

# ORGANIZATIONAL AND CORPORATE DOCUMENT 13

## PREAMBLE AND RECITALS

WHEREAS, Nexus Industrial Intelligence, Inc., a Delaware corporation (the "Company"), was duly incorporated under the Delaware General Corporation Law ("DGCL") on March 15, 2018, with its principal place of business at 2500 Innovation Drive, Wilmington, Delaware 19801, pursuant to Section 102 of the DGCL;

WHEREAS, the Company develops and deploys proprietary artificial intelligence and machine learning solutions for industrial process optimization, including its flagship NexusCore™ Industrial AI Platform, serving clients across manufacturing, energy, and chemical processing sectors;

WHEREAS, the Company has completed its Series C financing, raising substantial capital for expansion and research and development, and desires to establish comprehensive corporate governance and operational frameworks appropriate for its growth stage;

WHEREAS, the Company has developed significant intellectual property assets, including patents, trade secrets, and proprietary methodologies that require robust protection and governance frameworks;

WHEREAS, the Company maintains strategic partnerships with leading industrial enterprises and research institutions, necessitating clear operational guidelines and risk management protocols;

WHEREAS, the Board of Directors, in accordance with its fiduciary duties under Delaware law, has conducted thorough deliberations and received counsel from qualified legal and financial advisors regarding the matters contained herein; and

WHEREAS, the Board of Directors has determined it to be in the best interests of the Company and its stockholders to adopt this Organizational and Corporate Document to memorialize certain corporate governance matters, intellectual property protections, operational procedures, and compliance frameworks.

NOW, THEREFORE, the Company hereby adopts the following provisions, which shall be binding upon the Company and its successors and assigns:

## 1.0 DEFINITIONS AND INTERPRETATIONS

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

(a) "AI Models" means the Company's proprietary machine learning algorithms, neural networks, and artificial intelligence systems that form the computational core of the NexusCore™ Platform, including but not limited to supervised learning models, deep neural networks, reinforcement learning systems, and any derivative works thereof.

(b) "Confidential Information" means all non-public information concerning the Company's technology, products, business plans, customers, and operations, including but not limited to the AI Models, training data, system architecture, customer lists, pricing strategies, market analyses, research and development activities, technical specifications, and any information marked as "Confidential" or that should reasonably be understood to be confidential given its nature and circumstances of disclosure.

(c) "Industrial IoT Integration" means the hardware and software interfaces that enable the NexusCore™ Platform to connect with and analyze data from industrial control systems, sensors, and manufacturing equipment, including protocols, APIs, data formats, communication standards, edge computing devices, and associated integration components.

(d) "NexusCore™ Platform" means the Company's enterprise software suite that combines computer vision, machine learning, predictive analytics, and process optimization capabilities for manufacturing operations, including all modules, components, updates, modifications, and enhancements thereof.

(e) "Proprietary Technology" means all technology developed by or for the Company, including the NexusCore™ Platform, AI Models, software code, algorithms, methodologies, architectures, and technical documentation.

(f) "System Architecture" means the structural and organizational framework of the NexusCore™ Platform, including its components, modules, interfaces, and the relationships between them.

(g) "Training Data" means any data, datasets, or information used to train, validate, or test the AI Models, including labeled data, synthetic data, and augmented data.

**1.2 Interpretation.** In this Document, unless the context otherwise requires:

(a) References to sections, exhibits, and schedules are to those contained in this Document.

(b) Headings are for convenience only and do not affect interpretation.

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

(d) References to "including" or similar terms shall be construed as illustrative and not limiting.

**1.3 Technical Standards.** All technical terms shall be interpreted in accordance with:

(a) Industry-standard definitions and practices in the field of artificial intelligence and machine learning;

(b) Established engineering principles and methodologies for industrial automation and control systems;

(c) Applicable international standards for IoT connectivity and industrial communication protocols.

**1.4 Version Control.** Any reference to the NexusCore™ Platform or its components shall be deemed to refer to the most current version thereof, unless specifically stated otherwise.

**1.5 Compliance.** All definitions and interpretations shall be construed in accordance with applicable laws, regulations, and industry standards governing artificial intelligence, data protection, and industrial automation systems.

## **2.0 CORPORATE STRUCTURE AND GOVERNANCE**

### **2.1 Board of Directors**

(a) Composition. The Board shall consist of seven (7) directors, including: (i) Two (2) Founder Directors (ii) Three (3) Investor Directors (iii) Two (2) Independent Directors

(b) Director Qualifications (i) Founder Directors must maintain minimum ownership of 5% of outstanding shares (ii) Investor Directors must represent Series A, B, or C investors holding at least 10% of preferred shares (iii) Independent Directors must have no material financial relationship with the Company within the previous three (3) years (iv) All directors must meet qualification requirements under applicable securities laws and exchange regulations

(c) Term and Removal (i) Directors shall serve three-year staggered terms (ii) Removal requires 75% shareholder vote (iii) Automatic removal upon qualification breach (iv) Vacancy filling requires nomination committee recommendation

(d) Voting Requirements. The following actions shall require approval of at least five (5) directors, including at least two (2) Investor Directors: (i) Annual operating budget approval (ii) Material technology licensing agreements (iii) Senior executive appointments (iv) Equity compensation plans (v) Capital expenditures exceeding \$1,000,000 (vi) Material intellectual property transactions (vii) Strategic partnership agreements (viii) Merger or acquisition activities

### **2.2 Board Committees**

(a) Standing Committees (i) Audit Committee (ii) Compensation Committee (iii) Nomination and Governance Committee (iv) Technology and Innovation Committee

(b) Committee Composition (i) Each committee shall have at least three (3) members (ii) Audit Committee must comprise solely Independent Directors (iii) Compensation Committee must include at least one Investor Director (iv) Technology Committee must include at least one Founder Director

## **2.3 Officers**

(a) Required Officers. The Company shall maintain the following officer positions: (i) Chief Executive Officer (ii) Chief Technology Officer (iii) Chief Financial Officer (iv) Chief AI Officer (v) Secretary

(b) Officer Qualifications (i) CEO must have minimum 10 years executive experience (ii) CTO must possess relevant technical expertise and patents (iii) CFO must be CPA-qualified with public company experience (iv) Chief AI Officer must hold advanced degree in relevant field

(c) Responsibilities and Authority (i) Officers shall execute Board directives and manage daily operations (ii) Authority limits defined in delegation of authority matrix (iii) Material decisions require Board notification (iv) Regular reporting obligations to Board committees

## **2.4 Governance Procedures**

(a) Board Meetings (i) Minimum quarterly meetings required (ii) Special meetings called by any two directors (iii) Remote participation permitted via secure technology (iv) Quorum requires majority including one Investor Director

(b) Information Rights (i) Directors entitled to full access to company records (ii) Monthly financial statements to all directors (iii) Quarterly business reviews and forecasts (iv) Annual strategic plan presentations

(c) Conflict Resolution (i) Conflicts of interest must be disclosed (ii) Interested directors recused from voting (iii) Independent committee review for related party transactions (iv) Annual conflict disclosure statements required

## **2.5 Compliance and Reporting**

(a) Corporate Policies (i) Code of Ethics (ii) Insider Trading Policy (iii) Related Party Transaction Policy (iv) Whistleblower Protection Policy

(b) Regulatory Compliance (i) SEC reporting requirements (ii) Exchange listing standards (iii) Sarbanes-Oxley provisions (iv) State corporate law compliance

(c) Record Keeping (i) Maintenance of corporate minutes and records (ii) Electronic document retention system (iii) Annual corporate governance review (iv) Regular policy updates and distributions

## **2.6 Amendments**

(a) This section may be amended only by: (i) Unanimous Board approval (ii) 75% shareholder vote (iii) Compliance with Series A, B, and C protective provisions (iv) Required regulatory approvals

## **3.0 INTELLECTUAL PROPERTY PROTECTION**

### **3.1 Ownership of Technology**

- (a) The Company shall retain exclusive ownership of all Proprietary Technology, including: (i) All AI Models and associated training data, including but not limited to neural network architectures, weight matrices, training methodologies, and optimization algorithms (ii) Software source code and object code, including all iterations, derivatives, and improvements thereof (iii) Patents, patent applications, and inventions, whether registered or unregistered, pending or future (iv) Trade secrets and know-how, including technical specifications, methodologies, and processes (v) Documentation, designs, schemas, and architectural frameworks (vi) Custom algorithms, mathematical models, and computational methods
- (b) Employee and Contractor Contributions: (i) All intellectual property created during employment or engagement (ii) Improvements or modifications to existing Company technology (iii) Derivative works based on Company intellectual property (iv) Research findings and experimental results

### **3.2 IP Protection Measures**

- (a) The Company shall implement the following protective measures: (i) Employee and contractor IP assignments with explicit transfer provisions (ii) Source code escrow arrangements with qualified third-party providers (iii) Regular patent filings for core innovations on a quarterly review basis (iv) Confidentiality agreements with all parties accessing Proprietary Technology (v) Digital rights management systems and access controls (vi) Encryption protocols for sensitive intellectual property (vii) Regular security audits and compliance assessments
- (b) Documentation Requirements: (i) Maintenance of invention disclosure records (ii) Chain of title documentation (iii) Technology transfer agreements (iv) IP registration certificates (v) License tracking systems

### **3.3 Licensing Framework**

- (a) The Company may license the NexusCore™ Platform to customers under terms that: (i) Retain Company ownership of all IP rights, including improvements (ii) Restrict modification and reverse engineering attempts (iii) Limit use to authorized facilities and purposes (iv) Require appropriate security measures (v) Specify permitted use cases and deployment scenarios (vi) Define territorial restrictions and jurisdictional limitations
- (b) License Compliance Requirements: (i) Regular usage audits and reporting (ii) Implementation of monitoring systems (iii) Maintenance of access logs (iv) Compliance certification requirements

### **3.4 Enforcement and Remedies**

- (a) The Company shall maintain the right to: (i) Pursue legal action against unauthorized use (ii) Seek injunctive relief for IP infringement (iii) Recover damages for unauthorized access (iv) Terminate licenses upon breach (v) Conduct forensic investigations
- (b) Breach Response Protocol: (i) Immediate cessation notices (ii) Evidence preservation requirements (iii) Dispute resolution procedures (iv) Remediation timelines

### **3.5 Technology Transfer Provisions**

- (a) Any transfer of technology shall be subject to: (i) Prior written authorization (ii) Detailed documentation requirements (iii) Security clearance procedures (iv) Confidentiality obligations (v) Usage restrictions (vi) Return or destruction protocols
- (b) Transfer Documentation Requirements: (i) Technical specifications (ii) Implementation guidelines (iii) Security protocols (iv) Access control measures (v) Audit trail maintenance

## **4.0 OPERATIONAL FRAMEWORK**

### **4.1 Quality Control**

- (a) The Company shall maintain ISO 9001:2015 certification for its development processes and shall undergo annual recertification audits.
- (b) All software releases shall undergo: (i) Automated testing protocols, including unit testing, integration testing, and regression testing (ii) Security vulnerability scanning using industry-standard tools and methodologies (iii) Performance validation under simulated peak load conditions (iv) Customer acceptance testing in accordance with agreed-upon criteria
- (c) Quality metrics shall be maintained and reported quarterly, including: (i) Defect density rates (ii) Code coverage percentages (iii) Time-to-resolution metrics (iv) Customer satisfaction scores

### **4.2 Data Security**

- (a) The Company shall implement and maintain: (i) SOC 2 Type II compliant controls with annual attestation (ii) End-to-end encryption for data transmission using minimum AES-256 standards (iii) Multi-factor authentication and role-based access controls (iv) Quarterly security audits and penetration testing
- (b) Security incidents shall be managed according to: (i) Documented incident response procedures (ii) Maximum 24-hour notification requirements (iii) Root cause analysis protocols (iv) Remediation tracking and verification

### **4.3 Customer Deployment**

- (a) All customer implementations shall follow standardized procedures for: (i) System integration, including API compatibility testing (ii) Comprehensive user training and

documentation (iii) Real-time performance monitoring and alerting (iv) 24/7 technical support with defined SLAs

(b) Implementation milestones shall include: (i) Pre-deployment infrastructure assessment (ii) Data migration validation (iii) User acceptance testing (iv) Production readiness verification

#### **4.4 Operational Maintenance**

(a) The Company shall maintain: (i) 99.9% system availability during business hours (ii) Scheduled maintenance windows with minimum 72-hour notice (iii) Disaster recovery capabilities with RPO  $\leq$  4 hours (iv) Business continuity plans tested bi-annually

(b) Change management procedures shall require: (i) Documentation of all system modifications (ii) Impact analysis for proposed changes (iii) Rollback procedures for all deployments (iv) Stakeholder approval for major changes

#### **4.5 Compliance Monitoring**

(a) The Company shall conduct: (i) Monthly compliance reviews (ii) Quarterly risk assessments (iii) Annual third-party audits (iv) Continuous regulatory monitoring

### **5.0 GENERAL PROVISIONS**

**5.1 Amendment.** This Document may be amended only by written resolution approved by the Board in accordance with Section 2.1(b).

**5.2 Governing Law.** This Document shall be governed by and construed in accordance with the laws of the State of Delaware.

**5.3 Severability.** If any provision of this Document is held invalid or unenforceable, the remainder shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused this Document to be executed as of January 15, 2024.

NEXUS INDUSTRIAL INTELLIGENCE, INC.

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

ATTEST:

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Corporate Secretary

[CORPORATE SEAL]

## **EXHIBIT A**

Schedule of Proprietary Technology Assets [Details of patent portfolio and core technology components]

## **EXHIBIT B**

Board Committee Charters [Audit, Compensation, and Technology Committee charters]

## **APPENDIX 1**

Security and Data Protection Standards [Technical specifications for system security requirements]