

INTELLECTUAL PROPERTY OWNERSHIP AND PROTECTION AGREEMENT

THIS INTELLECTUAL PROPERTY OWNERSHIP AND PROTECTION 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 ("Company").

1.0 RECITALS

WHEREAS, Company has developed proprietary artificial intelligence and machine learning technologies, including computer vision systems, edge computing solutions, and industrial process optimization algorithms (collectively, the "Core Technology");

WHEREAS, Company's Core Technology is embodied in its NexusCore™ Industrial AI Platform and related software solutions for manufacturing operations;

WHEREAS, Company desires to establish and memorialize the ownership, protection, and usage rights related to its intellectual property assets;

NOW, THEREFORE, Company hereby declares and establishes the following terms and conditions regarding its intellectual property:

2.0 DEFINITIONS AND INTERPRETATION

2.1 "AI Technology Stack" means Company's proprietary artificial intelligence and machine learning architecture, including but not limited to neural network designs, training methodologies, model optimization techniques, inference engines, data preprocessing pipelines, feature extraction frameworks, and algorithmic decision systems.

2.2 "Computer Vision System" means Company's proprietary software and algorithms for visual data processing, object detection, classification, and tracking in industrial environments, encompassing image recognition modules, real-time video analytics, dimensional analysis tools, quality inspection frameworks, and multi-camera synchronization systems.

2.3 "Edge Computing Solutions" means Company's distributed computing architecture and software designed to process data near the source of data generation in industrial settings,

including local processing units, data aggregation nodes, mesh networking protocols, and failover mechanisms.

2.4 "Intellectual Property Rights" means all rights in and to patents, patent applications, copyrights, trade secrets, know-how, trademarks, service marks, trade names, industrial designs, mask works, database rights, moral rights, and other intellectual property or proprietary rights, whether registered or unregistered, arising under the laws of any jurisdiction worldwide, including all rights to sue for and recover damages for past infringement.

2.5 "Machine Learning Models" means Company's trained artificial intelligence models, including their architectures, weights, parameters, training methodologies, optimization algorithms, hyperparameter configurations, and associated validation metrics.

2.6 "NexusCore™ Platform" means Company's flagship software platform that integrates the AI Technology Stack, Computer Vision System, Edge Computing Solutions, and Machine Learning Models to provide industrial process optimization and automated decision support, including all updates, modifications, and enhancements thereto.

2.7 "Proprietary Information" means all non-public technical and business information relating to the Core Technology, including source code, algorithms, training data, customer implementations, industrial process optimization methodologies, system architectures, and performance metrics.

2.8 "System Integration Protocols" means Company's standardized methods and specifications for incorporating the NexusCore™ Platform into existing industrial control systems, including API specifications, data exchange formats, and security protocols.

2.9 "Training Dataset" means any collection of data, whether annotated or unannotated, used in the development, training, validation, or testing of Machine Learning Models.

2.10 For the purposes of this Agreement, unless the context otherwise requires: (a) Words importing the singular include the plural and vice versa; (b) References to sections, clauses, and schedules are references to sections, clauses, and schedules of this Agreement; (c) The headings in this Agreement are for convenience only and shall not affect its interpretation; (d) References to "including" or similar terms shall be construed as illustrative and not limiting the generality of any preceding words; (e) References to any statute or statutory provision include references to that statute or statutory provision as amended, extended, or re-enacted from time to time; (f) Technical terms not specifically defined herein shall have the meanings commonly understood within the artificial intelligence and industrial automation industries; and (g) In the event of any conflict between the definitions provided herein and any attached schedules or exhibits, the definitions in this section shall prevail.

3.0 INTELLECTUAL PROPERTY OWNERSHIP

3.1 Pre-existing Intellectual Property

- (a) Company is the sole and exclusive owner of all right, title, and interest in and to the Core Technology and all associated Intellectual Property Rights existing as of the Effective Date.
- (b) The Core Technology includes all versions, modifications, improvements, and derivatives of the AI Technology Stack, Computer Vision System, Edge Computing Solutions, and Machine Learning Models developed by or for Company.
- (c) Pre-existing Intellectual Property encompasses, without limitation: (i) All proprietary algorithms, methodologies, and computational processes (ii) Software architecture, source code, and object code (iii) Technical documentation, specifications, and design materials (iv) Training data, datasets, and associated metadata (v) User interfaces, APIs, and integration protocols

3.2 Newly Developed Intellectual Property

- (a) All intellectual property developed, created, or acquired by Company after the Effective Date shall automatically vest in Company as sole and exclusive owner.
- (b) Company shall own all right, title, and interest in any improvements, modifications, or enhancements to the Core Technology, regardless of the source of development.
- (c) Newly developed intellectual property includes, but is not limited to: (i) Advanced machine learning algorithms and model architectures (ii) Optimization techniques and performance improvements (iii) Novel features and functionality implementations (iv) Custom integrations and deployment solutions (v) Documentation, training materials, and technical specifications
- (d) Any intellectual property developed through collaboration with third parties shall be governed by separate written agreements, which must explicitly assign all rights to Company.

3.3 Third-Party Components

- (a) Company acknowledges that the NexusCore™ Platform may incorporate certain third-party software components under appropriate licenses.
- (b) Such third-party components are clearly identified in Exhibit A, along with their respective license terms and attribution requirements.
- (c) Company maintains comprehensive records of: (i) All third-party software licenses and terms (ii) Usage restrictions and limitations (iii) Payment obligations and royalty requirements (iv) Attribution and notice requirements (v) Modification and distribution rights
- (d) Company shall conduct regular audits of third-party components to ensure continued compliance with all license terms and obligations.

3.4 Open Source Software

- (a) Company maintains strict compliance with open source software licenses and obligations.
- (b) All open source software used in the Core Technology is listed in Exhibit B, including license terms and compliance measures.

(c) Company implements the following open source management practices: (i) Regular code scanning and license verification (ii) Documentation of all open source components (iii) Tracking of license obligations and restrictions (iv) Management of attribution requirements (v) Monitoring of derivative work obligations

3.5 Intellectual Property Protection

(a) Company shall take reasonable measures to protect its intellectual property, including: (i) Registration of patents, trademarks, and copyrights (ii) Implementation of trade secret protection protocols (iii) Use of confidentiality agreements and NDAs (iv) Regular security audits and access controls (v) Employee training on IP protection

(b) Company shall maintain records of all intellectual property registrations, applications, and maintenance fees.

3.6 License Grants and Restrictions

(a) Any licenses granted to third parties shall be explicitly documented and shall not affect Company's ownership rights.

(b) All licenses shall include appropriate restrictions on: (i) Use and modification of the Core Technology (ii) Distribution and sublicensing rights (iii) Reverse engineering and decompilation (iv) Competition and non-circumvention (v) Confidentiality and data protection

3.7 Enforcement and Remedies

(a) Company reserves the right to enforce its intellectual property rights through all available legal means.

(b) Remedies for intellectual property infringement may include: (i) Injunctive relief (ii) Monetary damages (iii) Seizure of infringing materials (iv) Recovery of legal costs (v) Termination of licenses or agreements

4.0 IP PROTECTION AND CONFIDENTIALITY

4.1 Trade Secret Protection

(a) Company shall maintain strict confidentiality of all Proprietary Information and implement reasonable measures to prevent unauthorized access or disclosure, including but not limited to: (i) Physical security controls for premises containing Proprietary Information (ii) Digital access management systems with role-based permissions (iii) Regular security audits and vulnerability assessments (iv) Documented incident response procedures

(b) Access to Proprietary Information shall be limited to authorized employees and contractors who have executed appropriate confidentiality agreements and shall be subject to: (i) Regular review and revalidation of access privileges (ii) Immediate revocation upon termination or role

change (iii) Documented training on handling confidential information (iv) Periodic compliance assessments

4.2 Source Code Security

(a) Company shall maintain source code in secure repositories with access controls, encryption, and audit logging, including: (i) Version control systems with commit signing requirements (ii) Separate environments for development, testing, and production (iii) Regular backup procedures with encrypted off-site storage (iv) Automated vulnerability scanning and code analysis tools

(b) Source code access shall require multi-factor authentication and be granted on a need-to-know basis, with: (i) Time-limited access tokens for temporary assignments (ii) Detailed logging of all code access and modifications (iii) Regular code review procedures and documentation (iv) Secure code deployment protocols

4.3 Data Protection Measures

(a) Company shall implement industry-standard security measures to protect customer data used in Machine Learning Models, including: (i) Data anonymization and pseudonymization techniques (ii) Encryption for data at rest and in transit (iii) Secure data transfer protocols and mechanisms (iv) Regular privacy impact assessments

(b) All data processing shall comply with applicable data protection laws and regulations, ensuring: (i) Documented data retention and destruction policies (ii) Regular compliance audits and certifications (iii) Maintenance of data processing records (iv) Implementation of data subject rights procedures

4.4 Employee and Contractor Obligations

(a) All employees and contractors shall execute invention assignment and confidentiality agreements that specify: (i) Scope of confidential information coverage (ii) Duration of confidentiality obligations (iii) Return or destruction of materials upon termination (iv) Non-disclosure and non-use restrictions

(b) Company shall maintain records of all such agreements and monitor compliance through: (i) Regular training and awareness programs (ii) Annual acknowledgment of obligations (iii) Exit interviews and documentation (iv) Periodic compliance audits

4.5 Specific Protections for AI/ML Assets

(a) Company shall implement additional safeguards for artificial intelligence and machine learning assets: (i) Segregation of training data and model architectures (ii) Version control for model iterations and parameters (iii) Documentation of training methodologies (iv) Protection of model weights and hyperparameters

(b) Company shall maintain detailed records of: (i) Model development and training processes (ii) Data preprocessing and augmentation techniques (iii) Performance metrics and validation procedures (iv) Model deployment and monitoring protocols

4.6 Breach Response and Reporting

(a) Company shall maintain and regularly update an incident response plan that includes: (i) Immediate containment procedures (ii) Investigation and documentation requirements (iii) Notification protocols for affected parties (iv) Post-incident review and remediation measures

(b) All security incidents shall be: (i) Promptly reported to designated security personnel (ii) Documented in detail with timeline and impact assessment (iii) Reviewed for process improvements (iv) Reported to relevant authorities as required by law

5.0 IP USAGE RIGHTS AND RESTRICTIONS

5.1 License Grants

(a) Company may grant limited licenses to use the NexusCore™ Platform pursuant to separate license agreements, which shall specify the scope, duration, and specific components authorized for use.

(b) All licenses shall be non-exclusive and subject to Company's ongoing ownership rights, including all intellectual property rights, patents, copyrights, trade secrets, and proprietary information.

(c) Licensees shall receive access credentials and technical documentation necessary for authorized platform implementation and operation within the specified scope of their license agreement.

5.2 Usage Restrictions

(a) Licensees shall not reverse engineer, decompile, or attempt to derive source code from the Core Technology, including any attempts to reconstruct, identify, or discover underlying algorithms, ideas, or programming structures.

(b) No modifications or derivative works are permitted without Company's express written consent, including but not limited to: (i) Alterations to source code or binary files (ii) Integration with unauthorized third-party systems (iii) Custom modules or extensions (iv) Interface modifications (v) Performance optimizations

(c) Licensees shall maintain all proprietary notices, copyright symbols, and trademark designations present in the original software and documentation.

5.3 Sublicensing Rights

(a) Licensees shall not sublicense, transfer, or assign their rights without Company's prior written approval, which may be withheld at Company's sole discretion.

(b) Any authorized sublicenses must incorporate all restrictions and protections contained herein and shall include: (i) Confidentiality obligations (ii) Usage limitations (iii) Intellectual property protections (iv) Termination provisions (v) Compliance requirements

(c) Sublicensees must execute separate agreements directly with Company acknowledging and accepting all applicable terms and conditions.

5.4 Territory Limitations

(a) Usage rights may be limited to specific geographic territories or jurisdictions as defined in the applicable license agreement.

(b) Export of the Core Technology shall comply with all applicable export control regulations, including: (i) U.S. Export Administration Regulations (ii) International arms traffic regulations (iii) Country-specific trade restrictions (iv) Sanctions compliance requirements

5.5 Compliance and Monitoring

(a) Company reserves the right to monitor and audit Licensee's use of the NexusCore™ Platform to ensure compliance with license terms.

(b) Licensees shall maintain accurate records of all authorized users, deployment locations, and system configurations.

(c) Upon Company's request, Licensees shall provide written certification of compliance with license terms within fifteen (15) business days.

5.6 Term and Termination

(a) License rights shall remain in effect for the duration specified in the applicable license agreement, subject to Licensee's continued compliance.

(b) Company may terminate licenses immediately upon written notice for material breach of these restrictions.

(c) Upon termination, Licensees shall: (i) Cease all use of the Core Technology (ii) Return or destroy all copies of software and documentation (iii) Certify compliance with termination obligations (iv) Maintain ongoing confidentiality obligations