

# **ORGANIZATIONAL AND CORPORATE DOCUMENT 35**

## **PREAMBLE AND RECITALS**

WHEREAS, Nexus Industrial Intelligence, Inc., a Delaware corporation (hereinafter referred to as the "Corporation"), was duly incorporated under the Delaware General Corporation Law on March 15, 2018, with its principal place of business at 2500 Innovation Drive, Suite 400, Wilmington, Delaware 19801;

WHEREAS, the Corporation develops and deploys proprietary artificial intelligence and machine learning solutions for industrial process optimization, including its flagship NexusCore™ Industrial AI Platform, which encompasses advanced algorithmic systems, predictive analytics frameworks, and automated decision-making protocols;

WHEREAS, the Corporation has secured Series C venture capital funding totaling \$175 million from qualified institutional investors and seeks to establish comprehensive corporate governance and intellectual property protection frameworks in accordance with industry best practices and regulatory requirements;

WHEREAS, the Corporation maintains substantial intellectual property assets, including but not limited to, patents, trademarks, copyrights, trade secrets, and proprietary methodologies that require robust legal protection and governance structures;

WHEREAS, the Corporation operates in multiple jurisdictions and maintains subsidiary operations subject to various regulatory frameworks and compliance requirements; and

WHEREAS, this Document sets forth certain organizational matters, corporate governance structures, and intellectual property protections pursuant to Delaware General Corporation Law §102, §141, §251, and other applicable provisions, including requirements for board composition, shareholder rights, technology transfer protocols, and confidentiality obligations.

NOW, THEREFORE, in consideration of the foregoing premises and mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Corporation hereby adopts and establishes the following:

## **DEFINITIONS AND INTERPRETATIONS**

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

"Artificial Intelligence Systems" means the Corporation's proprietary machine learning algorithms, neural networks, and computational models that enable automated decision-

making and predictive analytics, including supervised and unsupervised learning systems, deep learning architectures, and reinforcement learning mechanisms deployed across the Corporation's technology stack.

"NexusCore™ Platform" means the Corporation's enterprise software suite that combines computer vision, machine learning, predictive analytics, and process optimization algorithms, including all associated modules, interfaces, and documentation, whether deployed on-premises, in cloud environments, or in hybrid configurations, together with all updates, modifications, and enhancements thereto.

"Industrial IoT Integration" means the technical specifications, protocols, and interfaces enabling the NexusCore™ Platform to connect with industrial control systems, sensors, and operational technology infrastructure, including but not limited to MQTT, OPC-UA, Modbus, and proprietary industrial protocols, along with associated security mechanisms and data exchange standards.

"Proprietary Technology" means all software, algorithms, methodologies, architectures, databases, tools, and technical documentation developed by the Corporation, including but not limited to: (a) Computer vision systems, including object detection, classification, and tracking algorithms (b) Machine learning models, including neural networks, decision trees, and ensemble methods (c) Edge computing implementations, including distributed processing and local inference engines (d) Analytics engines, including real-time data processing and historical analysis capabilities (e) Process optimization algorithms, including genetic algorithms and evolutionary computation methods (f) Data preprocessing and feature extraction methodologies (g) Model training and validation frameworks (h) System monitoring and performance optimization tools

"Technical Infrastructure" means the underlying hardware, software, and network components supporting the Corporation's technology solutions, including servers, storage systems, networking equipment, and associated configuration management tools.

"Deployment Environment" means any computational infrastructure where the Corporation's technology is installed, operated, or accessed, including cloud platforms, edge devices, and on-premises installations.

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 Sections are to Sections of this Document (d) "Including" means "including without limitation" (e) Technical terms shall be interpreted according to their generally accepted meaning within the artificial intelligence and industrial technology industries (f) References to standards, protocols, or technical specifications shall be deemed to include subsequent versions or updates thereof (g) References to software or systems include all associated documentation, source code, and configuration files (h) Time references shall be interpreted according to Coordinated Universal Time (UTC) (i) Mathematical and statistical

terms shall have their standard technical meanings (j) References to data formats or structures shall be interpreted according to relevant industry standards (k) Technical measurements and specifications shall be interpreted according to the International System of Units (SI)

1.3 Precedence. In the event of any conflict between defined terms, the more specific definition shall take precedence over the more general definition.

## **CORPORATE STRUCTURE AND GOVERNANCE**

### **3.1 Board of Directors**

(a) Composition. The Board of Directors shall consist of seven (7) directors, including: (i) Two (2) Founder Directors, who must maintain minimum ownership of 5% of outstanding common stock (ii) Three (3) Investor Directors, appointed by majority vote of Series C Preferred stockholders (iii) Two (2) Independent Directors, meeting NYSE independence requirements

(b) Voting Rights. Each director shall have one vote on all matters presented to the Board. In the event of a tie, the Chairman shall cast the deciding vote.

(c) Term and Removal (i) Directors shall serve three-year staggered terms (ii) Removal requires 75% vote of stockholders (iii) Vacancies filled by remaining Board members within 60 days

(d) Meetings and Quorum (i) Regular meetings held quarterly (ii) Special meetings called with 72-hour notice (iii) Quorum requires presence of four directors, including at least one Founder Director (iv) Virtual participation permitted through secure video conferencing

### **3.2 Officers**

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

(b) Responsibilities (i) Officers shall manage day-to-day operations (ii) Execute strategic initiatives as directed by Board (iii) Submit quarterly performance reports (iv) Maintain compliance with regulatory requirements (v) Develop annual budgets and forecasts

(c) Appointment and Removal (i) Officers appointed by majority Board vote (ii) Initial term of two years with annual review (iii) Removal requires 60% Board approval (iv) Succession plans maintained for all officer positions

### **3.3 Committees**

(a) Standing Committees: (i) Audit Committee - Minimum three independent directors - Quarterly financial review - Risk assessment oversight - External auditor selection

(ii) Compensation Committee - Reviews executive compensation - Establishes equity incentive plans - Annual performance metrics - Succession planning

(iii) Technology and Innovation Committee - AI development oversight - IP strategy review - Technical risk assessment - R&D budget approval

(b) Special Committees (i) Established by Board resolution (ii) Minimum three members (iii) Defined scope and duration (iv) Regular reporting requirements

### 3.4 Venture Capital Provisions

(a) Protective Provisions. The following actions require approval of holders of at least 66% of Series C Preferred Stock: (i) Sale or merger of the Corporation (ii) Creation of senior securities (iii) Material changes to business model (iv) Intellectual property transfers (v) Issuance of additional preferred stock (vi) Changes to Board composition (vii) Annual budget variations exceeding 15%

(b) Information Rights (i) Monthly financial statements (ii) Quarterly board meeting minutes (iii) Annual operating plan (iv) Access to management team (v) Inspection rights

(c) Anti-dilution Protection (i) Weighted average adjustment (ii) Pay-to-play provisions (iii) Preemptive rights (iv) Right of first refusal

### 3.5 Corporate Governance Standards

(a) Ethics and Compliance (i) Annual ethics training (ii) Whistleblower protection (iii) Conflict of interest disclosure (iv) Related party transaction review

(b) Stockholder Rights (i) Annual meeting requirements (ii) Special meeting procedures (iii) Voting thresholds (iv) Notice requirements

(c) Reporting Obligations (i) Financial statements (ii) Material event disclosure (iii) Regulatory filings (iv) Stockholder communications

## INTELLECTUAL PROPERTY PROTECTION

### 4.1 Ownership of AI Technology

(a) The Corporation shall retain exclusive ownership of: (i) All AI algorithms and models, including but not limited to neural networks, decision trees, and ensemble methods (ii) Training data and datasets, encompassing raw data, preprocessed information, and derived features (iii) Model architectures and parameters, including weights, hyperparameters, and optimization configurations (iv) Implementation methodologies, deployment frameworks, and associated technical specifications (v) Any derivative works, improvements, or modifications thereof, regardless of the contributing party

(b) Third-party contributions shall be governed by: (i) Explicit assignment agreements (ii) Work-for-hire provisions (iii) Contribution license agreements (iv) Clear documentation of ownership transfer

#### 4.2 Patent Rights

(a) The Corporation shall actively pursue patent protection for novel aspects of: (i) Computer vision systems, including object detection, image segmentation, and visual recognition technologies (ii) Machine learning architectures, particularly those demonstrating unique approaches to problem-solving (iii) Industrial process optimization methods, including adaptive control systems (iv) Edge computing implementations and distributed processing frameworks (v) Hardware-software integration methodologies specific to AI deployment

(b) Patent enforcement shall include: (i) Regular monitoring of potential infringement (ii) Maintenance of comprehensive patent portfolios (iii) Strategic filing in key jurisdictions (iv) Defense against third-party claims

#### 4.3 Trade Secrets

(a) The Corporation shall maintain as trade secrets: (i) Proprietary algorithms and their specific implementations (ii) Training methodologies, including data preprocessing techniques (iii) Customer-specific implementations and customizations (iv) Technical documentation and internal development guides (v) Performance optimization techniques and benchmarks

(b) Protection measures shall include: (i) Restricted access protocols (ii) Employee confidentiality agreements (iii) Secure storage and transmission systems (iv) Regular security audits and compliance checks (v) Incident response procedures

#### 4.4 Software Licensing

(a) NexusCore™ Platform licensing shall be governed by: (i) Enterprise license agreements specifying usage scope and limitations (ii) Usage restrictions, including prohibited applications and territories (iii) IP ownership provisions for derivative works (iv) Confidentiality requirements and data handling protocols (v) Termination and transition provisions

(b) License compliance shall be monitored through: (i) Regular usage audits (ii) Technical enforcement mechanisms (iii) Reporting requirements (iv) Version control systems

#### 4.5 Data Rights and Privacy

(a) The Corporation shall maintain: (i) Clear ownership definitions for training data (ii) Data processing agreements with clients (iii) Privacy-compliant data handling procedures (iv) Data retention and deletion protocols

#### 4.6 Enforcement and Remedies

(a) The Corporation reserves the right to: (i) Pursue legal action against infringement (ii) Seek injunctive relief (iii) Claim monetary damages (iv) Terminate licenses upon violation

(b) Enforcement mechanisms include: (i) Regular IP audits (ii) Monitoring of competitive activities (iii) Documentation of violations (iv) Engagement with legal counsel

#### 4.7 Third-Party Rights

(a) The Corporation shall: (i) Respect third-party IP rights (ii) Maintain necessary licenses (iii) Conduct freedom-to-operate analyses (iv) Document all external dependencies

### **SIGNATURE BLOCK**

IN WITNESS WHEREOF, the undersigned has executed this Document as of January 15, 2024.

NEXUS INDUSTRIAL INTELLIGENCE, INC.

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

### **EXHIBIT A**

Technical Specifications for NexusCore™ Platform

### **EXHIBIT B**

Corporate Organization Chart

### **APPENDIX 1**

Standard Operating Procedures for IP Protection

### **APPENDIX 2**

Committee Charters and Governance Guidelines

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