

Merger and Acquisition Governance Guidelines

Preamble

WHEREAS, Nexus Intelligent Systems, Inc. (hereinafter "Nexus" or the "Company") recognizes the critical importance of establishing comprehensive governance protocols for potential merger and acquisition ("M&A") transactions;

WHEREAS, these guidelines are designed to provide a structured framework for evaluating, executing, and integrating strategic corporate transactions;

NOW, THEREFORE, the following Merger and Acquisition Governance Guidelines are established:

1. Strategic Transaction Evaluation Framework

1.1 Strategic Alignment Criteria

The Company shall evaluate potential M&A opportunities based on the following primary criteria:

- a) Strategic Fit: Alignment with core enterprise AI services and predictive analytics capabilities
- b) Technology Complementarity: Potential for technological enhancement or market expansion
- c) Financial Performance: Accretive potential to revenue, EBITDA, and long-term shareholder value
- d) Cultural Compatibility: Alignment of organizational values and operational methodologies

1.2 Initial Screening Process

All potential transactions shall undergo a multi-stage evaluation process:

- a) Preliminary Assessment by Executive Leadership
- b) Strategic Review Committee Evaluation
- c) Comprehensive Due Diligence Investigation
- d) Board of Directors Recommendation and Approval

2. Due Diligence Protocols

2.1 Comprehensive Due Diligence Scope

Due diligence shall encompass, but not be limited to:

- a) Financial Performance Analysis

- b) Technological Asset Evaluation
- c) Intellectual Property Assessment
- d) Regulatory Compliance Review
- e) Operational Integration Potential
- f) Human Capital Evaluation
- g) Cybersecurity and Data Protection Assessment

2.2 Confidentiality and Information Management

All transaction-related information shall be:

- a) Treated as strictly confidential
- b) Managed through secure virtual data room protocols
- c) Accessible only to authorized personnel
- d) Subject to comprehensive non-disclosure agreements

3. Transaction Approval Mechanisms

3.1 Approval Thresholds

Transaction approvals shall require:

- a) Unanimous recommendation from Strategic Review Committee
- b) Majority approval from Board of Directors
- c) Compliance with Delaware corporate governance statutes
- d) Verification of financial and strategic merit

3.2 Financial Evaluation Metrics

Transactions shall be evaluated against the following financial criteria:

- a) Projected Return on Investment (ROI)
- b) Integration Cost Estimates
- c) Potential Revenue Synergies
- d) Risk-Adjusted Financial Modeling

4. Post-Transaction Integration Governance

4.1 Integration Planning

Successful transactions shall implement:

- a) Comprehensive Integration Roadmap
- b) Cultural Alignment Strategies
- c) Technology and Systems Consolidation Plan
- d) Talent Retention and Development Initiatives

4.2 Performance Monitoring

Post-transaction performance shall be:

- a) Monitored quarterly for first 24 months
- b) Measured against predefined integration objectives
- c) Reported to Board of Directors
- d) Subject to corrective action protocols

5. Legal and Regulatory Compliance

5.1 Regulatory Oversight

All transactions must:

- a) Comply with applicable antitrust regulations
- b) Obtain necessary regulatory approvals
- c) Adhere to Securities and Exchange Commission guidelines
- d) Maintain transparent reporting mechanisms

6. Disclaimer and Reservation of Rights

These guidelines represent internal governance protocols and do not constitute a binding legal commitment. The Company reserves the right to modify these guidelines at its sole discretion.

Execution

Approved by the Board of Directors of Nexus Intelligent Systems, Inc.

Date: January 22, 2024

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Dr. Elena Rodriguez

Chief Executive Officer

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