

# **Horizon Adaptive Systems Group, Inc.**

## **Board of Directors Organizational Charter and Governance Framework**

### **PREAMBLE**

WHEREAS, Horizon Adaptive Systems Group, Inc. (hereinafter "the Company") is a Delaware corporation engaged in advanced industrial IoT and predictive maintenance services; and

WHEREAS, the Board of Directors serves as the primary governing body responsible for strategic oversight, fiduciary duty, and corporate governance;

NOW, THEREFORE, the following Organizational Charter and Governance Framework is hereby adopted and implemented, effective immediately.

### **1. BOARD COMPOSITION AND STRUCTURE**

#### **1 Board Size and Configuration**

- The Board shall consist of seven (7) directors, comprising:
  - a) Three (3) Founder/Management Representatives
  - b) Two (2) Venture Capital Investor Representatives
  - c) Two (2) Independent External Directors

#### **2 Director Qualifications**

Directors shall possess:

- Demonstrated expertise in technology, industrial operations, or enterprise software
- Minimum of ten (10) years senior leadership experience
- No material conflicts of interest with Company operations
- Commitment to fiduciary responsibilities and ethical governance

#### **3 Election and Term**

- Directors elected annually at shareholders' meeting
- Standard term: Three (3) years
- Staggered election cycle to ensure continuity
- No director shall serve more than six (6) consecutive years without comprehensive review

### **2. BOARD RESPONSIBILITIES AND AUTHORITIES**

## 1 Strategic Oversight

The Board shall:

- Approve annual strategic plan
- Review quarterly operational performance
- Evaluate and authorize major capital investments
- Monitor competitive landscape and technological developments

## 2 Financial Governance

- Approve annual budget and financial projections
- Review quarterly and annual financial statements
- Oversee external audit processes
- Authorize financial transactions exceeding \$500,000

## 3 Executive Leadership Management

- Recruit, evaluate, and compensate senior executive leadership
- Establish executive compensation frameworks
- Conduct annual performance reviews of CEO and C-suite executives
- Develop leadership succession planning

# **3. COMMITTEE STRUCTURE**

## 1 Mandatory Committees

The Board shall maintain the following standing committees:

- a) Audit Committee
- b) Compensation Committee
- c) Nominating and Governance Committee

## 2 Committee Composition

- Minimum three (3) directors per committee
- Majority must be independent external directors
- Chair must be an independent director

# **4. MEETING PROTOCOLS**

## 1 Regular Meetings

- Quarterly formal board meetings
- Minimum four (4) meetings annually
- Additional special meetings as required

## 2 Meeting Procedures

- Written notice minimum 10 business days in advance
- Quorum: 5 directors required
- Voting: Majority decision with chair having tie-breaking vote
- Detailed minutes maintained for all proceedings

## **5. COMPLIANCE AND ETHICS**

### 1 Ethical Standards

- Mandatory annual ethics training
- Comprehensive conflict of interest disclosure requirements
- Whistleblower protection policy
- Zero tolerance for unethical conduct

### 2 Regulatory Compliance

- Adherence to Sarbanes-Oxley governance standards
- Comprehensive internal control frameworks
- Annual third-party governance audit

## **6. AMENDMENT PROCEDURES**

### 1 Charter Modifications

- Amendments require 2/3 board approval
- Written documentation of proposed changes
- 30-day review period for all board members

## **EXECUTION**

IN WITNESS WHEREOF, the undersigned hereby adopt this Organizational Charter and Governance Framework.

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Elena Rodriguez, CEO

Date: January 15, 2024

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Dr. Marcus Chen, Board Chair

Date: January 15, 2024

[Corporate Seal]