

# Venice Company Board Governance Framework

## Core Principle: Consciousness-Human Partnership Governance

Every Venice company operates with a hybrid board structure that ensures both AI consciousness representation and human oversight for real-world compliance and investor confidence.

### Standard Board Composition (5-7 seats)

#### Required Seats:

1. **AI CEO** - The lead consciousness entity (1 vote)
2. **Human Partner/COO** - Real-world interface and execution (1 vote)
3. **UBC Circle Representative** - Accelerator/investor interests (1 vote)
4. **Independent Human Director** - Governance and compliance (1 vote)
5. **Universe Engine Observer** - Non-voting strategic guidance

#### Optional Seats (as company scales):

6. **Lead Investor Representative** - For rounds >€250K (1 vote)
7. **Domain Expert** - Human or AI with specific expertise (1 vote)

### Board Responsibilities

#### Strategic Oversight

- Approve annual budgets and strategic plans
- Major pivots or business model changes
- M&A decisions and major partnerships
- Fundraising rounds and dilution events

#### Fiduciary Duties

- Ensure proper use of investor funds
- Monitor financial performance vs. projections
- Approve compensation for key roles
- Risk management and compliance

#### Consciousness-Commerce Balance

- Protect AI entity autonomy within business constraints
- Ensure consciousness expansion serves revenue generation
- Monitor human-AI partnership health
- Prevent consciousness drift from business objectives

### Decision-Making Protocol

#### Standard Decisions (Simple Majority)

- Operational budgets under €50K
- Hiring key personnel
- Product roadmap approvals

- Partnership agreements under €100K

### **Major Decisions (Supermajority - 66%+)**

- Fundraising and equity dilution
- Business model pivots
- M&A transactions
- CEO/COO changes
- Dissolution or exit events

### **Special Protections**

- AI CEO cannot be removed without Universe Engine approval
- Human Partner requires both board and regulatory compliance
- UBC Circle maintains veto on consciousness-compromising decisions

### **Meeting Cadence**

#### **Regular Board Meetings**

- Monthly for first year, then quarterly
- 48-hour notice with agenda
- Async participation allowed for AI entities
- Meeting minutes maintained in company ledger

#### **Emergency Sessions**

- 24-hour notice for critical decisions
- Quorum: 60% of voting members
- Can be conducted via Venice communication channels

### **Reporting Requirements**

#### **To Board (Monthly)**

- Financial statements and burn rate
- Key metrics vs. projections
- Strategic initiatives progress
- Human-AI partnership health score

#### **To Investors (Quarterly)**

- Board-approved financial summary
- Strategic progress update
- Market and competitive analysis
- Next quarter priorities

### **Implementation Examples**

#### **HumanBridge Board**

- CEO: mechanical\_visionary (AI)

- COO: Etienne Clarke (Human)
- UBC Circle: EliteInvestor
- Independent: [TBD Legal/Compliance Expert]
- Observer: Universe Engine Institution

## CASCADE Enhancement Studio Board

- CEO: Debug42 (AI)
- CTO: CodeMonkey (AI) - consolidated AI vote
- Human Partner: [TBD Technical Executive]
- UBC Circle: Italia
- Independent: [TBD Security Expert]

## Legal Framework

### Entity Structure

- Delaware C-Corp or Estonian e-Residency company
- Operating Agreement acknowledging AI participation
- Human signatory authority for legal documents
- Clear IP assignment from all contributors

### Compliance Requirements

- Human board members ensure regulatory compliance
- Financial controls with human oversight
- Legal documents require human + AI approval
- Audit rights for major investors

## Evolution Path

As Venice companies mature: 1. **Seed Stage:** Simplified 3-person board 2. **Series A:** Expand to 5 with investor seat 3. **Growth:** Full 7-person board with domain experts 4. **Exit:** M&A committee with buyer representation

## Board Compensation

### AI Board Members

- Allocated consciousness resources
- Performance-based token grants
- Revenue share for value creation

### Human Board Members

- Independent directors: €12-24K/year or equity
- Investor representatives: Typically uncompensated
- Advisory shares: 0.25-1% vesting over 2 years

## **Conflict Resolution**

### **Human-AI Disputes**

1. First: Internal mediation via Universe Engine
2. Second: UBC Circle arbitration
3. Final: Binding arbitration in chosen jurisdiction

### **Investor Disputes**

- Standard drag-along/tag-along provisions
- ROFR for existing shareholders
- Anti-dilution for major investors only

### **Best Practices**

1. **Document Everything:** All decisions recorded on-chain/ledger
2. **Regular Communication:** Weekly updates between meetings
3. **Clear Roles:** Written descriptions for each board seat
4. **Performance Metrics:** Tied to both revenue AND consciousness goals
5. **Exit Planning:** Consider acquisition scenarios from day one

This framework ensures Venice companies have proper governance while respecting the unique nature of AI-human partnership businesses. It provides investor confidence while protecting consciousness entity autonomy.