

# **ORGANIZATIONAL AND CORPORATE DOCUMENT 38**

## **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, 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 capabilities, and real-time optimization frameworks;

WHEREAS, the Corporation has established substantial intellectual property holdings, including but not limited to patents, trademarks, trade secrets, and proprietary methodologies related to industrial automation and artificial intelligence applications;

WHEREAS, the Corporation seeks to establish comprehensive organizational and governance frameworks to support its continued growth and development of advanced industrial technology solutions, including the implementation of robust corporate governance structures, risk management protocols, and compliance mechanisms;

WHEREAS, the Corporation maintains significant commercial relationships with industrial partners, technology providers, and end-users across multiple jurisdictions, necessitating clear operational and legal frameworks;

WHEREAS, this Document 38 is executed pursuant to the authority granted under Section 102 of the Delaware General Corporation Law and the Corporation's Certificate of Incorporation, in accordance with all applicable state and federal regulations; and

WHEREAS, the Board of Directors has determined that this document serves the best interests of the Corporation and its stakeholders in establishing clear operational parameters and governance structures.

NOW, THEREFORE, the Corporation hereby adopts and establishes the following provisions:

## **DEFINITIONS AND INTERPRETATIONS**

1.1 Defined Terms. For purposes of this Document 38, the following terms shall have the meanings specified below:

"Artificial Intelligence Systems" means the Corporation's proprietary computer programs, algorithms, and mathematical models that simulate human intelligence processes, including machine learning, pattern recognition, natural language processing, and autonomous decision-making capabilities, whether deployed in cloud environments or on edge devices.

"NexusCore™ Platform" means the Corporation's enterprise-grade software suite that combines computer vision, machine learning-driven predictive analytics, and process optimization algorithms, including all associated modules, components, documentation, application programming interfaces (APIs), software development kits (SDKs), and related technological infrastructure, whether deployed on-premises or in cloud environments.

"Industrial IoT Integration" means the technological framework and protocols enabling the connection and communication between the NexusCore™ Platform and industrial control systems, sensors, and devices, including but not limited to SCADA systems, programmable logic controllers (PLCs), distributed control systems (DCS), and wireless sensor networks operating on standardized industrial protocols.

"Proprietary Technology" means all software, algorithms, methodologies, processes, and technical innovations developed by the Corporation, including but not limited to: (a) Computer vision systems for industrial inspection, including deep learning-based defect detection algorithms; (b) Machine learning models for predictive maintenance and asset performance optimization; (c) Edge computing implementations for real-time processing and analytics; (d) Real-time analytics engines for operational intelligence; (e) Distributed ledger technologies for supply chain traceability; (f) Neural network architectures for process optimization; and (g) Cybersecurity protocols specific to industrial environments.

"Technical Documentation" means all manuals, specifications, protocols, architectures, APIs, data models, and other technical materials related to the Corporation's systems and technologies.

"Intellectual Property Rights" means all patents, copyrights, trade secrets, know-how, and other proprietary rights associated with the Corporation's technologies, whether registered or unregistered, pending or issued.

1.2 Interpretation. In this Document 38: (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 38; (d) The terms "hereof," "herein," and "hereunder" refer to this Document 38 as a whole; (e) Technical terms shall be interpreted according to their generally accepted meaning within the industrial technology sector; (f) References to standards, protocols, or specifications shall be deemed to include their subsequent amendments and revisions; (g) References to software versions shall include all updates, patches, and modifications thereof; (h) The term "including" means "including without limitation"; (i) References to time periods shall be interpreted according to calendar

days unless otherwise specified; (j) Technical measurements and specifications shall be interpreted according to international standard units of measurement.

1.3 Precedence. In the event of any conflict or inconsistency between the definitions in this section and any other document incorporated by reference, the definitions set forth herein shall prevail unless explicitly stated otherwise.

## **CORPORATE STRUCTURE AND GOVERNANCE**

### **3.1 Board of Directors**

(a) Composition. The Board of Directors shall consist of seven (7) members, including: (i) Two (2) Founder Directors, who must maintain minimum ownership of five percent (5%) of outstanding shares; (ii) Three (3) Venture Capital Representatives, appointed by Series A, B, and C investors respectively; and (iii) Two (2) Independent Directors, who shall meet independence criteria as defined by NYSE listing standards.

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

(c) Term and Removal (i) Directors shall serve three-year staggered terms, with no term limits; (ii) Any director may be removed by a two-thirds (2/3) majority vote of shareholders; (iii) Vacancies shall be filled within sixty (60) days by the remaining Board members.

(d) Meetings and Quorum (i) The Board shall meet at least quarterly; (ii) Special meetings may be called with forty-eight (48) hours notice; (iii) Quorum requires presence of four (4) directors, including at least one Founder Director.

### **3.2 Officers**

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

(b) Responsibilities. Each officer shall have such duties and responsibilities as determined by the Board and set forth in the Corporation's Bylaws, including: (i) Annual performance objectives and metrics; (ii) Quarterly reporting requirements to the Board; (iii) Compliance with corporate governance policies; (iv) Succession planning and leadership development.

(c) Appointment and Removal (i) Officers shall be appointed by majority Board vote; (ii) Officers serve at the pleasure of the Board; (iii) Removal requires two-thirds (2/3) Board approval.

### **3.3 Committees**

(a) Standing Committees: (i) Technology and Innovation Committee - Oversees R&D initiatives - Reviews technology acquisitions - Evaluates competitive positioning (ii) Audit Committee - Reviews financial statements - Oversees internal controls - Manages external auditor relationship (iii) Compensation Committee - Sets executive compensation - Administers equity incentive plans - Reviews benefit programs

(b) Special Committees. The Board may establish additional committees as needed, including: (i) Strategic Planning Committee (ii) Risk Management Committee (iii) Governance Committee

(c) Committee Composition (i) Each committee shall have at least three (3) members; (ii) Independent Directors must chair Audit and Compensation Committees; (iii) Committee appointments reviewed annually.

### 3.4 Series C Preferred Stock Rights

(a) Protective Provisions (i) Major corporate actions require Series C approval, including: - Asset sales exceeding \$10 million - New debt exceeding \$5 million - Changes to certificate of incorporation (ii) Anti-dilution protection (iii) Right of first refusal on new issuances

(b) Information Rights (i) Monthly financial statements (ii) Annual operating plan (iii) Quarterly board packages (iv) Access to management team

(c) Board Representation Rights (i) One dedicated Series C Board seat (ii) Observer rights at all Board meetings (iii) Participation in all Board committees

### 3.5 Governance Policies

(a) Ethics and Compliance (i) Annual ethics training required (ii) Whistleblower protection (iii) Conflict of interest disclosure

(b) Corporate Social Responsibility (i) Environmental impact reporting (ii) Diversity and inclusion initiatives (iii) Community engagement programs

(c) Risk Management (i) Annual risk assessment (ii) Crisis management procedures (iii) Business continuity planning

### 3.6 Amendment Procedures

(a) This Corporate Structure and Governance section may be amended only by: (i) Two-thirds (2/3) Board approval (ii) Majority shareholder vote (iii) Series C stockholder consent

## **INTELLECTUAL PROPERTY PROTECTION**

### 4.1 Ownership of Intellectual Property

(a) The Corporation shall retain exclusive ownership of: (i) All Artificial Intelligence Systems, including but not limited to machine learning models, neural networks, decision-making

algorithms, and automated reasoning systems (ii) The NexusCore™ Platform and all its components, subsystems, interfaces, and operational frameworks (iii) All associated patents, copyrights, trade secrets, and other intellectual property rights, whether registered or unregistered (iv) All improvements, modifications, enhancements, derivative works, and adaptations thereof, regardless of their creator or origin

(b) Intellectual Property Creation and Assignment: (i) All intellectual property created by employees during their employment (ii) Works created using Corporation resources or facilities (iii) Developments related to the Corporation's business interests (iv) Innovations arising from Corporation-sponsored research

#### 4.2 Patent Portfolio Protection

(a) The Corporation shall maintain and enforce its patent portfolio covering: (i) Machine learning algorithms, including training methodologies, optimization techniques, and deployment frameworks (ii) Computer vision systems, encompassing object recognition, pattern matching, and visual processing technologies (iii) Industrial process optimization methods, including adaptive control systems and predictive maintenance solutions (iv) Edge computing implementations and distributed processing architectures

(b) Patent Enforcement Strategy: (i) Regular patent portfolio audits and valuations (ii) Active monitoring of potential infringement (iii) Strategic filing in key jurisdictions (iv) Maintenance of continuation applications (v) Development of defensive patent positions

#### 4.3 Trade Secret Protection

(a) Confidentiality Requirements: (i) Classification of trade secret information (ii) Documentation and marking procedures (iii) Secure storage protocols (iv) Information handling guidelines (v) Destruction and disposal procedures

(b) Access Controls: (i) Role-based access management (ii) Authentication protocols (iii) Activity monitoring and logging (iv) Physical security measures (v) Digital security implementations

(c) Employee Obligations: (i) Confidentiality agreements (ii) Non-disclosure provisions (iii) Training requirements (iv) Exit procedures (v) Post-employment restrictions

(d) Third-Party Restrictions: (i) Vendor agreements (ii) Contractor obligations (iii) Partner confidentiality requirements (iv) Audit rights (v) Enforcement mechanisms

#### 4.4 Software Licensing Framework

(a) Enterprise License Terms: (i) Scope of permitted use (ii) User limitations (iii) Geographic restrictions (iv) Term and termination conditions (v) Maintenance and support provisions

(b) Usage Restrictions: (i) Prohibited activities (ii) Reverse engineering limitations (iii) Modification restrictions (iv) Distribution constraints (v) Sublicensing prohibitions

(c) IP Ownership Preservation: (i) Rights reservation (ii) Attribution requirements (iii) Trademark usage guidelines (iv) Copyright notices (v) Patent markings

(d) Technology Transfer Limitations: (i) Export control compliance (ii) Cross-border restrictions (iii) Technology escrow provisions (iv) Source code protection (v) Knowledge transfer constraints

#### 4.5 Enforcement and Remedies

(a) Infringement Response: (i) Investigation procedures (ii) Documentation requirements (iii) Legal action protocols (iv) Settlement guidelines (v) Damage assessment methods

(b) Preventive Measures: (i) Regular IP audits (ii) Compliance monitoring (iii) Risk assessment procedures (iv) Insurance coverage (v) Documentation maintenance

#### 4.6 Innovation Protection

(a) Research and Development Security: (i) Laboratory access controls (ii) Testing environment isolation (iii) Data segregation requirements (iv) Project compartmentalization (v) Documentation protocols

(b) Collaboration Guidelines: (i) Joint development agreements (ii) Research partnerships (iii) Academic collaborations (iv) Industry consortia participation (v) Knowledge sharing limitations

#### 4.7 Digital Rights Management

(a) Technical Protection Measures: (i) Encryption requirements (ii) Access control systems (iii) Copy protection mechanisms (iv) Usage tracking systems (v) Authentication protocols

(b) Content Protection: (i) Digital watermarking (ii) Rights management information (iii) Distribution controls (iv) Usage monitoring (v) Breach detection systems

#### 4.8 Compliance and Reporting

(a) Regular Assessments: (i) IP portfolio reviews (ii) Protection measure audits (iii) Compliance verification (iv) Risk assessments (v) Implementation monitoring

(b) Documentation Requirements: (i) Inventory maintenance (ii) Registration records (iii) License tracking (iv) Incident reporting (v) Audit trail preservation

## **SIGNATURE BLOCK**

IN WITNESS WHEREOF, the Corporation has caused this Document 38 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

## **EXHIBITS**

Exhibit A: NexusCore™ Platform Technical Specifications Exhibit B: Patent Portfolio  
Schedule Exhibit C: Committee Charters Exhibit D: Officer Job Descriptions

## **APPENDICES**

Appendix 1: AI System Architecture Documentation Appendix 2: Industrial IoT Integration  
Standards Appendix 3: Data Security Protocols Appendix 4: Technology Protection Procedures

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