

# **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 2500 Innovation Drive, Suite 400, Wilmington, Delaware 19801 (the "Company"), and JENNIFER MARTINEZ, an individual residing at 127 Technology Lane, Cambridge, Massachusetts 02142 (the "Executive").

WHEREAS, 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 desires to employ the Executive as Vice President of Product Development, and the Executive desires to accept such employment with the Company; and

WHEREAS, the parties desire to set forth the terms and conditions of such employment relationship.

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 agree as follows:

## **1.0 DEFINITIONS AND INTERPRETATION**

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

"Affiliate" means any entity that directly or indirectly controls, is controlled by, or is under common control with the Company. Control shall mean ownership of more than 50% of voting securities or the power to direct management decisions.

"Confidential Information" means all non-public information, whether in oral, written, or electronic form, relating to the Company's technology, products, business methods, research, development, customers, pricing, and trade secrets, including but not limited to the NexusCore™ Platform, machine learning algorithms, computer vision systems, predictive maintenance models, neural network architectures, training datasets, model parameters, system optimization techniques, customer deployment configurations, and performance metrics.

"Intellectual Property" means all patents, copyrights, trademarks, trade secrets, software, algorithms, inventions, works of authorship, know-how, and other intellectual property rights,

whether registered or unregistered, including all applications and registrations thereof, and all rights to apply for the same.

"Proprietary Rights" means all right, title, and interest in and to any Intellectual Property conceived, developed, or reduced to practice by Executive, either solely or jointly with others, during the Employment Term, including improvements, modifications, and derivative works thereof.

"Technical Documentation" means all specifications, designs, flowcharts, drawings, manuals, diagrams, and other technical materials relating to the Company's products and services.

"Work Product" means all deliverables, innovations, improvements, developments, methods, processes, designs, analyses, drawings, reports, and all similar or related information which relates to the Company's actual or anticipated business.

1.2 Additional Technical Terms: (a) "Algorithm" means any procedure, process, formula, or set of rules used in software development or machine learning operations; (b) "Source Code" means computer programming code in human-readable form; (c) "Training Data" means datasets used to develop and validate machine learning models; (d) "Model Architecture" means the structure and organization of artificial neural networks or other machine learning systems.

1.3 Interpretation. In this Agreement: (a) headings are for convenience only and do not affect interpretation; (b) words importing the singular include the plural and vice versa; (c) "including" means "including without limitation"; (d) references to sections are to sections of this Agreement; (e) all exhibits and schedules attached hereto are incorporated by reference; (f) references to any gender include all genders; (g) references to days, months, or years shall be to calendar days, months, or years; (h) references to "written" or "in writing" include electronic communications; (i) if any payment date falls on a non-business day, payment shall be made on the next business day; (j) time periods shall be computed by excluding the first day and including the last day; (k) any reference to a statute includes any amendments, modifications, or replacements thereof; (l) all monetary amounts are stated in United States dollars unless otherwise specified; and (m) if any provision is found to be invalid, the remaining provisions shall continue in full force and effect.

1.4 All exhibits and schedules referenced herein shall be deemed part of this Agreement and are incorporated by reference as if fully set forth herein.

## **2.0 EMPLOYMENT TERMS AND DUTIES**

2.1 Position. The Company hereby employs Executive as Vice President of Product Development, reporting to the Chief Technology Officer. Executive accepts such employment on the terms and conditions set forth in this Agreement. The position is classified as a senior

executive role with strategic oversight responsibilities for the Company's product development initiatives and technological advancement.

2.2 Duties and Responsibilities. Executive shall: (a) lead the Company's product development organization, including establishing organizational structure, staffing requirements, and development methodologies; (b) oversee development of the NexusCore™ Platform and related products, ensuring alignment with market demands and technological capabilities; (c) manage technical teams developing AI/ML algorithms and computer vision systems, including resource allocation, performance monitoring, and technical direction; (d) establish product strategy and roadmap, incorporating market analysis, competitive intelligence, and emerging technology trends; (e) collaborate with sales, customer success, and engineering teams to ensure product-market fit and customer satisfaction; (f) develop and maintain annual budgets for product development activities; (g) establish and monitor key performance indicators (KPIs) for product development initiatives; (h) ensure compliance with industry standards, regulatory requirements, and best practices in AI/ML development; (i) represent the Company at industry conferences, customer meetings, and technical forums; and (j) perform such other duties as may be assigned by the Chief Technology Officer.

2.3 Performance Standards. Executive shall: (a) devote full business time and attention to the Company, maintaining regular business hours and availability; (b) perform duties faithfully, diligently, and to the best of Executive's ability, meeting or exceeding industry standards; (c) comply with Company policies and procedures, including but not limited to security protocols, code of conduct, and intellectual property policies; (d) act in the Company's best interests at all times, avoiding conflicts of interest and maintaining confidentiality; (e) demonstrate leadership qualities consistent with executive position, including mentorship and professional development of team members; (f) maintain current knowledge of relevant technologies, market trends, and competitive landscape; (g) achieve quarterly and annual performance objectives as established by the Chief Technology Officer; and (h) uphold ethical standards in artificial intelligence development and deployment.

2.4 Work Location and Schedule. (a) Primary work location shall be the Company's Cambridge, MA office, where Executive shall maintain a physical presence during core business hours; (b) Remote work permitted up to 2 days per week, subject to Company policy and the following conditions: (i) maintenance of regular communication channels during remote work hours; (ii) availability for virtual meetings and time-sensitive matters; (iii) secure work environment meeting Company cybersecurity requirements; (iv) reliable high-speed internet connection capable of supporting video conferencing; (c) Travel required up to 25% of time for customer, partner, and team meetings, including: (i) domestic and international customer site visits; (ii) industry conferences and trade shows; (iii) partner ecosystem meetings; (iv) Company offices and development centers.

2.5 Team Management and Development. (a) Executive shall be responsible for: (i) building and maintaining high-performing technical teams; (ii) conducting regular performance reviews

and career development discussions; (iii) implementing training and professional development programs; (iv) fostering an innovative and collaborative work environment; (v) ensuring effective knowledge transfer and documentation practices.

2.6 Strategic Planning and Execution. (a) Executive shall participate in: (i) annual strategic planning processes; (ii) quarterly business reviews and forecasting; (iii) product portfolio management and optimization; (iv) technology stack evaluation and evolution; (v) intellectual property strategy and protection; (vi) merger and acquisition technical due diligence as required.

2.7 Compliance and Governance. (a) Executive shall ensure: (i) adherence to data privacy and protection regulations; (ii) compliance with artificial intelligence ethics guidelines; (iii) maintenance of required certifications and standards; (iv) proper documentation of technical decisions and architectures; (v) regular security and compliance audits of product development processes.

### **3.0 COMPENSATION AND BENEFITS**

3.1 Base Salary. The Company shall pay Executive an annual base salary of \$275,000, payable in accordance with the Company's standard payroll practices. Such salary shall be subject to annual review by the Board of Directors and may be increased, but not decreased, except in connection with an across-the-board reduction applicable to all senior executives of the Company. Base salary payments shall be made in substantially equal installments in accordance with the Company's payroll practices, less all required withholdings and deductions.

3.2 Annual Bonus. (a) Eligibility. Executive shall be eligible for an annual performance bonus targeted at 40% of base salary, based on achievement of Company and individual objectives established by the Board. (b) Performance Metrics. The Board shall establish written performance criteria within the first 90 days of each fiscal year, which shall include both quantitative and qualitative goals. (c) Payment Terms. Any earned bonus shall be paid no later than March 15 of the year following the performance year, provided Executive remains employed through the payment date, except as otherwise provided herein. (d) Pro-ration. The annual bonus for any partial year of employment shall be pro-rated based on the number of days employed during such year.

3.3 Equity Compensation. (a) Initial Grant. Executive shall receive an option to purchase 100,000 shares of Company common stock (the "Option") under the Company's 2023 Stock Incentive Plan (the "Plan"). (b) Vesting Schedule. The Option shall vest over 4 years with 25% vesting on the first anniversary of the Effective Date and the remainder vesting in equal monthly installments thereafter, subject to Executive's continued service. (c) Exercise Price. The Option exercise price shall be the fair market value on the grant date, as determined by the Board in compliance with Section 409A of the Internal Revenue Code. (d) Additional Grants.

Executive shall be eligible for additional equity grants at the Board's discretion, considering factors including Company performance, individual contribution, and market competitiveness. (e) Acceleration. In the event of a Change in Control, as defined in the Plan, 50% of any unvested equity shall immediately vest, with remaining unvested equity subject to double-trigger acceleration. (f) Exercise Period. Executive shall have 90 days following termination of employment to exercise any vested options, unless terminated for Cause, in which case all options shall immediately expire.

3.4 Benefits. (a) Healthcare Coverage. Executive shall be eligible to participate in Company-sponsored medical, dental, and vision insurance plans, with coverage beginning on the first day of the month following the Effective Date. The Company shall pay 90% of premium costs for Executive and eligible dependents. (b) Life and Disability Insurance. (i) Term Life Insurance with coverage equal to 2x annual base salary (ii) Short-term disability coverage providing 66.67% of base salary for up to 26 weeks (iii) Long-term disability coverage providing 60% of base salary until age 65 (c) 401(k) Plan. (i) Immediate eligibility to participate (ii) Company match of 100% on first 3% contributed and 50% on next 2% (iii) Immediate vesting of all Company contributions (d) Flexible Spending Accounts. (i) Healthcare FSA with annual maximum contribution per IRS limits (ii) Dependent Care FSA with annual maximum contribution per IRS limits (e) Paid Time Off. (i) 20 days of paid vacation annually, accruing monthly (ii) 10 paid holidays per Company calendar (iii) 5 paid sick days annually (iv) Maximum vacation accrual of 1.5x annual allowance

3.5 Additional Benefits. (a) Professional Development. Annual allowance of \$5,000 for approved educational courses, conferences, and professional memberships. (b) Technology Allowance. \$2,500 annual allowance for home office equipment and technology. (c) Commuter Benefits. Pre-tax commuter benefit program participation. (d) Employee Assistance Program. Confidential counseling and support services.

3.6 Expense Reimbursement. (a) Business Expenses. The Company shall reimburse Executive for reasonable business expenses incurred in performing duties hereunder, in accordance with Company policies. (b) Documentation. All expenses must be appropriately documented and submitted within 60 days of incurrence. (c) Travel Policy. Executive shall be subject to the Company's travel policy, including business class air travel for flights exceeding 4 hours.

3.7 Compensation Review. (a) Annual Review. The Board shall review Executive's total compensation package annually, considering market data, Company performance, and individual contribution. (b) Market Adjustments. The Company shall conduct periodic compensation benchmarking to ensure market competitiveness. (c) Modifications. Any modifications to compensation terms shall be documented in writing and signed by both parties.

3.8 Tax Matters. (a) Withholding. All compensation shall be subject to applicable withholding and payroll taxes. (b) Section 409A. All payments and benefits under this Agreement are intended to comply with, or be exempt from, Section 409A of the Internal Revenue Code. (c)

No Guarantee. The Company makes no guarantee of any tax treatment of compensation and benefits provided hereunder.

## **4.0 INTELLECTUAL PROPERTY AND CONFIDENTIALITY**

4.1 Assignment of Inventions. (a) Executive hereby assigns to Company all Proprietary Rights, including but not limited to inventions, discoveries, developments, improvements, innovations, algorithms, software code, databases, machine learning models, artificial intelligence systems, trade secrets, processes, techniques, know-how, and other intellectual property, whether or not patentable or registrable under patent, copyright, trademark, or similar statutes, made or conceived during employment. (b) Executive shall promptly disclose all Proprietary Rights to Company in writing within five (5) business days of creation or discovery, including detailed documentation of the conception, development, and reduction to practice of such rights. (c) Executive shall assist Company in obtaining and enforcing Proprietary Rights, including executing necessary documents, providing testimony, and cooperating in legal proceedings at Company's expense, during and after employment. (d) Executive irrevocably appoints Company as attorney-in-fact to execute documents relating to Proprietary Rights, this power being coupled with an interest and surviving Executive's incapacity.

4.2 Confidentiality Obligations. (a) Executive shall maintain strict confidentiality of Confidential Information, defined as non-public information including but not limited to: (i) Technical information: software architecture, algorithms, data structures, APIs, research findings; (ii) Business information: strategic plans, customer lists, pricing models, financial projections; (iii) Operational information: internal processes, methodologies, training materials; (iv) Employee information: personnel records, compensation data, organizational structures; (v) Third-party information: vendor agreements, partner relationships, customer contracts. (b) Executive shall use Confidential Information solely for Company business purposes and shall: (i) Maintain appropriate security measures to prevent unauthorized access; (ii) Not share passwords or access credentials with unauthorized persons; (iii) Encrypt sensitive data during transmission and storage; (iv) Report any suspected security breaches immediately. (c) Executive shall return all Confidential Information upon termination, including: (i) Physical documents and electronic copies; (ii) Storage devices containing Company data; (iii) Access cards and security credentials; (iv) Company-issued devices and equipment. (d) Confidentiality obligations survive termination of employment indefinitely.

4.3 Restrictive Covenants. (a) Non-Competition. During employment and for twelve (12) months after termination, Executive shall not: (i) Engage directly or indirectly in Competitive Business; (ii) Serve as employee, consultant, officer, or director of Competitive Business; (iii) Hold ownership interest exceeding 2% in Competitive Business; (iv) Develop competing products or services. (b) Non-Solicitation. During employment and for twelve (12) months after termination, Executive shall not: (i) Solicit Company employees for alternative

employment; (ii) Recruit Company contractors or consultants; (iii) Solicit Company customers or prospects; (iv) Interfere with Company business relationships. (c) Geographic Scope. Restrictions apply to: (i) United States and its territories; (ii) Canada and its provinces; (iii) European Union member states; (iv) Any jurisdiction where Company conducts business.

4.4 Remedies. (a) Injunctive Relief. Executive acknowledges: (i) Breach causes irreparable harm to Company; (ii) Monetary damages alone are inadequate; (iii) Company entitled to immediate injunctive relief; (iv) No bond requirement for temporary restraining order. (b) Liquidated Damages. Breach of Section 4.3 requires: (i) Payment of twelve (12) months' salary as liquidated damages; (ii) Reimbursement of Company's enforcement costs; (iii) Disgorgement of profits from unauthorized activities; (iv) Continuation of restrictive periods during breach.

4.5 Exceptions and Limitations. (a) Nothing in this Agreement prevents Executive from: (i) Reporting violations to government agencies; (ii) Participating in government investigations; (iii) Making truthful statements required by law; (iv) Disclosing non-confidential skills and experience. (b) Restrictive covenants shall be: (i) Construed as independent agreements; (ii) Geographically limited to reasonable scope; (iii) Temporally limited to reasonable duration; (iv) Modified by courts if deemed overbroad.

4.6 Survival and Enforcement. (a) All obligations under this Section 4.0 shall: (i) Survive termination of employment; (ii) Bind Executive's heirs and representatives; (iii) Inure to benefit of Company successors; (iv) Be specifically enforceable in any jurisdiction.

## **5.0 GENERAL PROVISIONS**

5.1 At-Will Employment. Employment is at-will and may be terminated by either party at any time.

5.2 Governing Law. This Agreement shall be governed by Delaware law.

5.3 Dispute Resolution. Disputes shall be resolved through binding arbitration in Wilmington, Delaware.

5.4 Entire Agreement. This Agreement constitutes the entire agreement between the parties.

5.5 Amendments. This Agreement may only be amended in writing signed by both parties.

5.6 Severability. If any provision is invalid, remaining provisions shall continue in effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

NEXUS INDUSTRIAL INTELLIGENCE, INC.

By: \_\_\_\_\_ Name: Michael Roberts Title: Chief Technology Officer

EXECUTIVE:

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Jennifer Martinez

[Exhibits and schedules to follow]