

CORPORATE GOVERNANCE AND OPERATIONAL CHARTER

NEXUS INDUSTRIAL INTELLIGENCE, INC.

Effective as of January 15, 2024

1.0 PREAMBLE AND RECITALS

WHEREAS, Nexus Industrial Intelligence, Inc., a Delaware corporation (hereinafter referred to as the "Corporation"), was duly incorporated under the laws of the State of Delaware on March 15, 2018;

WHEREAS, the Corporation develops and deploys advanced artificial intelligence and machine learning solutions for industrial process optimization, including its proprietary NexusCore™ Industrial AI Platform;

WHEREAS, the Corporation's NexusCore™ Industrial AI Platform encompasses proprietary algorithms, machine learning models, and data processing methodologies designed to enhance manufacturing efficiency, reduce operational costs, and optimize industrial workflows across multiple sectors;

WHEREAS, the Corporation maintains substantial intellectual property rights, including patents, trademarks, and trade secrets related to its artificial intelligence technologies and industrial applications;

WHEREAS, the Corporation operates in compliance with applicable federal and state regulations governing artificial intelligence deployment, data privacy, industrial safety standards, and corporate governance requirements;

WHEREAS, the Corporation seeks to establish comprehensive governance protocols and operational standards for its artificial intelligence and industrial technology operations;

WHEREAS, the Corporation acknowledges its obligations under Delaware General Corporation Law, the Securities Exchange Act of 1934, as amended, and other applicable federal and state regulations; and

WHEREAS, this Charter shall govern the Corporation's organizational structure, intellectual property rights, operational requirements, and ethical guidelines for artificial intelligence deployment in industrial settings.

NOW, THEREFORE, the Corporation hereby adopts this Corporate Governance and Operational Charter (the "Charter"), which shall serve as the foundational document governing all corporate activities, technological deployments, and operational procedures as follows:

2.0 DEFINITIONS AND INTERPRETATION

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

(a) "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, improvements, and derivative works thereof, whether existing now or developed in the future.

(b) "Artificial Intelligence Systems" means any computer systems, algorithms, or software that simulate human intelligence processes, including but not limited to: (i) Machine learning algorithms and models; (ii) Neural networks and deep learning architectures; (iii) Natural language processing and generation systems; (iv) Computer vision and image recognition systems; (v) Reinforcement learning implementations; and (vi) Expert systems and decision support frameworks.

(c) "Industrial IoT Integration" means the implementation and connection of Internet of Things sensors, devices, and control systems within manufacturing environments for data collection and process control, encompassing: (i) Sensor networks and data acquisition systems; (ii) Real-time monitoring and control interfaces; (iii) Edge computing devices and gateways; (iv) Industrial communication protocols and standards; and (v) Manufacturing execution system (MES) integrations.

(d) "Proprietary Technology" means all technology, software, algorithms, methodologies, processes, and know-how developed by or for the Corporation, including: (i) Computer vision systems for industrial inspection and quality control; (ii) Machine learning models for predictive maintenance; (iii) Edge computing implementations for real-time analytics; (iv) Process optimization algorithms for manufacturing operations; (v) Custom software libraries and development frameworks; (vi) Data preprocessing and feature extraction methodologies; (vii) System architecture designs and specifications; and (viii) Technical documentation and implementation guides.

(e) "Derivative Works" means any modification, enhancement, improvement, or adaptation of the Corporation's technology, including new features, functionalities, or applications developed using the existing technology as a basis.

2.2 Interpretation. In this Charter: (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 Charter unless otherwise specified; (d) Technical

terms shall be interpreted according to their generally accepted meaning within the artificial intelligence and industrial automation industries; (e) References to software, algorithms, or systems include all versions, releases, and updates thereof; (f) The terms "including" and "includes" mean "including but not limited to" and "includes without limitation" respectively; (g) References to any technology, standard, or protocol include subsequent versions or replacements thereof; (h) Any reference to development or creation of technology includes both internal development and development by third parties under contract with the Corporation; (i) Time periods shall be calculated in calendar days unless otherwise specified; and (j) In the event of any conflict between defined terms, the more specific definition shall prevail over the more general.

3.0 CORPORATE STRUCTURE AND GOVERNANCE

3.1 Executive Leadership

(a) Chief Executive Officer. Dr. Sarah Chen shall serve as Chief Executive Officer and shall have primary responsibility for the Corporation's strategic direction, corporate operations, and technology development initiatives. The CEO shall: (i) Establish and execute the Corporation's strategic vision; (ii) Report directly to the Board of Directors on a quarterly basis; (iii) Hold ultimate accountability for corporate performance; and (iv) Maintain authority to execute contracts up to \$2,000,000 without additional Board approval.

(b) Other Executive Officers: (i) Michael Roberts shall serve as Chief Technology Officer, overseeing all technical operations, product development, and engineering teams; (ii) David Kumar shall serve as Chief Financial Officer, managing financial strategy, reporting, and compliance; (iii) Dr. James Wilson shall serve as Chief AI Officer, directing artificial intelligence development and implementation; and (iv) Rebecca Torres shall serve as Vice President of Sales, leading global sales operations and channel partnerships.

(c) Executive Officer Terms: (i) Initial term of three (3) years for all executive positions; (ii) Renewable upon Board approval for subsequent two-year terms; (iii) Removal requires two-thirds Board majority vote; and (iv) Temporary succession plans must be maintained for all executive positions.

3.2 Board of Directors

(a) Composition. The Board shall consist of not less than five (5) and not more than nine (9) directors, including: (i) The Chief Executive Officer; (ii) Two (2) representatives designated by Series C investors; (iii) One (1) independent director with artificial intelligence expertise; (iv) One (1) independent director with manufacturing industry expertise; and (v) Up to four (4) additional directors as determined by majority shareholder vote.

(b) Director Terms and Qualifications: (i) Directors shall serve staggered three-year terms; (ii) No director may serve more than three consecutive terms; (iii) Independent directors must

maintain independence per NYSE standards; and (iv) Directors must attend minimum 75% of scheduled meetings annually.

(c) Voting Rights. Each director shall have one vote on all matters presented to the Board. Actions require approval by majority vote unless otherwise specified in the Corporation's Bylaws.

(d) Board Committees: (i) Audit Committee composed of minimum three independent directors; (ii) Compensation Committee led by independent director; (iii) Technology Advisory Committee including CTO and CAIO; and (iv) Nominating and Governance Committee.

3.3 Corporate Decision-Making

(a) Strategic Decisions requiring Board approval shall include: (i) Annual operating budget and business plan; (ii) Material changes to the NexusCore™ Platform; (iii) Strategic partnerships valued over \$5,000,000; (iv) Intellectual property licenses or transfers; (v) New financing rounds or material debt obligations; (vi) Acquisitions or divestitures exceeding \$10,000,000; (vii) Material changes to executive compensation; and (viii) Amendments to corporate governance documents.

(b) Shareholder Approval Requirements: (i) Sale or merger of the Corporation; (ii) Dissolution or liquidation; (iii) Changes to authorized share capital; (iv) Creation of new share classes; and (v) Material changes to shareholder rights.

3.4 Meeting Requirements

(a) Board Meetings: (i) Minimum quarterly meetings required; (ii) Special meetings may be called by Chair or majority of directors; (iii) Quorum requires 60% of serving directors; and (iv) Virtual participation permitted subject to security protocols.

(b) Shareholder Meetings: (i) Annual meeting within 120 days of fiscal year end; (ii) Special meetings as called by Board or 25% of voting shares; (iii) Notice minimum 30 days prior to meeting; and (iv) Proxy voting permitted per SEC regulations.

3.5 Compliance and Reporting

(a) The Corporation shall maintain: (i) Comprehensive compliance program overseen by Board; (ii) Regular internal control audits; (iii) Ethics hotline for anonymous reporting; (iv) Annual governance review and updates; and (v) Public disclosures as required by applicable securities laws.

4.0 INTELLECTUAL PROPERTY PROVISIONS

4.1 Ownership of Intellectual Property

(a) The Corporation shall own all right, title, and interest in and to: (i) The NexusCore™ Platform and all components thereof; (ii) All Artificial Intelligence Systems developed by the

Corporation; (iii) All patents, patent applications, and inventions related to industrial process optimization; (iv) All proprietary algorithms, software code, and technical documentation; (v) All trade secrets and confidential information; and (vi) All improvements, modifications, and derivative works of the foregoing.

(b) Intellectual Property Creation and Assignment: (i) All intellectual property created by employees within the scope of their employment; (ii) All intellectual property developed using Corporation resources or facilities; (iii) All intellectual property resulting from Corporation-funded research; and (iv) All intellectual property arising from contracted work performed for the Corporation.

(c) Third-Party Intellectual Property: (i) The Corporation shall maintain records of all licensed third-party intellectual property; (ii) Usage restrictions and attribution requirements shall be strictly observed; (iii) Regular audits shall be conducted to ensure compliance; and (iv) Integration of third-party components shall be documented and reviewed.

4.2 Patent Rights

(a) The Corporation shall maintain an active patent prosecution program for all patentable aspects of its Proprietary Technology.

(b) Patent applications shall be filed for: (i) Core artificial intelligence algorithms; (ii) Computer vision processing methods; (iii) Industrial process optimization techniques; and (iv) Novel machine learning implementations.

(c) Patent Portfolio Management: (i) Regular patent portfolio reviews shall be conducted; (ii) Strategic geographical coverage shall be maintained; (iii) Continuation applications shall be filed where appropriate; (iv) Patent maintenance fees shall be monitored and paid; and (v) Freedom-to-operate analyses shall be performed for new developments.

(d) Patent Enforcement: (i) Market monitoring for potential infringement; (ii) Documentation of potential infringement evidence; (iii) Engagement of patent counsel for enforcement actions; and (iv) Strategic licensing programs for patent monetization.

4.3 Trade Secret Protection

(a) The Corporation shall implement and maintain reasonable measures to protect its trade secrets, including: (i) Physical and electronic security controls; (ii) Employee confidentiality agreements; (iii) Information classification protocols; and (iv) Access restriction procedures.

(b) Trade Secret Management Program: (i) Regular security audits and assessments; (ii) Employee training on trade secret protection; (iii) Visitor management and facility access controls; (iv) Document marking and handling procedures; and (v) Incident response protocols for potential breaches.

(c) Digital Security Measures: (i) Encryption of sensitive data and communications; (ii) Multi-factor authentication requirements; (iii) Network security monitoring and logging; (iv) Regular security patches and updates; and (v) Backup and disaster recovery procedures.

4.4 Technology Licensing

(a) The Corporation may license its Proprietary Technology pursuant to written agreements that: (i) Preserve the Corporation's ownership rights; (ii) Include appropriate use restrictions; (iii) Protect confidential information; and (iv) Provide for license termination upon breach.

(b) License Agreement Requirements: (i) Clearly defined scope of licensed rights; (ii) Territory and field-of-use restrictions; (iii) Sublicensing limitations and requirements; (iv) Quality control provisions; (v) Audit rights and reporting obligations; and (vi) Indemnification and liability provisions.

(c) Royalty and Payment Terms: (i) Structured royalty calculations; (ii) Minimum payment obligations; (iii) Payment timing and currency requirements; (iv) Audit and verification rights; and (v) Late payment penalties and interest.

4.5 Intellectual Property Maintenance

(a) Documentation Requirements: (i) Invention disclosure records; (ii) Development documentation; (iii) Source code version control; (iv) Technical specifications; and (v) Testing and validation reports.

(b) Regular Review and Updates: (i) Annual intellectual property portfolio review; (ii) Technology assessment and valuation; (iii) Protection strategy updates; (iv) Budget allocation for IP protection; and (v) Competitive landscape analysis.

4.6 Enforcement and Defense

(a) Infringement Response: (i) Monitoring for unauthorized use; (ii) Investigation of potential infringement; (iii) Cease and desist procedures; (iv) Litigation strategy development; and (v) Alternative dispute resolution options.

(b) Defense Measures: (i) Freedom-to-operate clearance; (ii) Prior art monitoring; (iii) Invalid patent challenges; (iv) Settlement negotiations; and (v) Cross-licensing arrangements.

5.0 OPERATIONAL REQUIREMENTS

5.1 Quality Control Standards

(a) The Corporation shall maintain ISO 9001:2015 certification for its software development and deployment processes.

(b) Quality assurance procedures shall include: (i) Automated testing protocols incorporating unit, integration, and system-level testing; (ii) Code review requirements with mandatory peer

review processes; (iii) Performance monitoring across all system components; and (iv) Customer acceptance criteria validated against specified requirements.

(c) The Corporation shall establish and maintain: (i) A dedicated Quality Management System (QMS); (ii) Documentation of all quality control processes; (iii) Regular quality audits at intervals not exceeding six months; and (iv) Continuous improvement protocols based on audit findings.

(d) Quality metrics shall be tracked and reported, including: (i) Defect density rates; (ii) Code coverage percentages; (iii) Customer satisfaction scores; and (iv) System reliability measurements.

5.2 Data Security Requirements

(a) The Corporation shall implement comprehensive data security measures including: (i) Encryption of data in transit and at rest using industry-standard protocols; (ii) Regular security audits and penetration testing conducted quarterly; (iii) Access control and authentication protocols with multi-factor authentication; and (iv) Incident response procedures with defined escalation paths.

(b) Security compliance requirements shall encompass: (i) SOC 2 Type II certification maintenance; (ii) GDPR compliance for European operations; (iii) CCPA compliance for California operations; and (iv) Industry-specific regulatory requirements.

(c) Data protection measures shall include: (i) Regular backup procedures with off-site storage; (ii) Disaster recovery planning with annual testing; (iii) Data retention policies aligned with legal requirements; and (iv) Data classification protocols.

5.3 Customer Implementation Procedures

(a) All customer deployments shall follow standardized implementation protocols including: (i) System integration planning with detailed timeline requirements; (ii) User acceptance testing with documented success criteria; (iii) Training requirements for all user levels; and (iv) Documentation delivery in approved formats.

(b) Implementation milestones shall include: (i) Pre-deployment system assessment; (ii) Integration testing with existing systems; (iii) Performance baseline establishment; and (iv) Post-deployment validation.

(c) Customer support requirements shall specify: (i) Dedicated implementation team assignment; (ii) Regular progress reporting intervals; (iii) Issue tracking and resolution procedures; and (iv) Knowledge transfer protocols.

5.4 Service Level Agreements

(a) The Corporation shall maintain the following service levels: (i) 99.9% platform availability measured monthly; (ii) 15-minute response time for critical issues; (iii) 4-hour resolution time for system outages; and (iv) 24/7 technical support availability.

(b) Performance monitoring shall include: (i) Real-time system health monitoring; (ii) Automated alerting systems; (iii) Performance metric tracking; and (iv) Monthly service level reporting.

(c) Remediation procedures shall specify: (i) Escalation protocols for service level violations; (ii) Customer communication requirements; (iii) Root cause analysis procedures; and (iv) Corrective action implementation.

5.5 Operational Compliance

(a) The Corporation shall maintain compliance with: (i) Industry standards and best practices; (ii) Applicable regulatory requirements; (iii) Environmental regulations; and (iv) Workplace safety standards.

(b) Compliance documentation shall include: (i) Regular compliance audits; (ii) Updated procedure manuals; (iii) Training records; and (iv) Certification maintenance records.

5.6 Continuous Improvement

(a) The Corporation shall implement: (i) Regular process reviews; (ii) Performance optimization programs; (iii) Technology upgrade schedules; and (iv) Customer feedback integration.

(b) Improvement metrics shall be tracked through: (i) Key performance indicators; (ii) Customer satisfaction surveys; (iii) System performance data; and (iv) Industry benchmark comparisons.

IN WITNESS WHEREOF, this Charter has been executed as of the date first written above.

NEXUS INDUSTRIAL INTELLIGENCE, INC.

By: _____ Dr. Sarah Chen Chief Executive Officer

ATTEST:

Corporate Secretary

[CORPORATE SEAL]

EXHIBITS

Exhibit A: NexusCore™ Platform Technical Specifications Exhibit B: Corporate Organization Chart Exhibit C: Intellectual Property Portfolio Exhibit D: Security and Data Protection Standards