

Corporate Restructuring Proposal

CONFIDENTIAL DOCUMENT

Nexus Intelligent Systems, Inc.

Delaware Corporation

PRELIMINARY STATEMENT

THIS CORPORATE RESTRUCTURING PROPOSAL (the "Proposal") is executed this 22nd day of January, 2024, by and between the Board of Directors of Nexus Intelligent Systems, Inc., a Delaware corporation (hereinafter "Nexus" or the "Company").

1. STRATEGIC RATIONALE

1 Corporate Overview

Nexus Intelligent Systems, Inc. is a technology enterprise specializing in AI-driven predictive maintenance and digital transformation solutions, currently positioned in the growth stage with annual revenues approximating \$12.5 million and a workforce of 87 professional personnel.

2 Restructuring Objectives

The primary objectives of this corporate restructuring include:

- a) Optimizing organizational efficiency
- b) Rationalizing corporate governance structures
- c) Preparing for potential strategic investment or acquisition
- d) Enhancing operational scalability

2. PROPOSED CORPORATE REORGANIZATION

1 Organizational Realignment

The proposed restructuring shall encompass:

- Creation of distinct business units for:
 - Enterprise AI Services
 - Predictive Analytics Platforms
 - Digital Transformation Consulting

2 Subsidiary Formation

Nexus shall establish two wholly-owned subsidiary entities:

- a) Nexus Digital Solutions, LLC
- b) Intelligent Predictive Technologies, Inc.

3 Equity Recapitalization

The restructuring will involve:

- Reallocation of existing equity interests
- Potential issuance of new equity classes
- Adjustment of existing shareholder agreements

3. GOVERNANCE MODIFICATIONS

1 Board Composition

The Board of Directors shall be restructured to include:

- Independent technology governance experts
- Additional independent financial oversight members
- Representation from key institutional investors

2 Executive Leadership

Key leadership transitions include:

- Dr. Elena Rodriguez to retain CEO position
- Michael Chen to transition to Chief Innovation Officer
- Establishment of new Chief Operating Officer role

4. FINANCIAL CONSIDERATIONS

1 Capital Allocation

The restructuring anticipates:

- Potential capital raise of \$5-7 million
- Optimization of existing venture capital relationships
- Enhanced financial reporting and governance mechanisms

2 Cost Rationalization

Projected financial impacts include:

- Estimated operational cost reduction of 12-15%

- Improved resource allocation efficiency
- Enhanced margin performance

5. LEGAL PROTECTIONS AND DISCLAIMERS

1 Confidentiality

This document contains proprietary and confidential information. Unauthorized disclosure is strictly prohibited.

2 Forward-Looking Statements

All projections and statements represent management's current expectations and are subject to significant business, economic, and competitive uncertainties.

6. IMPLEMENTATION TIMELINE

1 Phased Implementation

- Phase 1 (Q1 2024): Initial governance modifications
- Phase 2 (Q2 2024): Subsidiary establishment
- Phase 3 (Q3 2024): Full operational restructuring

7. EXECUTION

1 Approval

This Corporate Restructuring Proposal requires:

- Majority Board of Directors approval
- Majority shareholder consent
- Compliance with Delaware corporate law provisions

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.

Sarah Williamson

Chief Strategy Officer

Nexus Intelligent Systems, Inc.

[Corporate Seal]