

# **ORGANIZATIONAL AND CORPORATE DOCUMENT 31**

## **PREAMBLE AND RECITALS**

THIS ORGANIZATIONAL AND CORPORATE DOCUMENT (this "Document") is made and entered into as of January 15, 2024 (the "Effective Date"), by and for NEXUS INDUSTRIAL INTELLIGENCE, INC., a Delaware corporation with File Number 6789012, having its principal place of business at 2500 Innovation Drive, Wilmington, Delaware 19801 (the "Corporation").

WHEREAS, the Corporation was duly incorporated under the laws of the State of Delaware on March 15, 2018, to develop and commercialize artificial intelligence and machine learning solutions for industrial applications, with all requisite corporate power and authority to conduct its business as currently conducted;

WHEREAS, the Corporation has established significant intellectual property holdings, including patents, trademarks, and proprietary algorithms related to industrial process optimization and predictive maintenance technologies;

WHEREAS, the Corporation maintains substantial operations across multiple jurisdictions and seeks to implement uniform governance standards that align with industry best practices and regulatory requirements;

WHEREAS, the Corporation desires to establish comprehensive organizational and governance frameworks appropriate for its artificial intelligence and industrial technology operations, including data security protocols, ethical AI guidelines, and risk management procedures;

WHEREAS, this Document shall serve to memorialize certain corporate governance matters, intellectual property protections, and operational parameters for the Corporation's proprietary technology platform and solutions, including but not limited to algorithmic accountability measures and cybersecurity standards; and

WHEREAS, the Corporation acknowledges its obligations under applicable state and federal laws governing artificial intelligence deployment, data privacy, and industrial safety regulations.

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

## **ARTICLE 1: DEFINITIONS AND INTERPRETATIONS**

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

(a) "AI Systems" means the Corporation's artificial intelligence and machine learning algorithms, neural networks, and computational models used for industrial process optimization and control, including: (i) Deep learning architectures for pattern recognition; (ii) Reinforcement learning systems for process optimization; (iii) Natural language processing components for operator interfaces; and (iv) Automated decision-making frameworks for real-time control adjustments.

(b) "Industrial Control Integration" means the technical specifications, protocols, and interfaces enabling the NexusCore™ Platform to interact with third-party industrial control systems and IoT sensors, encompassing: (i) Standard communication protocols (OPC-UA, Modbus, PROFINET); (ii) Data acquisition interfaces for real-time monitoring; (iii) Control signal transmission specifications; and (iv) Safety system integration protocols.

(c) "NexusCore™ Platform" means the Corporation's proprietary enterprise software platform that combines computer vision, machine learning, predictive analytics, and process optimization capabilities for manufacturing operations, including: (i) Core processing modules; (ii) User interface components; (iii) Data storage and management systems; (iv) Analytics engines; and (v) Integration middleware.

(d) "Proprietary Technology" means all technology, software, algorithms, methods, processes, and know-how developed by the Corporation, including but not limited to: (i) The NexusCore™ Platform; (ii) AI Systems; (iii) Computer vision and edge computing solutions; (iv) Predictive maintenance algorithms; (v) Quality control automation systems; (vi) Custom software development frameworks; (vii) Data preprocessing methodologies; and (viii) Optimization algorithms.

(e) "Edge Computing Infrastructure" means the distributed computing architecture deployed at industrial facilities, including: (i) Local processing units; (ii) Data buffering systems; (iii) Network connectivity components; and (iv) Security protocols.

1.2 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 Articles and Sections are to articles and sections of this Document; (d) The terms "hereof," "herein," and "hereunder" refer to this Document as a whole; (e) Technical terms shall be interpreted according to their generally accepted meaning within the industrial automation and artificial intelligence industries; (f) References to standards, protocols, or specifications shall be deemed to include their latest published versions; (g) Any reference to software versions or releases shall include subsequent updates and patches; (h) References to third-party systems shall include their authorized successors and replacements; (i) Time

periods shall be calculated in accordance with prevailing industry standards; (j) Technical measurements and specifications shall be interpreted according to the International System of Units (SI).

1.3 Precedence. In the event of any conflict or inconsistency between defined terms, the following order of precedence shall apply: (a) Specific technical definitions within implementation documents; (b) Definitions provided in this Article; (c) Industry standard terminology; (d) Generally accepted technical meanings.

## **ARTICLE 2: CORPORATE STRUCTURE AND GOVERNANCE**

### **2.1 Board of Directors**

(a) Composition. The Board of Directors shall consist of not less than five (5) and not more than nine (9) directors, with the exact number to be determined by resolution of the Board.

(b) Qualifications. At least one (1) director shall possess substantial expertise in artificial intelligence and machine learning technologies applicable to industrial applications. Additionally: (i) At least two (2) directors must have senior executive experience in publicly traded companies (ii) One (1) director must possess significant cybersecurity expertise (iii) All directors must meet independence requirements as defined by applicable securities regulations

(c) Term and Elections. Directors shall serve staggered three-year terms, with approximately one-third of the Board standing for election each year. No director shall serve more than four (4) consecutive terms.

(d) Removal and Vacancies. Directors may be removed with or without cause by a two-thirds majority vote of shareholders. Vacancies shall be filled by Board appointment until the next annual meeting of shareholders.

### **2.2 Officers**

(a) Required Officers. The Corporation shall have the following required officers: (i) Chief Executive Officer, responsible for overall strategic direction and operational execution (ii) Chief Technology Officer, overseeing technical infrastructure and innovation initiatives (iii) Chief Financial Officer, managing financial operations and regulatory compliance (iv) Chief AI Officer, directing artificial intelligence development and implementation (v) Secretary, maintaining corporate records and ensuring regulatory compliance

(b) Additional Officers. The Board may appoint such additional officers as it deems necessary for the conduct of business, including: (i) Chief Operating Officer (ii) Chief Risk Officer (iii) Chief Information Security Officer (iv) Chief Legal Officer (v) Chief Human Resources Officer

(c) Term and Removal. Officers shall serve at the pleasure of the Board and may be removed with or without cause by majority Board vote.

## 2.3 Committees

(a) Standing Committees: (i) AI Ethics and Governance Committee, responsible for: - Establishing AI development guidelines - Monitoring ethical compliance - Reviewing AI deployment impacts - Quarterly reporting to the Board

(ii) Technology Development Committee, responsible for:

- Evaluating technical initiatives
- Reviewing R&D investments
- Assessing competitive positioning
- Monthly progress reporting

(iii) Audit and Compliance Committee, responsible for:

- Financial oversight
- Regulatory compliance
- Risk management
- External auditor relations

(b) Special Committees. The Board may establish special committees as needed to address specific matters, including: (i) Merger and Acquisition Committee (ii) Executive Compensation Committee (iii) Strategic Planning Committee

## 2.4 Governance Principles

(a) Decision Making. Major corporate decisions requiring Board approval shall include: (i) Annual budget and business plan (ii) Capital expenditures exceeding \$5,000,000 (iii) Material contracts and partnerships (iv) AI system deployments affecting over 1,000 users (v) Acquisitions or divestitures

(b) Voting Requirements: (i) Regular matters require simple majority Board approval (ii) Special matters require two-thirds Board approval (iii) AI ethics matters require unanimous AI Ethics Committee approval

## 2.5 Meetings and Communications

(a) Regular Meetings: (i) Board shall meet at least quarterly (ii) Standing committees shall meet at least monthly (iii) Special committees as determined by charter

(b) Emergency Meetings. May be called with 24-hour notice for urgent matters affecting: (i) Corporate sustainability (ii) AI system safety (iii) Material financial events (iv) Regulatory compliance

## 2.6 Reporting Structure

(a) Direct Reports to CEO: (i) All C-suite officers (ii) General Counsel (iii) Head of Internal Audit

(b) Direct Reports to Board: (i) CEO (ii) Independent Auditors (iii) Ethics Officer

## 2.7 Succession Planning

(a) The Board shall maintain current succession plans for: (i) CEO and all C-suite positions (ii) Key technical personnel (iii) Critical AI development roles

(b) Emergency succession protocols shall be reviewed annually and updated as needed.

# ARTICLE 3: INTELLECTUAL PROPERTY PROTECTION

## 3.1 Ownership of Intellectual Property

(a) The Corporation shall own all right, title, and interest in and to: (i) The NexusCore™ Platform and all components thereof; (ii) All AI Systems and algorithms; (iii) All improvements and derivative works; (iv) All associated intellectual property rights worldwide.

(b) Intellectual Property Definition: (i) "Intellectual Property" encompasses all inventions, discoveries, improvements, innovations, developments, techniques, know-how, methodologies, processes, source code, data structures, APIs, user interfaces, documentation, and related materials; (ii) All works of authorship, including software, firmware, documentation, designs, notes, records, files, and memoranda; (iii) All proprietary information and trade secrets; (iv) All registered and unregistered trademarks, service marks, trade names, trade dress, and corporate names.

(c) Employee and Contractor Obligations: (i) All employees and contractors shall execute appropriate intellectual property assignment agreements; (ii) Such agreements shall include provisions for automatic assignment of future innovations; (iii) Employees shall promptly disclose all intellectual property created within the scope of employment; (iv) The Corporation shall maintain records of all intellectual property assignments.

## 3.2 Trade Secret Protection

(a) The Corporation shall maintain appropriate security measures to protect trade secrets, including: (i) Access controls for source code and algorithms; (ii) Employee confidentiality agreements; (iii) Secure development environments; (iv) Data encryption protocols.

(b) Classification of Trade Secrets: (i) Level 1: Core AI algorithms and proprietary methodologies; (ii) Level 2: Training data and model parameters; (iii) Level 3: Implementation techniques and optimization methods; (iv) Level 4: Customer-specific configurations and adaptations.

(c) Security Protocols: (i) Physical security measures including biometric access controls; (ii) Network security including firewalls, intrusion detection, and monitoring systems; (iii) Regular security audits and vulnerability assessments; (iv) Incident response and breach notification procedures.

### 3.3 Patent Strategy

- (a) The Corporation shall pursue patent protection for novel aspects of its technology where appropriate while maintaining trade secret protection for core algorithms and methods.
- (b) Patent Filing Priorities: (i) Novel hardware implementations and system architectures; (ii) Unique processing methodologies and workflows; (iii) Innovative user interface elements and interaction methods; (iv) System integration techniques and interoperability solutions.
- (c) Patent Portfolio Management: (i) Regular patent portfolio reviews and assessments; (ii) Strategic filing in key jurisdictions worldwide; (iii) Monitoring of competitor patent activities; (iv) Maintenance fee payment scheduling and tracking.

### 3.4 Technology Transfer Restrictions

- (a) No transfer, license, or disclosure of Proprietary Technology shall be permitted without: (i) Written authorization from the Chief Technology Officer; (ii) Review by the Technology Development Committee; (iii) Appropriate confidentiality and use restrictions.
- (b) License Agreement Requirements: (i) Clearly defined scope and field of use limitations; (ii) Appropriate royalty and payment terms; (iii) Quality control and performance standards; (iv) Termination rights and post-termination obligations.
- (c) Technology Transfer Documentation: (i) Detailed technical documentation requirements; (ii) Training and support obligations; (iii) Acceptance testing procedures; (iv) Maintenance and update provisions.

### 3.5 Enforcement and Remedies

- (a) The Corporation shall actively monitor and enforce its intellectual property rights through: (i) Regular market surveillance; (ii) Investigation of potential infringement; (iii) Cease and desist procedures; (iv) Litigation when necessary.
- (b) Available Remedies: (i) Injunctive relief; (ii) Monetary damages; (iii) Destruction of infringing materials; (iv) Recovery of attorney fees where permitted by law.

### 3.6 Third-Party Intellectual Property

- (a) Due Diligence Requirements: (i) Freedom to operate analyses for new products; (ii) Third-party license compliance monitoring; (iii) Open source software usage tracking; (iv) Regular intellectual property clearance reviews.
- (b) License Management: (i) Maintenance of license inventory; (ii) Compliance monitoring and reporting; (iii) Payment tracking and administration; (iv) Regular license agreement reviews and updates.

### 3.7 Confidentiality Obligations

- (a) All employees, contractors, and business partners shall: (i) Maintain strict confidentiality of proprietary information; (ii) Use information solely for authorized purposes; (iii) Return or

destroy confidential materials upon request; (iv) Report any unauthorized disclosures immediately.

(b) Confidentiality Period: (i) During the term of engagement; (ii) For a period of five (5) years thereafter; (iii) Indefinitely for trade secrets; (iv) As specified in applicable agreements.

## **ARTICLE 4: COMPLIANCE AND RISK MANAGEMENT**

### **4.1 AI Ethics and Governance**

(a) The Corporation shall maintain an AI Ethics Framework addressing: (i) Algorithmic bias prevention; (ii) Transparency and explainability; (iii) Safety and reliability standards; (iv) Human oversight requirements.

### **4.2 Data Protection and Privacy**

(a) The Corporation shall implement comprehensive data protection measures including: (i) Data minimization principles; (ii) Privacy-by-design practices; (iii) Security controls and monitoring; (iv) Breach response procedures.

### **4.3 Industrial Safety Compliance**

(a) All technology implementations shall comply with: (i) Applicable industrial safety standards; (ii) Manufacturing regulatory requirements; (iii) Quality control specifications.

## **SIGNATURE AND ATTESTATION**

IN WITNESS WHEREOF, this Document has been executed as of the Effective Date first above written.

NEXUS INDUSTRIAL INTELLIGENCE, INC.

By: \_\_\_\_\_ Name: Dr. Sarah Chen Title: Chief Executive Officer

ATTEST:

By: \_\_\_\_\_ Name: [Corporate Secretary] Title: Secretary

## **EXHIBIT A: AI SYSTEMS SPECIFICATIONS**

[Technical specifications and architecture diagrams]

## **EXHIBIT B: INDUSTRIAL CONTROL INTEGRATION PARAMETERS**

[Integration protocols and interface specifications]

## **APPENDIX 1: AI ETHICS FRAMEWORK**

[Detailed framework provisions]

## **APPENDIX 2: DATA PROTECTION STANDARDS**

[Security and privacy requirements]