus Intelligent Systems, Inc. (the "Company"), defining the Board of Directors' fundamental responsibilities in identifying, assessing, mitigating, and monitoring strategic and operational risks.

2 The Charter applies to all corporate activities, subsidiaries, and strategic business units, providing a standardized approach to risk governance that aligns with the Company's mission of delivering advanced AI-driven predictive analytics solutions.

2. RISK GOVERNANCE FRAMEWORK

1 Board Risk Oversight Responsibilities

- Establish and maintain a robust enterprise risk management infrastructure
- Approve comprehensive risk management policies and strategies
- Conduct periodic reviews of the Company's risk profile and mitigation strategies
- Ensure alignment between risk management practices and strategic objectives

2 Risk Management Principles

- Proactive identification of potential risks across technological, financial, operational, and compliance domains
- Continuous assessment of emerging risks in enterprise AI and digital transformation sectors
- Maintenance of a dynamic risk assessment methodology that adapts to technological and market changes

3. RISK CATEGORIES AND ASSESSMENT

1 Technological Risks

- Artificial intelligence model reliability and performance
- Cybersecurity and data protection vulnerabilities
- Intellectual property and algorithmic innovation risks
- Emerging technology integration challenges

2 Operational Risks

- Supply chain and vendor management risks
- Service delivery and performance consistency
- Human capital and talent retention risks
- Scalability and infrastructure limitations

3 Financial Risks

- Revenue concentration and market dependency
- Investment and capital allocation strategies
- Funding and liquidity management
- Compliance with venture capital and investor reporting requirements

4 Regulatory and Compliance Risks

- Data privacy and protection regulations
- Industry-specific AI and machine learning compliance standards
- International business operation legal frameworks
- Ethical AI development and deployment guidelines

4. RISK MANAGEMENT GOVERNANCE STRUCTURE

1 Board Risk Committee

- Composition: Minimum of three independent directors
- Quarterly risk assessment and reporting sessions
- Direct oversight of enterprise risk management processes
- Authority to engage external risk management consultants

2 Executive Risk Management Team

- Led by Chief Strategy Officer
- Monthly risk status reporting
- Development of comprehensive risk mitigation strategies
- Implementation of board-approved risk management protocols

5. RISK REPORTING AND TRANSPARENCY

1 Reporting Mechanisms

- Quarterly comprehensive risk assessment reports
- Annual enterprise risk management review
- Immediate disclosure of material risk events
- Transparent communication with stakeholders

2 Documentation and Audit Trail

- Maintenance of detailed risk management documentation
- Independent third-party risk assessments
- Comprehensive record-keeping of risk identification and mitigation efforts

6. CHARTER MODIFICATION

1 This Charter may be amended by a majority vote of the Board of Directors, with proposed modifications requiring written notice and discussion in a formal board meeting.

7. DISCLAIMER AND LIMITATIONS

1 While this Charter represents a comprehensive approach to risk management, it does not guarantee absolute risk elimination. The Company maintains the right to adapt and modify risk management strategies as necessary.

8. EXECUTION

Approved and executed this 22nd day of January, 2024.

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.