

# **ORGANIZATIONAL AND CORPORATE DOCUMENT 12**

## **PREAMBLE AND RECITALS**

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

WHEREAS, the Corporation, in accordance with DGCL §102, has filed its Certificate of Incorporation with the Delaware Secretary of State, establishing its authorized capital structure, corporate governance framework, and fundamental business purposes;

WHEREAS, the Corporation develops and deploys proprietary artificial intelligence and machine learning solutions for industrial process optimization, predictive maintenance, and quality control applications, serving diverse industrial sectors including manufacturing, energy, and chemical processing;

WHEREAS, the Corporation has developed the NexusCore™ Industrial AI Platform and related intellectual property assets that constitute its primary commercial offering, including but not limited to proprietary algorithms, software implementations, technical documentation, and associated trade secrets;

WHEREAS, the Corporation maintains substantial intellectual property rights, including pending patent applications, registered trademarks, and copyrighted materials related to its technological innovations;

WHEREAS, the Board of Directors of the Corporation (the "Board") deems it advisable and in the best interests of the Corporation to establish and memorialize certain organizational and operational procedures for the effective governance and management of corporate affairs; and

WHEREAS, this document shall serve as a binding corporate instrument, subject to amendment only as provided by applicable law and the Corporation's bylaws.

NOW, THEREFORE, the Corporation hereby adopts the following organizational and corporate document:

## **DEFINITIONS AND INTERPRETATIONS**

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

"Artificial Intelligence" or "AI" means computer systems capable of performing tasks that normally require human intelligence, including visual perception, speech recognition, decision-making, and prediction. This includes both narrow AI systems designed for specific tasks and integrated AI solutions deployed across the Corporation's industrial applications.

"Board" means the Board of Directors of the Corporation, including any duly appointed committees thereof acting within their designated authority.

"Confidential Information" means all non-public information concerning the Corporation's technology, products, business plans, financial status, and operations, including but not limited to the NexusCore™ Platform, machine learning models, and customer data. This encompasses proprietary algorithms, source code, technical specifications, research and development materials, trade secrets, customer lists, pricing strategies, and any derivative works thereof.

"Industrial IoT" means the network of interconnected sensors, instruments, and other devices networked together with industrial applications, including but not limited to smart sensors, actuators, controllers, and related communication infrastructure operating within the Corporation's manufacturing and processing environments.

"Machine Learning Models" means the Corporation's proprietary algorithmic systems that improve automatically through experience and data analysis, including supervised learning algorithms, neural networks, deep learning systems, and any associated training data, parameters, and model architectures developed by the Corporation.

"NexusCore™ Platform" means the Corporation's flagship software platform that combines computer vision, machine learning, and edge computing capabilities for industrial process optimization, including all associated modules, APIs, user interfaces, and backend infrastructure components.

"Series C Preferred Stock" means the Corporation's Series C Preferred Stock, par value \$0.001 per share, with rights, preferences, and privileges as set forth in the Corporation's Certificate of Incorporation.

"Edge Computing Infrastructure" means the Corporation's distributed computing architecture that processes data near the source of data generation, including edge servers, gateways, and associated hardware components.

"Intellectual Property Rights" means all patents, copyrights, trade secrets, trademarks, industrial designs, database rights, and other intellectual property rights, whether registered or unregistered, including pending applications for any such rights.

"Technical Documentation" means all manuals, specifications, protocols, guidelines, and other documents describing the technical and functional characteristics of the Corporation's products and services.

"User Data" means any data collected, processed, or generated through the use of the Corporation's products and services, including but not limited to machine performance data, process optimization metrics, and usage statistics.

"Derivative Works" means any modification, enhancement, improvement, or other work based upon or derived from the Corporation's technology or Confidential Information.

1.2 Interpretation. In this Document, unless the context otherwise requires: (a) words importing the singular include the plural and vice versa; (b) references to sections, exhibits, and schedules are to those contained in this Document; (c) headings are inserted for convenience only and do not affect the interpretation of this Document; and (d) any reference to any statute, regulation, or other legislation shall be a reference to that statute, regulation, or legislation as amended or re-enacted from time to time.

## **CORPORATE STRUCTURE AND GOVERNANCE**

### **3.1 Board of Directors**

(a) Composition. The Board shall consist of seven (7) directors, including: (i) Two (2) founders, who shall maintain their positions provided they remain actively involved in the Corporation's operations (ii) Three (3) independent directors, who must meet independence criteria as defined by applicable securities regulations (iii) Two (2) Series C investor representatives, appointed by majority vote of Series C stockholders

(b) Voting Requirements. All Board actions shall require the approval of a majority of directors present at a duly called meeting where a quorum exists. A quorum shall constitute five (5) directors, including at least one (1) founder and one (1) Series C representative.

(c) Term and Removal (i) Directors shall serve three-year staggered terms, with one-third of the Board standing for election each year (ii) Any director may be removed for cause by a two-thirds vote of the remaining Board members (iii) Series C representatives may only be removed by majority vote of Series C stockholders

(d) Meetings (i) The Board shall meet at least quarterly, with additional meetings as necessary (ii) Notice of meetings shall be provided at least seven (7) business days in advance (iii) Emergency meetings may be called with twenty-four (24) hours' notice (iv) Virtual participation shall constitute presence for quorum purposes

### **3.2 Officers**

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

initiatives and compliance (v) Secretary, maintaining corporate records and ensuring regulatory compliance

(b) Duties and Responsibilities (i) Officers shall report directly to the CEO, except the CEO who reports to the Board (ii) Each officer shall submit quarterly performance reports to the Board (iii) Officers must obtain Board approval for expenditures exceeding \$500,000 (iv) Officers shall maintain appropriate insurance coverage as determined by the Board

(c) Appointment and Removal (i) Officers shall be appointed by majority Board vote (ii) Initial terms shall be two years, with annual review (iii) Officers may be removed with or without cause by two-thirds Board vote (iv) Interim officers may be appointed by the CEO for up to 90 days

### 3.3 Committees

(a) Standing Committees: (i) Audit Committee - Composed of three independent directors - Oversees financial reporting and internal controls - Reviews annual audit and quarterly financial statements - Meets at least six times annually

(ii) Compensation Committee - Determines executive compensation packages - Reviews employee benefit programs - Establishes performance metrics - Consists of two independent directors and one Series C representative

(iii) Technology and AI Ethics Committee - Monitors AI development compliance - Establishes ethical guidelines - Reviews technology risks and opportunities - Includes CTO, Chief AI Officer, and two independent directors

(b) Special Committees (i) The Board may establish additional committees as needed (ii) Special committees shall have defined scope and duration (iii) Membership shall be determined by Board appointment

### 3.4 Governance Policies

(a) Conflicts of Interest (i) Directors and officers must disclose potential conflicts (ii) Interested parties shall recuse themselves from related votes (iii) Annual conflict disclosure statements required

(b) Confidentiality (i) Board materials and discussions shall remain confidential (ii) Directors and officers shall sign confidentiality agreements (iii) Information sharing protocols must be established

(c) Succession Planning (i) Board shall maintain succession plans for key positions (ii) Annual review of leadership development programs (iii) Emergency succession protocols must be documented

### 3.5 Amendments

(a) This section may be amended by: (i) Two-thirds vote of the Board, and (ii) Majority approval of Series C stockholders (iii) Written consent of both founders

(b) Notice of proposed amendments must be provided 30 days in advance

## **INTELLECTUAL PROPERTY PROTECTION**

### **4.1 Ownership of Intellectual Property**

(a) The Corporation shall own all right, title, and interest in: (i) The NexusCore™ Platform, including all subsequent versions, modifications, improvements, and derivative works thereof (ii) All machine learning models and algorithms, including training methodologies, neural network architectures, and optimization techniques (iii) All patents, trademarks, and copyrights, whether registered or unregistered, in all jurisdictions worldwide (iv) Trade secrets and know-how, including proprietary methodologies, technical specifications, and operational procedures

(b) The Corporation's intellectual property rights shall extend to: (i) All software code, whether in source or object form (ii) Documentation, manuals, and technical specifications (iii) Data structures and database architectures (iv) User interface designs and visual elements (v) Training datasets and model parameters

### **4.2 IP Protection Measures**

(a) The Corporation shall maintain: (i) Patent protection for core technologies, including regular patent portfolio reviews and strategic filing programs (ii) Trade secret protection protocols, including physical and digital security measures (iii) Employee and contractor IP assignments, with mandatory execution upon engagement (iv) Customer data protection systems, including encryption and access controls

(b) The Corporation shall implement: (i) Regular IP audits and compliance reviews (ii) Monitoring systems for potential infringement (iii) Documentation procedures for invention disclosures (iv) Security protocols for source code repositories (v) Access controls for proprietary information

(c) Enforcement procedures shall include: (i) Regular monitoring of competitor activities (ii) Investigation of potential infringement (iii) Legal action against unauthorized use (iv) Cease and desist procedures (v) Alternative dispute resolution mechanisms

### **4.3 Technology Licensing**

(a) Any licensing of Corporation technology shall require: (i) Board approval following detailed review (ii) Written agreement with comprehensive confidentiality provisions (iii) Usage restrictions and monitoring rights (iv) Appropriate compensation terms

(b) License agreements shall specify: (i) Scope of permitted use (ii) Geographic and temporal limitations (iii) Sublicensing restrictions (iv) Quality control requirements (v) Audit and inspection rights

(c) Licensing terms shall address: (i) Technology maintenance and updates (ii) Technical support obligations (iii) Improvement rights and ownership (iv) Termination conditions (v) Post-termination obligations

#### 4.4 IP Risk Management

(a) The Corporation shall maintain: (i) IP insurance coverage (ii) Indemnification provisions in contracts (iii) Risk assessment procedures (iv) Contingency plans for IP disputes

(b) Regular assessment shall include: (i) Freedom-to-operate analyses (ii) IP portfolio valuation (iii) Competitive landscape monitoring (iv) Technology trend analysis

#### 4.5 Employee and Contractor Obligations

(a) All personnel shall: (i) Execute IP assignment agreements (ii) Comply with confidentiality requirements (iii) Participate in IP protection training (iv) Report potential IP violations (v) Maintain detailed invention records

(b) Post-employment obligations shall include: (i) Continued confidentiality duties (ii) Non-use of Corporation IP (iii) Return of all proprietary materials (iv) Cooperation in IP protection efforts

## **OPERATIONAL PROCEDURES**

#### 5.1 Quality Control

(a) The Corporation shall maintain ISO 9001:2015 certification and undergo annual recertification processes (b) Regular audits of AI system performance shall be conducted quarterly, with: (i) Automated performance monitoring (ii) Statistical analysis of system outputs (iii) Validation against established benchmarks (c) Continuous monitoring of industrial safety metrics through: (i) Real-time data collection (ii) Monthly safety compliance reports (iii) Incident investigation protocols (d) Implementation of corrective action procedures within 24 hours of identified deficiencies

#### 5.2 Data Security

(a) Implementation and maintenance of: (i) SOC 2 Type II controls with annual attestation (ii) GDPR compliance measures including data protection impact assessments (iii) Industrial data protection protocols with encryption standards (b) Regular security assessments including: (i) Quarterly vulnerability scanning (ii) Annual penetration testing (iii) Monthly security patch management (c) Data handling procedures incorporating: (i) Access control matrices (ii) Data classification protocols (iii) Retention and disposal schedules (d) Incident response protocols with: (i) 24/7 security monitoring (ii) Defined escalation procedures (iii) Mandatory breach reporting timelines

#### 5.3 Customer Engagement

(a) Standard operating procedures for: (i) Customer onboarding with detailed implementation timeline (ii) System implementation including testing and validation (iii) Support and maintenance with defined response times (iv) Service level agreements with performance metrics (b) Customer communication protocols including: (i) Regular status reporting (ii) Incident notification procedures (iii) Change management processes (c) Performance monitoring and reporting: (i) Monthly service delivery reports (ii) Quarterly performance reviews (iii) Annual relationship assessments

#### 5.4 Regulatory Compliance

(a) Maintenance of compliance with: (i) Industry-specific regulations (ii) Regional operating requirements (iii) International standards (b) Documentation requirements: (i) Compliance logs and records (ii) Audit trails (iii) Certification documentation (c) Regular compliance reviews: (i) Monthly internal assessments (ii) Quarterly compliance reports (iii) Annual external audits

#### 5.5 Continuous Improvement

(a) Implementation of: (i) Performance optimization protocols (ii) Process improvement initiatives (iii) Technology upgrade procedures (b) Regular review and updates of: (i) Operating procedures (ii) Security protocols (iii) Customer engagement processes

## **SIGNATURE BLOCK**

IN WITNESS WHEREOF, the Corporation has caused this Document to be executed by its duly authorized officer as of January 15, 2024.

NEXUS INDUSTRIAL INTELLIGENCE, INC.

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

## **EXHIBIT A**

NexusCore™ Platform Technical Specifications

## **EXHIBIT B**

Corporate Organization Chart

## **APPENDIX 1**

AI Ethics Guidelines

## **APPENDIX 2**

Data Security Protocols

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