

TAX MATTERS CERTIFICATE AND COMPLIANCE DOCUMENTATION

THIS TAX MATTERS CERTIFICATE AND COMPLIANCE DOCUMENTATION (this "Certificate") is made and entered into as of January 15, 2024 (the "Effective Date"), by NEXUS INDUSTRIAL INTELLIGENCE, INC., a Delaware corporation (the "Company").

WHEREAS, the Company is a Delaware corporation engaged in the development and commercialization of artificial intelligence software solutions for industrial applications;

WHEREAS, the Company desires to certify certain matters relating to its tax status, compliance, and obligations;

NOW, THEREFORE, the Company hereby certifies and agrees as follows:

1.0 TAX MATTERS CERTIFICATE

1.1 Entity Classification

The Company hereby certifies that it (a) is duly incorporated under the laws of the State of Delaware, (b) has not filed any entity classification election under Treasury Regulations Section 301.7701-3, and (c) is classified as a C-corporation for U.S. federal income tax purposes. The Company further acknowledges that any future changes to its entity classification must be reported to the Internal Revenue Service via Form 8832 within seventy-five (75) days of the effective date of such change.

1.2 Tax Residency

The Company confirms its tax residency in the United States and certifies that it maintains its principal place of business at 2500 Innovation Drive, Suite 400, Wilmington, Delaware 19801. The Company maintains substantial business operations at this location, including but not limited to executive offices, administrative functions, and core business activities sufficient to establish genuine economic substance under applicable tax regulations.

1.3 FATCA Status

The Company certifies that it is a U.S. Person as defined in Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "Code"), and is not subject to FATCA withholding requirements. The Company maintains appropriate documentation, including Form W-9, to

substantiate its status and commits to promptly notify relevant parties of any change in circumstances affecting its FATCA status.

1.4 Sales Tax Nexus

The Company acknowledges economic nexus for sales tax purposes in thirty-seven (37) U.S. states based on its provision of Software-as-a-Service ("SaaS") solutions and confirms compliance with applicable state-specific economic nexus thresholds. The Company maintains comprehensive records of its revenue streams by jurisdiction and has implemented automated tax calculation systems to ensure accurate collection and remittance of sales tax. The Company specifically acknowledges that its SaaS offerings constitute taxable transactions in jurisdictions that have explicitly extended their sales tax base to cloud computing services. The Company commits to monitoring and complying with evolving state tax regulations regarding digital services and maintaining appropriate documentation to support its nexus determinations and tax collection procedures.

2.0 TAX REPRESENTATIONS AND WARRANTIES

2.1 Federal Income Tax Compliance

The Company represents and warrants that: (a) It has timely filed all required federal income tax returns and information returns, including Forms 1120, 1099, and W-2; (b) All such returns are true, complete, and accurate in all material respects, with no material misstatements or omissions; (c) All federal income taxes shown as due have been paid in full, including estimated tax payments; (d) No federal tax audits or examinations are currently pending or threatened; (e) The Company maintains comprehensive documentation supporting all tax positions taken; (f) All tax accounting methods and elections are properly documented and consistently applied.

2.2 State and Local Tax Compliance

The Company represents and warrants its compliance with all applicable state and local tax obligations, including: (a) Registration and filing requirements in all jurisdictions where required, including nexus determinations; (b) Collection and remittance of sales tax on taxable SaaS offerings, with proper documentation of exempt transactions; (c) Payment of all state income, franchise, and gross receipts taxes when due; (d) Proper allocation and apportionment of income among states using approved methodologies; (e) Compliance with state-specific economic nexus thresholds for digital products and services; (f) Maintenance of required resale and exemption certificates; (g) Registration and compliance with marketplace facilitator laws where applicable.

2.3 International Tax Obligations

The Company represents that: (a) It maintains transfer pricing documentation for all material intercompany transactions, including detailed functional analyses; (b) It complies with all applicable tax treaty obligations and foreign tax credit requirements; (c) It has no permanent establishments in foreign jurisdictions that would trigger tax liability; (d) All cross-border transactions are properly documented and reported; (e) It maintains compliance with FATCA and CRS reporting requirements; (f) VAT/GST obligations in applicable jurisdictions are properly addressed.

2.4 R&D Tax Credit Qualification

The Company warrants that: (a) Its artificial intelligence and software development activities qualify as eligible research expenses under Section 41 of the Code, specifically including: (i) Machine learning algorithm development (ii) Neural network architecture design (iii) Natural language processing systems (iv) Computer vision applications; (b) It maintains contemporaneous documentation supporting all claimed R&D credits, including: (i) Project documentation and technical specifications (ii) Time tracking records for qualified personnel (iii) Expense allocation methodologies (iv) Documentation of technical uncertainty resolution; (c) All claimed R&D activities satisfy the four-part test under Treasury Regulations, specifically: (i) Permitted purpose (ii) Elimination of uncertainty (iii) Process of experimentation (iv) Technological in nature; (d) The Company maintains documentation demonstrating the innovative nature of its research activities and their distinction from routine software development.

2.5 Revenue Recognition

The Company represents and warrants that: (a) Its revenue recognition policies for SaaS offerings comply with ASC 606; (b) Performance obligations are properly identified and documented; (c) Transaction prices are appropriately allocated to performance obligations; (d) Revenue is recognized in accordance with the transfer of control to customers.

3.0 TAX COVENANTS

3.1 Tax Return Filing Obligations

The Company covenants to: (a) File all required tax returns and reports when due, including federal, state, local, and international tax obligations; (b) Maintain appropriate documentation supporting all tax positions, including contemporaneous records of methodology and calculations; (c) Comply with all electronic filing requirements and digital submission protocols; (d) Engage qualified tax professionals for return preparation and review; (e) Submit quarterly estimated tax payments as required by applicable jurisdictions; (f) Monitor and comply with changing tax regulations and reporting requirements.

3.2 Record Retention Requirements

The Company shall: (a) Maintain tax records for a minimum of seven (7) years from the date of filing; (b) Preserve all R&D tax credit documentation, including project records, time allocation studies, and qualifying expense calculations; (c) Retain all transfer pricing studies and documentation, including functional analyses and comparable company data; (d) Archive all sales tax nexus and collection records, including state-by-state economic nexus analyses; (e) Implement secure digital storage systems for tax documentation with appropriate backup procedures; (f) Maintain detailed records of international transactions, including withholding tax certificates and treaty applications.

3.3 Tax Audit Cooperation

The Company agrees to: (a) Promptly notify relevant parties of any tax audits within five (5) business days of receipt; (b) Cooperate fully in any tax examination, including providing workspace for auditors if required; (c) Provide reasonable access to records and personnel during normal business hours; (d) Maintain privilege and confidentiality where applicable under attorney-client relationships; (e) Prepare and maintain audit response protocols and procedures.

3.4 International Tax Compliance

The Company shall: (a) Monitor and comply with BEPS reporting requirements in all applicable jurisdictions; (b) Maintain country-by-country reporting documentation where revenue thresholds are met; (c) Document all intercompany transactions with detailed transfer pricing analyses; (d) Review and update transfer pricing policies annually; (e) Comply with controlled foreign corporation (CFC) rules and reporting obligations.

3.5 Digital Economy Taxation

The Company commits to: (a) Monitor and comply with emerging digital services tax obligations; (b) Track virtual permanent establishment requirements in relevant jurisdictions; (c) Document digital revenue streams for tax allocation purposes; (d) Maintain records of user location and digital service delivery points; (e) Review and update digital taxation compliance procedures quarterly.

4.0 SPECIAL TAX CONSIDERATIONS

4.1 IP Development Tax Treatment

The Company shall: (a) Capitalize software development costs in accordance with Rev. Proc. 2000-50; (b) Document all AI algorithm development activities with detailed timestamped logs; (c) Track personnel time allocated to qualified research activities through standardized

reporting; (d) Maintain contemporaneous documentation of experimental processes and outcomes; (e) Segregate core technology development from customization activities.

4.2 Software Capitalization Policies

The Company maintains policies for: (a) Distinguishing between deductible maintenance and capitalized enhancement costs through detailed activity classification; (b) Documenting beta testing and post-release bug fixes with version control systems; (c) Tracking cloud infrastructure costs related to development versus production environments; (d) Implementing time-tracking systems for developer activities across project phases; (e) Establishing materiality thresholds for capitalizable improvements.

4.3 State Tax Nexus for Cloud Services

The Company acknowledges: (a) Economic nexus based on revenue thresholds in each jurisdiction; (b) Server location nexus in applicable states with physical infrastructure; (c) Data center presence creating physical nexus obligations; (d) Customer location-based sourcing rules for SaaS revenue; (e) Marketplace facilitator obligations where applicable; (f) Annual nexus review requirements for emerging state regulations.

4.4 Employee Equity Compensation

The Company maintains compliance regarding: (a) Section 409A requirements for stock options, including proper strike price determination; (b) Tax withholding on RSU vestings and exercise events; (c) State tax implications of equity compensation across multiple jurisdictions; (d) Documentation requirements for fair market value determinations; (e) ISO and NSO grant administration procedures.

4.5 International Tax Considerations

The Company shall address: (a) Transfer pricing documentation for intercompany technology licenses; (b) Foreign tax credit implications of international revenue; (c) Permanent establishment risk assessment for cloud services; (d) GILTI and Subpart F income calculations for foreign subsidiaries.

4.6 Compliance Documentation

The Company shall maintain: (a) Quarterly tax provision workpapers; (b) Annual state apportionment calculations; (c) R&D credit study documentation; (d) Contemporaneous transfer pricing documentation; (e) Tax basis calculations for acquired technology.

IN WITNESS WHEREOF, the Company has caused this Certificate to be executed as of the Effective Date.

NEXUS INDUSTRIAL INTELLIGENCE, INC.

By: _____ Name: David Kumar Title: Chief Financial Officer

EXHIBIT A: State Tax Registration Schedule EXHIBIT B: R&D Tax Credit Documentation Requirements EXHIBIT C: Transfer Pricing Policy Summary

[IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this document is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.]