

ORGANIZATIONAL AND CORPORATE DOCUMENT

NEXUS INDUSTRIAL INTELLIGENCE, INC.

CORPORATE GOVERNANCE AND OPERATIONAL FRAMEWORK

1.0 PREAMBLE AND RECITALS

WHEREAS, Nexus Industrial Intelligence, Inc., a Delaware corporation (File No. 6789012), having its principal place of business at 2500 Innovation Drive, Suite 400, Wilmington, Delaware 19801 (the "Company"), was duly incorporated on March 15, 2018;

WHEREAS, the Company develops and deploys proprietary artificial intelligence and machine learning technologies for industrial process optimization and automation, including but not limited to predictive maintenance systems, real-time performance analytics, and adaptive control algorithms;

WHEREAS, the Company has successfully completed multiple rounds of financing, including its Series A financing of \$25 million on June 1, 2020, Series B financing of \$75 million on September 15, 2022, and most recently, its Series C financing of \$150 million on December 20, 2023;

WHEREAS, pursuant to a resolution of the Board of Directors dated January 10, 2024, the Company desires to establish comprehensive corporate governance and operational frameworks following its Series C financing;

WHEREAS, the Company maintains registered agent services through Corporation Service Company at 251 Little Falls Drive, Wilmington, Delaware 19808, and has obtained all necessary permits, licenses, and authorizations required for the conduct of its business;

WHEREAS, this Document has been reviewed by the Company's legal counsel, approved unanimously by the Board of Directors, and ratified by shareholders holding more than two-thirds of the Company's voting securities; and

WHEREAS, this Document has been duly authorized by all necessary corporate action and shall be binding upon the Company and its successors and assigns.

NOW, THEREFORE, the Company hereby adopts and establishes the following provisions:

2.0 DEFINITIONS AND INTERPRETATION

2.1 Defined Terms. For purposes of this Document, the following terms shall have the meanings specified below:

(a) "Artificial Intelligence Technology" means the Company's proprietary machine learning algorithms, neural networks, and computational models that enable automated decision-making and process optimization, including but not limited to: (i) supervised and unsupervised learning systems; (ii) deep learning architectures and associated training methodologies; (iii) reinforcement learning algorithms and decision frameworks; (iv) natural language processing components; and (v) predictive modeling and statistical analysis tools.

(b) "Board" means the Board of Directors of the Company, including any duly appointed committees thereof and any successor governing body.

(c) "Confidential Information" means all non-public information relating to the Company's technology, products, business plans, financial status, and operations, including but not limited to: (i) the NexusCore™ Platform and associated intellectual property; (ii) technical specifications, source code, and engineering designs; (iii) customer lists, pricing strategies, and market analyses; (iv) research and development initiatives and methodologies; (v) training data sets and model parameters; and (vi) trade secrets and proprietary methodologies.

(d) "Industrial Applications" means the deployment of the Company's technology in manufacturing, processing, and production environments, encompassing: (i) automated quality control systems; (ii) predictive maintenance solutions; (iii) process optimization algorithms; (iv) supply chain management tools; and (v) industrial IoT implementations.

(e) "NexusCore™ Platform" means the Company's flagship software platform that integrates computer vision, machine learning, and edge computing capabilities for industrial process optimization, including: (i) core processing engines and computational frameworks; (ii) user interface components and visualization tools; (iii) data collection and preprocessing modules; (iv) model deployment and management systems; and (v) integration APIs and connectivity protocols.

(f) "Intellectual Property Rights" means all rights in and to: (i) patents, patent applications, and patent rights; (ii) trademarks, trademark applications, trade names, and service marks; (iii) copyrights, copyright registrations, and moral rights; (iv) trade secrets and confidential information; (v) algorithms, methodologies, and computational techniques; and (vi) any other intellectual property rights recognized by law.

2.2 Interpretation. In this Document:

(a) Section headings are for convenience only and shall not affect interpretation.

(b) Words importing the singular include the plural and vice versa.

(c) References to Sections are to Sections of this Document unless otherwise specified.

- (d) The terms "hereof," "herein," and "hereunder" refer to this Document as a whole.
- (e) References to any gender include all genders, and references to the singular include the plural and vice versa.
- (f) The words "include," "includes," and "including" shall be deemed to be followed by the phrase "without limitation."
- (g) References to any law, regulation, or statute shall be deemed to refer to such law, regulation, or statute as amended from time to time.
- (h) Time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends.
- (i) Unless otherwise specified, all references to monetary amounts are to United States dollars.
- (j) Any reference to "writing" or "written" includes electronic communications and documents in electronic form.
- (k) The rule of construction that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Document.
- (l) Terms defined in this Document shall have their defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

2.3 Conflicts. In the event of any conflict between the terms defined in this Section and any other section of this Document, the definitions provided in this Section shall prevail unless explicitly stated otherwise in the relevant section.

3.0 CORPORATE ORGANIZATION AND STRUCTURE

3.1 Board of Directors

- (a) Composition. The Board shall consist of seven (7) directors, including: (i) Two (2) Founder Directors, who shall be appointed by the Company's founders (ii) Three (3) Independent Directors, selected for their industry expertise and independence (iii) Two (2) Series C Investor Directors, nominated by majority vote of Series C shareholders
- (b) Authority. The Board shall have ultimate authority over the Company's strategic direction, major transactions, and corporate policies, including: (i) Approval of annual operating budgets exceeding \$10 million (ii) Authorization of capital expenditures above \$5 million (iii) Approval of equity issuances and debt financing (iv) Oversight of executive compensation and incentive programs (v) Strategic partnerships and material contracts
- (c) Meetings and Voting (i) The Board shall meet at least quarterly, with additional meetings as needed (ii) Quorum requires presence of four (4) directors, including at least one Founder

Director (iii) Board actions require majority vote of present directors (iv) Special matters require supermajority (5/7) approval, including: - Amendments to corporate bylaws - Merger or acquisition transactions - Sale or dissolution of the Company - Creation of new share classes

3.2 Officers

(a) Required Positions. The Company shall maintain the following officer positions: (i) Chief Executive Officer, responsible for overall company leadership (ii) Chief Technology Officer, overseeing technical strategy and innovation (iii) Chief Financial Officer, managing financial operations and reporting (iv) Chief AI Officer, directing artificial intelligence initiatives (v) Corporate Secretary, maintaining corporate records and compliance

(b) Responsibilities. Each officer shall have such duties and responsibilities as determined by the Board and set forth in their respective employment agreements, including: (i) Development and execution of strategic plans (ii) Regular reporting to the Board (iii) Compliance with corporate policies (iv) Risk management within their domains (v) Team leadership and development

(c) Appointment and Removal (i) Officers shall be appointed by Board majority vote (ii) Initial term of two years, renewable by Board approval (iii) Removal requires supermajority Board vote (iv) Interim appointments permitted for vacancies

3.3 Organizational Structure

(a) Departments. The Company's operations shall be organized into the following departments: (i) Research & Development - AI Algorithm Development - Platform Architecture - Quality Assurance (ii) Product Engineering - Software Development - User Experience - Technical Operations (iii) Customer Success - Implementation Services - Technical Support - Account Management (iv) Sales & Marketing - Enterprise Sales - Marketing Communications - Business Development (v) Finance & Administration - Accounting - Human Resources - Legal & Compliance

(b) Reporting Relationships (i) Department heads shall report to the CEO or their designated executive officer (ii) Matrix reporting structures permitted for cross-functional initiatives (iii) Regular departmental reviews required quarterly

3.4 Committees

(a) Standing Committees (i) Audit Committee - Composition: Three directors, majority independent - Oversight of financial reporting and controls - Risk management review (ii) Compensation Committee - Composition: Three directors, majority independent - Executive compensation review - Equity incentive program oversight (iii) Technology Committee - Composition: Three directors, including CTO - Strategic technology planning - Innovation pipeline review

(b) Special Committees (i) Board may establish temporary committees as needed (ii) Clear charter and duration requirements (iii) Regular reporting to full Board

3.5 Corporate Governance

- (a) Policies and Procedures (i) Maintenance of corporate governance manual (ii) Annual review of governance practices (iii) Regular training for directors and officers (iv) Compliance with regulatory requirements
- (b) Stakeholder Communications (i) Regular shareholder updates (ii) Employee communication protocols (iii) Public relations guidelines

3.6 Series C Investment Implications

- (a) Investor Rights (i) Information rights for major investors (ii) Board observation rights (iii) Pro-rata participation rights
- (b) Protective Provisions (i) Series C approval required for specified actions (ii) Anti-dilution protections (iii) Right of first refusal on new issuances

3.7 Organizational Growth

- (a) Scaling Provisions (i) Department expansion guidelines (ii) Reporting structure adaptability (iii) Resource allocation protocols
- (b) International Operations (i) Subsidiary governance requirements (ii) Cross-border compliance (iii) Global reporting structure

4.0 INTELLECTUAL PROPERTY PROVISIONS

4.1 Ownership of Technology

- (a) The Company shall retain exclusive ownership of: (i) All Artificial Intelligence Technology, including but not limited to machine learning algorithms, neural network architectures, training methodologies, and inference systems (ii) The NexusCore™ Platform and all constituent components (iii) All improvements, modifications, and derivatives thereof, whether developed independently or collaboratively (iv) Associated patents, copyrights, trade secrets, and other intellectual property rights
- (b) Derivative Works and Improvements: (i) Any modifications, enhancements, or improvements to the Company's technology, regardless of the developer, shall be deemed Company property (ii) Customer-specific implementations shall not confer any ownership rights to the underlying technology (iii) Integration components developed for interoperability shall remain Company property (iv) Custom configurations shall be considered licensed implementations rather than transferred intellectual property

4.2 IP Protection

- (a) Patent Strategy. The Company shall maintain an active patent portfolio covering: (i) Core AI/ML algorithms, including proprietary optimization techniques (ii) Industrial process optimization methods and deployment frameworks (iii) Computer vision applications and

associated preprocessing systems (iv) Edge computing architectures and distributed processing methods (v) Hardware acceleration implementations and specialized processing units (vi) System integration methodologies and industrial automation interfaces

(b) Trade Secret Protection. The Company shall implement: (i) Information security protocols, including encryption standards and access controls (ii) Employee confidentiality agreements with specific technical scope (iii) Third-party NDAs with cascading protection requirements (iv) Access control systems with multi-factor authentication (v) Data segregation and compartmentalization protocols (vi) Regular security audits and compliance verification

(c) Copyright Protection: (i) Source code registration and documentation (ii) User interface design and visual elements (iii) Technical documentation and training materials (iv) Marketing collateral and product descriptions

4.3 Technology Licensing

(a) Standard License Terms. Customer licenses shall: (i) Be non-exclusive and non-transferable, with clearly defined usage scope (ii) Restrict modification, reverse engineering, and decompilation (iii) Preserve Company IP ownership and attribution requirements (iv) Include usage limitations and deployment restrictions (v) Specify permitted applications and industry sectors (vi) Define authorized user categories and access levels

(b) License Compliance: (i) Regular usage audits and verification procedures (ii) Technical mechanisms for license enforcement (iii) Reporting requirements and usage metrics (iv) Violation remediation procedures and penalties

4.4 Data Rights and Ownership

(a) Training Data: (i) Company retains ownership of all training datasets (ii) Customer data used for training remains customer property (iii) Derived models and learning outcomes belong to Company (iv) Aggregated insights and statistical analyses remain Company property

(b) Operating Data: (i) Runtime data ownership specified per implementation (ii) Customer operational data remains customer property (iii) System performance metrics belong to Company (iv) Usage patterns and optimization data shared per agreement

4.5 IP Development and Innovation

(a) Research and Development: (i) Company maintains exclusive rights to all R&D outcomes (ii) Collaborative research agreements must preserve Company IP (iii) External research partnerships require specific IP assignments (iv) Academic collaboration frameworks with clear IP provisions

(b) Innovation Protection: (i) Regular IP portfolio review and gap analysis (ii) Proactive patent filing strategy (iii) Competitive landscape monitoring (iv) Strategic IP acquisition program

4.6 Third-Party Technology Integration

(a) Integration Requirements: (i) Clear delineation of third-party IP boundaries (ii) License compatibility verification (iii) Integration documentation and tracking (iv) Risk assessment and mitigation strategies

(b) Open Source Compliance: (i) Open source usage policies and approval procedures (ii) License obligation tracking and compliance (iii) Code scanning and verification protocols (iv) Attribution and notice requirements

4.7 IP Enforcement and Defense

(a) Enforcement Strategy: (i) Regular market monitoring for infringement (ii) Investigation and documentation procedures (iii) Graduated enforcement response protocol (iv) Litigation preparation and resource allocation

(b) Defense Mechanisms: (i) IP insurance coverage requirements (ii) Legal response team designation (iii) Evidence preservation protocols (iv) Settlement authority framework

4.8 Technology Transfer and Assignment

(a) Transfer Restrictions: (i) Prior written approval requirements (ii) Qualification criteria for assignees (iii) Technical capability verification (iv) Compliance history review

(b) Assignment Procedures: (i) Documentation requirements (ii) Training and support obligations (iii) Transition period specifications (iv) Post-transfer monitoring requirements

4.9 IP Portfolio Management

(a) Portfolio Maintenance: (i) Regular value assessment and prioritization (ii) Maintenance fee management (iii) Abandonment criteria and procedures (iv) Portfolio optimization strategy

(b) Documentation Requirements: (i) Invention disclosure procedures (ii) Technical documentation standards (iii) IP asset tracking system (iv) Chain of title maintenance

5.0 OPERATIONAL REQUIREMENTS

5.1 Quality Control

(a) Technology Standards (i) ISO 9001:2015 compliance, including documentation of all quality management processes, regular internal audits, and maintenance of certification status (ii) Regular code quality audits conducted quarterly by independent third-party assessors (iii) Automated testing protocols incorporating unit testing, integration testing, and end-to-end testing methodologies (iv) Performance benchmarking against industry standards with monthly reporting requirements (v) Implementation of continuous integration/continuous deployment (CI/CD) practices (vi) Adherence to NIST cybersecurity framework guidelines

(b) Quality Assurance Procedures (i) Establishment of Quality Control Board with quarterly review meetings (ii) Documentation of all testing procedures and outcomes (iii) Maintenance of error logs and resolution tracking (iv) Regular security vulnerability assessments (v)

Implementation of change management procedures (vi) Quality metrics reporting and dashboard maintenance

5.2 Implementation Requirements

(a) Customer Deployments (i) Site assessment protocol including infrastructure evaluation, network capability assessment, and security review (ii) Integration testing with customer systems and legacy applications (iii) User training requirements including documentation, hands-on sessions, and certification (iv) Support procedures for ongoing maintenance and troubleshooting (v) Deployment schedule adherence and milestone tracking (vi) Risk assessment and mitigation planning

(b) Technical Implementation (i) System architecture documentation requirements (ii) Data migration protocols and validation procedures (iii) Backup and disaster recovery implementation (iv) Security controls and access management setup (v) Performance monitoring tool deployment (vi) Configuration management procedures

(c) Compliance Requirements (i) Industry-specific regulatory compliance verification (ii) Documentation of compliance testing procedures (iii) Regular compliance audit scheduling (iv) Maintenance of compliance documentation (v) Reporting requirements for regulatory bodies

5.3 Service Levels

(a) Platform Availability (i) 99.9% uptime guarantee measured monthly (ii) Scheduled maintenance windows not to exceed 4 hours per month (iii) Emergency maintenance procedures and notification requirements (iv) Redundancy and failover testing requirements (v) Disaster recovery time objectives (RTO) of 4 hours (vi) Recovery point objectives (RPO) of 15 minutes

(b) Response Times (i) Severity Level 1 (Critical): 15-minute response, 2-hour resolution target (ii) Severity Level 2 (High): 30-minute response, 4-hour resolution target (iii) Severity Level 3 (Medium): 2-hour response, 8-hour resolution target (iv) Severity Level 4 (Low): 4-hour response, 24-hour resolution target (v) Response time measurement and reporting procedures (vi) Escalation procedures for unmet response times

(c) Issue Resolution (i) Problem management procedures and documentation requirements (ii) Root cause analysis requirements for all Severity 1 and 2 incidents (iii) Corrective action planning and implementation (iv) Post-incident review procedures (v) Customer communication protocols during incident resolution (vi) Knowledge base maintenance requirements

(d) Performance Metrics (i) Monthly performance reporting requirements (ii) Key performance indicator (KPI) tracking and analysis (iii) Customer satisfaction survey requirements (iv) System performance monitoring and optimization (v) Capacity planning and scaling procedures (vi) Quarterly performance review meetings

5.4 Operational Monitoring

(a) System Monitoring (i) 24/7 monitoring of all critical systems (ii) Alert configuration and management (iii) Trend analysis and reporting requirements (iv) Capacity monitoring and planning (v) Performance metric tracking and analysis

(b) Security Monitoring (i) Real-time security event monitoring (ii) Intrusion detection and prevention (iii) Security incident response procedures (iv) Regular security assessment requirements (v) Compliance monitoring and reporting

5.5 Documentation Requirements

(a) Operational Documentation (i) Standard operating procedures (ii) Technical specifications and architecture documents (iii) User manuals and training materials (iv) Incident response playbooks (v) Change management documentation

(b) Reporting Requirements (i) Monthly service level reports (ii) Quarterly performance reviews (iii) Annual compliance assessments (iv) Security incident reports (v) Customer satisfaction surveys