

SHAREHOLDER RIGHTS AND PROTECTIONS DOCUMENT

PREAMBLE

This Shareholder Rights and Protections Document ("Document") is executed by and between Nexus Intelligent Systems, Inc., a Delaware corporation (the "Company"), and its existing and future shareholders, effective as of January 22, 2024.

1. DEFINITIONS

1 "Shareholders" shall mean all registered holders of common and preferred stock in Nexus Intelligent Systems, Inc.

2 "Board" shall refer to the Company's Board of Directors.

3 "Voting Securities" shall mean all issued and outstanding shares with voting rights.

2. FUNDAMENTAL SHAREHOLDER RIGHTS

1 Voting Rights

- All common shareholders shall have one vote per share in corporate elections and material corporate actions.
- Preferred shareholders shall have voting rights as specified in their respective stock purchase agreements.

2 Dividend Rights

- Shareholders are entitled to dividends as declared by the Board of Directors.
- Dividend distributions shall be pro-rata based on shareholding percentage.
- Preferred shareholders may have priority dividend rights as specified in their investment agreements.

3 Information Rights

- Shareholders shall receive:
 - a) Annual audited financial statements
 - b) Quarterly unaudited financial reports
 - c) Material event notifications within 10 business days

d) Annual shareholder meeting communications

3. PROTECTIVE PROVISIONS

1 Preemptive Rights

- Existing shareholders shall have the right to purchase additional shares in future financing rounds, maintaining their proportional ownership.
- Preemptive rights must be exercised within 30 days of share issuance notification.

2 Anti-Dilution Protections

- Shareholders shall be protected against value dilution through weighted average anti-dilution mechanisms.
- Specific dilution protection terms are detailed in the Company's Stock Purchase Agreement.

3 Liquidation Preferences

- In the event of company liquidation, asset distribution shall follow strict priority:

a) Debt obligations

b) Preferred shareholders

c) Common shareholders

4. GOVERNANCE PARTICIPATION

1 Board Representation

- Major shareholders owning more than 10% of Voting Securities may nominate board representatives.
- Board composition shall maintain independent director representation.

2 Shareholder Proposals

- Shareholders owning at least 5% of Voting Securities may submit proposals for shareholder meeting consideration.
- Proposal submission must occur 60 days prior to the annual shareholder meeting.

5. TRANSFER RESTRICTIONS

1 Share Transfer Limitations

- Shareholders must obtain Board approval for transfers exceeding 5% of total outstanding

shares.

- Right of first refusal applies to all share transfers.

2 Drag-Along and Tag-Along Rights

- In potential sale scenarios, majority shareholders may force minority shareholders to participate.
- Minority shareholders retain tag-along rights to sell proportional shares under identical terms.

6. DISPUTE RESOLUTION

1 Arbitration Mechanism

- Any disputes arising from shareholder rights shall be resolved through binding arbitration.
- Arbitration shall occur in Delaware, following American Arbitration Association rules.

2 Governing Law

- This document shall be governed by Delaware corporate law.

7. MISCELLANEOUS PROVISIONS

1 Amendment Process

- This document may be amended with 66% shareholder approval.
- Amendments must be documented in writing and signed by authorized representatives.

2 Severability

- If any provision is deemed invalid, remaining provisions shall remain in full effect.

SIGNATURE BLOCK

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.