

INVESTOR RIGHTS AND PARTICIPATION MEMORANDUM

CONFIDENTIAL DOCUMENT

Nexus Intelligent Systems, Inc.

Delaware Corporation

Effective Date: January 22, 2024

PRELIMINARY STATEMENT

This Investor Rights and Participation Memorandum ("Memorandum") sets forth the comprehensive rights, obligations, and participation framework for authorized investors in Nexus Intelligent Systems, Inc. (the "Company"), a Delaware corporation engaged in enterprise artificial intelligence and predictive analytics services.

1. DEFINITIONS

1 "Authorized Investor" shall mean any institutional or accredited investor who has executed a formal investment agreement with the Company.

2 "Participating Securities" shall mean the Series B Preferred Stock issued by the Company, with specific rights as outlined herein.

3 "Investment Threshold" shall mean any single investment exceeding \$500,000 in aggregate capital contribution.

2. INVESTOR RIGHTS

1 Information Rights

Authorized Investors holding more than 5% of outstanding Participating Securities shall be entitled to:

- a) Quarterly unaudited financial statements within 45 days of quarter-end
- b) Annual audited financial statements within 90 days of fiscal year-end
- c) Comprehensive management reports detailing operational performance
- d) Access to quarterly investor update presentations

2 Inspection Rights

Investors may, upon reasonable written notice, inspect corporate books and records during normal

business hours, with limitations to protect confidential trade information.

3 Participation Rights

Investors meeting the Investment Threshold shall have:

- a) Pro-rata participation rights in future financing rounds
- b) Right of first refusal on secondary market transactions
- c) Preemptive rights to maintain percentage ownership

3. GOVERNANCE PARTICIPATION

1 Board Observer Rights

Investors contributing over \$1,000,000 shall receive non-voting board observer status, with rights to:

- a) Attend all board meetings
- b) Receive meeting materials
- c) Provide commentary, without voting privileges

2 Voting Mechanisms

Participating Securities shall have voting rights proportional to capital contribution, with specific weighted voting on:

- a) Material corporate transactions
- b) Strategic pivots
- c) Executive leadership changes

4. PROTECTIVE PROVISIONS

1 Consent Requirements

The following actions require majority investor consent:

- a) Fundamental corporate restructuring
- b) Material asset sales exceeding 25% of corporate value
- c) Amendments to corporate charter
- d) Significant debt financing above \$2,000,000

2 Anti-Dilution Protections

Investors shall receive standard weighted average anti-dilution provisions to protect ownership percentage during subsequent financing rounds.

5. TRANSFER RESTRICTIONS

1 Transfer Limitations

Participating Securities are subject to:

- a) Right of first refusal for existing investors
- b) Drag-along and tag-along rights
- c) Mandatory transfer restrictions for unauthorized transactions

6. CONFIDENTIALITY

1 Investor Information

All materials provided under this Memorandum are strictly confidential. Unauthorized disclosure may result in immediate termination of investor rights and potential legal action.

7. DISCLAIMER

1 This Memorandum does not constitute an offer of securities. All investments are subject to comprehensive due diligence and formal investment documentation.

8. EXECUTION

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the Effective Date.

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Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Authorized Investor Signature:

Date: