

Board of Directors Composition and Responsibilities

Nexus Intelligent Systems, Inc.

Corporate Governance Charter

PREAMBLE

WHEREAS, Nexus Intelligent Systems, Inc. (hereinafter "the Company") is a Delaware corporation engaged in enterprise AI services and predictive analytics;

WHEREAS, the Board of Directors serves as the primary governing body responsible for strategic oversight and fiduciary management;

NOW, THEREFORE, the following document establishes the comprehensive framework for Board composition, responsibilities, and operational protocols.

1. BOARD COMPOSITION

1 Total Board Size

The Board of Directors shall consist of seven (7) members, comprising:

- Three (3) Founder/Management Representatives
- Two (2) Independent External Directors
- Two (2) Venture Capital/Investor Representatives

2 Director Qualifications

Directors must demonstrate:

- a) Substantial professional experience in technology, enterprise services, or related industries
- b) Proven track record of strategic leadership
- c) No material conflicts of interest with the Company's operational objectives
- d) Advanced academic credentials or equivalent professional achievements

3 Appointment and Term

- Initial director terms shall be three (3) years
- Staggered election cycles to ensure continuity
- Annual performance and qualification review
- Maximum of two consecutive full terms per independent director

2. BOARD RESPONSIBILITIES

1 Strategic Oversight

The Board shall:

- Approve annual strategic plans
- Review quarterly operational performance
- Evaluate and authorize major capital investments
- Monitor competitive landscape and technological developments

2 Financial Governance

Specific financial oversight responsibilities include:

- Reviewing and approving annual budgets
- Monitoring financial performance metrics
- Authorizing debt instruments and equity transactions
- Overseeing audit and financial reporting processes

3 Risk Management

The Board shall:

- Establish comprehensive risk assessment frameworks
- Review cybersecurity and data protection protocols
- Evaluate potential legal and regulatory compliance risks
- Develop mitigation strategies for identified organizational vulnerabilities

3. COMMITTEE STRUCTURE

1 Standing Committees

The Board shall maintain the following mandatory committees:

- a) Audit Committee
- b) Compensation Committee
- c) Nominating and Governance Committee

2 Committee Composition

- Minimum of three directors per committee
- Majority independent director representation

- Rotating chair positions every two years
- Mandatory quarterly reporting to full Board

4. MEETING PROTOCOLS

1 Regular Meetings

- Quarterly formal Board meetings
- Minimum four (4) meetings annually
- Option for emergency/special session convening

2 Meeting Procedures

- Written notice minimum 10 business days prior
- Detailed agenda and supporting materials required
- Quorum: 5 of 7 directors
- Voting: Majority decision framework

5. COMPENSATION AND INDEMNIFICATION

1 Director Compensation

- Annual retainer: \$75,000 for independent directors
- Additional committee chair stipend: \$25,000
- Equity compensation: Restricted stock units
- No performance-based direct compensation

2 Indemnification

The Company shall:

- Provide comprehensive legal protection
- Maintain Directors and Officers (D&O) liability insurance
- Defend directors against claims arising from official duties

6. COMPLIANCE AND ETHICS

1 Ethical Standards

Directors must:

- Adhere to Company Code of Conduct
- Disclose potential conflicts of interest

- Maintain strict confidentiality
- Prioritize shareholder and organizational interests

7. AMENDMENT PROCEDURES

1 Charter Modifications

- Requires 2/3 Board approval
- Written documentation of proposed changes
- Mandatory legal counsel review

EXECUTION

IN WITNESS WHEREOF, the undersigned hereby adopt this Board of Directors Composition and Responsibilities Charter, effective immediately.

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Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Date: January 22, 2024