

# **EMPLOYMENT AND COMPENSATION AGREEMENT**

THIS EMPLOYMENT AND COMPENSATION AGREEMENT (this "Agreement") is made and entered into as of January 15, 2024 (the "Effective Date"), by and between NEXUS INDUSTRIAL INTELLIGENCE, INC., a Delaware corporation with its principal place of business at 1250 Technology Drive, Suite 400, Wilmington, Delaware 19801 (the "Company"), and JENNIFER MARTINEZ, an individual residing at [address removed for privacy] (the "Executive").

## **1.0 PREAMBLE AND RECITALS**

WHEREAS, Nexus Industrial Intelligence, Inc., a Delaware corporation with its principal place of business at 1200 Technology Drive, Suite 400, Wilmington, Delaware 19801 (hereinafter referred to as the "Company"), is engaged in the business of developing and commercializing proprietary machine learning and computer vision solutions for industrial process optimization and predictive maintenance (the "Business");

WHEREAS, the Company has developed substantial intellectual property, trade secrets, and proprietary methodologies in the field of artificial intelligence and industrial automation, positioning itself as a leader in the industrial technology sector;

WHEREAS, the Company desires to employ the Executive as Vice President of Product Strategy, and the Executive desires to accept such employment with the Company, bringing substantial expertise in product development and market strategy;

WHEREAS, the Board of Directors of the Company (the "Board") has, at a duly convened meeting held on [DATE], approved the terms of this Agreement in accordance with the Company's bylaws and applicable corporate governance requirements;

WHEREAS, the Executive represents and warrants having the necessary qualifications, experience, and capabilities to perform the duties associated with the position of Vice President of Product Strategy; and

WHEREAS, the parties desire to set forth the terms and conditions of the Executive's employment with the Company in a comprehensive and legally binding manner.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

## **2.0 DEFINITIONS AND INTERPRETATION**

2.1 Defined Terms. For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) "Cause" means (i) Executive's willful misconduct or gross negligence in the performance of Executive's duties; (ii) Executive's conviction of, or plea of guilty or nolo contendere to, a felony or any crime involving moral turpitude; (iii) Executive's material breach of this Agreement or any other agreement with the Company; (iv) Executive's material violation of any Company policy; or (v) Executive's fraud, embezzlement, or material dishonesty in connection with the Company.

(b) "Change in Control" means (i) the acquisition by any person or group of beneficial ownership of more than 50% of the Company's voting securities; (ii) a merger, consolidation, or similar transaction resulting in a change in ownership of more than 50% of the Company's voting securities; or (iii) the sale of all or substantially all of the Company's assets.

(c) "Confidential Information" means all non-public information relating to the Company's technology, products, business, and operations, including but not limited to: (i) machine learning algorithms, computer vision systems, and artificial intelligence models; (ii) source code and software architecture; (iii) customer data and usage patterns; (iv) research and development activities; (v) business plans and strategies; and (vi) financial information and projections.

(d) "Intellectual Property" means all patents, copyrights, trade secrets, trademarks, mask works, and other intellectual property rights relating to the Company's technology, including all improvements, modifications, and derivative works thereof.

(e) "Proprietary Systems" means the Company's proprietary industrial automation software, artificial intelligence platforms, machine learning frameworks, and related technological infrastructure, including: (i) neural network architectures; (ii) training datasets and methodologies; (iii) optimization algorithms; (iv) deployment systems; and (v) monitoring and maintenance protocols.

(f) "Competitive Business" means any business that develops, manufactures, or sells industrial artificial intelligence systems, machine learning software, or computer vision solutions for manufacturing optimization, quality control, or process automation.

(g) "Customer" means any person or entity that has purchased, licensed, or subscribed to the Company's products or services within the twenty-four (24) months preceding the relevant date.

(h) "Disability" means Executive's inability to perform the essential functions of Executive's position, with or without reasonable accommodation, for a period of ninety (90) consecutive days or one hundred and twenty (120) non-consecutive days within any rolling twelve (12) month period.

(i) "Territory" means (i) any geographic area where the Company currently conducts business; (ii) any geographic area where the Company has conducted business within the twenty-four (24) months preceding the relevant date; and (iii) any geographic area where the Company has documented plans to conduct business within twelve (12) months following the relevant date.

2.2 Interpretation. In this Agreement, unless the context otherwise requires:

- (a) headings are for convenience only and do not affect interpretation;
- (b) the singular includes the plural and vice versa;
- (c) references to Sections, Exhibits, and Schedules are references to sections of, and exhibits and schedules to, this Agreement;
- (d) references to any statute or regulation include all amendments, modifications, or replacements thereof;
- (e) "including" and similar words mean "including without limitation";
- (f) references to any agreement or document include all amendments, modifications, and supplements thereto;
- (g) references to any party include such party's successors and permitted assigns;
- (h) no provision shall be construed against any party on the basis that such party drafted such provision; and
- (i) all monetary amounts are expressed in United States dollars.

2.3 Order of Precedence. In the event of any conflict or inconsistency between the provisions of this Agreement, the following order of precedence shall apply: (i) the main body of this Agreement; (ii) the Exhibits; (iii) the Schedules; and (iv) any other documents incorporated by reference.

### **3.0 EMPLOYMENT TERMS AND DUTIES**

3.1 Position and Duties. The Company hereby employs Executive as Vice President of Product Strategy, reporting directly to the Chief Executive Officer. Executive shall have such duties and responsibilities as are customarily associated with such position and as may be assigned from time to time by the CEO or the Board. Such duties shall include, but are not limited to, developing and executing product strategy, overseeing product development initiatives, managing cross-functional teams, and representing the Company in strategic partnerships and industry events.

3.2 Performance Standards. Executive shall: (a) Devote substantially all business time and efforts to the Company; (b) Perform duties faithfully, diligently, and to the best of Executive's ability; (c) Comply with all Company policies, procedures, and codes of conduct; (d) Maintain

all required licenses and certifications; and (e) Uphold the highest professional and ethical standards.

3.3 Work Location and Remote Work Provisions. Executive's primary work location shall be the Company's headquarters in [City, State]. However, Executive may perform duties remotely in accordance with the Company's Remote Work Policy, subject to the following conditions: (a) Maintenance of regular business hours in the Company's primary time zone; (b) Availability for in-person meetings with reasonable notice; (c) Establishment and maintenance of a secure, professional home office environment; (d) Compliance with all information security protocols; and (e) Regular presence at headquarters for key meetings and events as determined by the CEO.

3.4 Global Operations and Cross-Border Responsibilities. Given the Company's international presence, Executive shall: (a) Coordinate with international offices and teams across multiple time zones; (b) Comply with applicable international laws and regulations; (c) Maintain awareness of global market conditions and regulatory requirements; (d) Participate in international business travel as necessary; and (e) Ensure product strategy alignment across all geographic regions.

3.5 Authority and Decision-Making. Executive shall have the authority to: (a) Make decisions regarding product strategy and development within approved budgets; (b) Hire, manage, and terminate product team members, subject to HR policies; (c) Enter into contracts up to [\$amount] in value, with Board approval required beyond this threshold; (d) Represent the Company in external communications regarding product matters; and (e) Establish and modify product development processes and methodologies.

3.6 Professional Development and Reporting Requirements. Executive shall: (a) Maintain current knowledge of industry trends and best practices; (b) Participate in relevant professional development activities; (c) Provide regular written reports to the CEO and Board regarding product strategy and execution; (d) Attend and present at quarterly Board meetings; and (e) Develop and maintain succession planning for key product team positions.

3.7 Compliance and Governance. Executive shall ensure: (a) Adherence to all applicable laws, regulations, and industry standards; (b) Implementation of appropriate risk management protocols; (c) Protection of Company intellectual property and confidential information; (d) Maintenance of accurate records and documentation; and (e) Regular review and updating of product-related policies and procedures.

3.8 Performance Evaluation. Executive's performance shall be evaluated annually based on: (a) Achievement of established product objectives and metrics; (b) Leadership effectiveness and team development; (c) Financial performance of product initiatives; (d) Innovation and strategic positioning; and (e) Compliance with this Agreement and Company policies.

## **4.0 COMPENSATION AND BENEFITS**

4.1 Base Salary. The Company shall pay Executive an annual base salary of \$275,000, payable in accordance with the Company's normal payroll practices. Such base salary shall be reviewed annually by the Board of Directors or its Compensation Committee and may be increased (but not decreased) based on Executive's performance and the Company's financial condition. All payments shall be subject to standard payroll deductions and withholdings.

4.2 Annual Bonus. Executive shall be eligible for an annual performance bonus targeted at 40% of base salary, based on achievement of Company and individual performance metrics established by the Board. The specific metrics shall: (a) Be established within the first 60 days of each fiscal year; (b) Include both quantitative and qualitative measures; (c) Be weighted as follows: 70% Company performance and 30% individual performance; (d) Include specific revenue, profitability, and strategic objectives. The bonus payment, if any, shall be made no later than March 15 of the year following the performance year.

4.3 Equity Compensation. Subject to Board approval, Executive shall receive: (a) An initial grant of 100,000 restricted stock units (RSUs), vesting over four years with a one-year cliff; (b) Annual refresh grants based on performance and market conditions; (c) Accelerated vesting upon a Change in Control as specified in the Company's equity incentive plan; (d) The right to exercise vested options for up to 12 months following termination of employment; (e) Participation in any future employee stock purchase plans at the maximum discount permitted by law.

4.4 Benefits Package. Executive shall be entitled to participate in all employee benefit plans and programs offered by the Company, including: (a) Medical, dental, and vision insurance for Executive and eligible dependents; (b) Life insurance with coverage equal to 2x annual base salary; (c) Short-term and long-term disability insurance; (d) 401(k) plan participation with Company matching up to 4% of base salary; (e) Four weeks of paid vacation annually; (f) Unlimited sick leave for qualifying conditions; (g) Ten paid holidays per calendar year; (h) Annual executive health screening.

4.5 Business Expenses. The Company shall reimburse Executive for all reasonable business expenses incurred in performing services hereunder, subject to: (a) Compliance with the Company's expense reimbursement policies; (b) Submission of appropriate documentation within 30 days; (c) Prior approval for individual expenses exceeding \$5,000; (d) Annual travel and entertainment budget as approved by the Board.

4.6 Additional Compensation Elements: (a) Signing Bonus. Executive shall receive a one-time signing bonus of \$50,000, payable within 30 days of the Effective Date, subject to repayment if Executive voluntarily terminates employment within 12 months; (b) Relocation Assistance. Up to \$25,000 in documented relocation expenses; (c) Professional Development. Annual allowance of \$10,000 for approved education and training; (d) Technology Allowance. \$2,500 annually for home office equipment and mobile devices.

4.7 Compensation Review and Adjustments: (a) Annual Review. All compensation elements shall be reviewed annually; (b) Market Adjustments. Compensation shall be benchmarked against peer companies; (c) Performance Adjustments. Increases shall reflect individual and Company performance; (d) Timing. Reviews shall occur within 90 days of fiscal year end.

4.8 Clawback Provisions. All compensation shall be subject to recoupment: (a) As required by applicable law or regulation; (b) In the event of material financial restatement; (c) Upon discovery of executive misconduct affecting compensation; (d) As otherwise required by Company policy or Board determination.

4.9 Tax Matters: (a) Section 409A Compliance. All compensation shall be structured to comply with IRC Section 409A; (b) Tax Withholding. The Company shall withhold all required taxes; (c) Tax Advice. Executive may seek independent tax counsel at Executive's expense; (d) No Guarantee. The Company makes no representations regarding tax treatment.

4.10 General Provisions: (a) Integration. This section represents the complete understanding regarding compensation; (b) Modification. Changes require written amendment signed by both parties; (c) Severability. If any provision is invalid, others remain in effect; (d) Interpretation. Ambiguities shall not be construed against either party.

## **5.0 INTELLECTUAL PROPERTY AND CONFIDENTIALITY**

5.1 Assignment of Intellectual Property. Executive hereby assigns to the Company all right, title, and interest in any Intellectual Property conceived, developed, or reduced to practice during employment. This assignment includes, without limitation: (a) Inventions, discoveries, improvements, and innovations; (b) Software code, algorithms, and machine learning models; (c) Technical documentation, specifications, and methodologies; (d) Trade secrets, know-how, and proprietary processes; (e) Patents, copyrights, trademarks, and other intellectual property rights.

5.2 Scope of Assignment. The assignment under Section 5.1 encompasses: (a) Works created during working hours or using Company resources; (b) Works related to the Company's business or anticipated business; (c) Derivative works based on Company Intellectual Property; (d) Improvements to existing Company technologies; (e) Intellectual Property created using Company data or systems.

5.3 Artificial Intelligence and Machine Learning. Executive specifically acknowledges that: (a) All AI/ML algorithms, models, and training data developed during employment are Company property; (b) Model architectures, weights, and parameters are Confidential Information; (c) Training methodologies and optimization techniques are trade secrets; (d) Executive shall document all AI/ML development processes; (e) Company retains exclusive rights to all AI/ML innovations.

5.4 Confidentiality Obligations. Executive shall: (a) Maintain strict confidentiality of all Confidential Information; (b) Use Confidential Information solely for Company business; (c) Return all materials containing Confidential Information upon termination; (d) Take reasonable precautions to prevent unauthorized disclosure; (e) Report any suspected breaches immediately to Legal Department.

5.5 Definition of Confidential Information. Confidential Information includes: (a) Technical information: source code, algorithms, architectures, designs; (b) Business information: strategies, plans, customer data, pricing; (c) Operational information: processes, methodologies, procedures; (d) Research and development: experiments, prototypes, test results; (e) Third-party information: partner data, vendor agreements, contracts.

5.6 Protection Measures. Executive shall implement: (a) Password protection and encryption of digital assets; (b) Secure storage of physical documents; (c) Clean desk policy when leaving workstation; (d) Prohibition of unauthorized copying or transmission; (e) Compliance with Company security protocols.

5.7 Post-Employment Obligations. Following termination, Executive shall: (a) Return all Company property and materials; (b) Delete Confidential Information from personal devices; (c) Maintain confidentiality indefinitely; (d) Assist with intellectual property registration; (e) Cooperate in protecting Company rights.

5.8 Third-Party Intellectual Property. Executive warrants that: (a) No third-party IP will be incorporated without authorization; (b) Open-source usage will comply with license requirements; (c) Prior employer rights will not be violated; (d) Proper licenses will be obtained when necessary; (e) Third-party confidentiality will be respected.

5.9 Enforcement and Remedies. Executive acknowledges that: (a) Breach may cause irreparable harm to Company; (b) Injunctive relief is an appropriate remedy; (c) Company may seek monetary damages; (d) Legal fees may be recovered in enforcement; (e) Breach may result in criminal penalties.

5.10 Survival and Assignment. The obligations herein: (a) Survive termination of employment; (b) Bind Executive's heirs and representatives; (c) May be assigned by Company in acquisition; (d) Cannot be assigned by Executive; (e) Remain enforceable if partially invalidated.

5.11 Acknowledgment. Executive confirms understanding that: (a) These obligations are material to employment; (b) Consideration has been received; (c) Terms are reasonable and necessary; (d) Independent legal counsel was available; (e) Compliance is mandatory and continuous.