

# **INTELLECTUAL PROPERTY DOCUMENTATION AND RIGHTS DECLARATION**

## **DOCUMENT IP-38**

THIS INTELLECTUAL PROPERTY DOCUMENTATION AND RIGHTS DECLARATION (this "Declaration") is made and entered into as of January 15, 2024 (the "Effective Date"), by NEXUS INDUSTRIAL INTELLIGENCE, INC., a Delaware corporation with its principal place of business at 2500 Innovation Drive, Wilmington, Delaware 19801 (the "Company").

### **1.0 RECITALS**

WHEREAS, the Company has developed and owns certain proprietary artificial intelligence and machine learning technologies, including the NexusCore™ Industrial AI Platform, which combines computer vision, machine learning algorithms, and edge computing solutions for industrial process optimization (collectively, the "Technology");

WHEREAS, the Company desires to formally document and declare its intellectual property rights, ownership, and protection measures relating to the Technology;

WHEREAS, this Declaration shall serve as a comprehensive record of the Company's intellectual property assets and associated rights, restrictions, and protective measures;

NOW, THEREFORE, the Company hereby declares and documents the following:

### **2.0 DEFINITIONS AND INTERPRETATION**

2.1 "Proprietary Technology" means all technology, software, algorithms, methods, processes, and systems developed by or for the Company, including without limitation: (a) The NexusCore™ Platform and all associated components (b) Machine learning models and training methodologies (c) Computer vision systems and algorithms (d) Edge computing solutions and deployment frameworks (e) All associated documentation, source code, and technical specifications (f) Derivative works and improvements thereof (g) Custom implementations and client-specific adaptations (h) Hardware interface specifications and protocols

2.2 "Intellectual Property Rights" means all: (a) Patents, patent applications, and patent rights (b) Trademarks, service marks, trade names, and brand rights (c) Copyrights and rights in works of authorship (d) Trade secrets and confidential information (e) Software and

technology licenses (f) Data rights and database rights (g) All other intellectual property rights, whether registered or unregistered (h) Improvements, modifications, and derivative works (i) Rights to pursue and collect damages for infringement

2.3 "NexusCore™ Platform" means the Company's proprietary software platform that includes: (a) Core AI/ML processing engine (b) Industrial process optimization modules (c) Predictive maintenance algorithms (d) Quality control systems (e) Integration APIs and connectors (f) User interfaces and dashboards (g) Data collection and preprocessing modules (h) Security and authentication frameworks (i) Reporting and analytics tools (j) System monitoring and logging capabilities

2.4 "Machine Learning Models" means all artificial intelligence and machine learning models, including: (a) Training datasets and methodologies (b) Model architectures and parameters (c) Inference engines and deployment frameworks (d) Model optimization techniques (e) Performance metrics and validation methods (f) Feature engineering processes (g) Model versioning and deployment histories

2.5 "Computer Vision Systems" means all visual processing technologies, including: (a) Image recognition algorithms (b) Object detection and tracking systems (c) Visual quality inspection tools (d) Camera integration frameworks (e) Image preprocessing pipelines (f) Optical character recognition modules

2.6 "Edge Computing Solutions" means all distributed computing implementations, including: (a) Edge device management systems (b) Local processing units and hardware (c) Data synchronization protocols (d) Network optimization algorithms (e) Resource allocation frameworks

2.7 For the purposes of interpretation: (a) Words importing the singular include the plural and vice versa (b) References to "including" or "includes" mean "including but not limited to" (c) Technical terms shall be interpreted according to their generally accepted industry meaning (d) References to any technology shall include all updates, upgrades, and new versions (e) Section headings are for convenience only and do not affect interpretation (f) References to standards or specifications include all modifications and replacements (g) Time-based references shall be interpreted according to Coordinated Universal Time (UTC) (h) Technical documentation shall be interpreted in conjunction with associated source code

### **3.0 INTELLECTUAL PROPERTY OWNERSHIP**

3.1 Core Technology Ownership (a) The Company exclusively owns all right, title, and interest in and to the Proprietary Technology, including but not limited to algorithms, source code, object code, software architecture, mathematical models, neural network structures, and associated computational methods (b) All improvements, modifications, and derivative works shall be owned by the Company, regardless of the source of such improvements or the manner

in which they are conceived, developed, or implemented (c) Employee and contractor contributions are subject to work-for-hire provisions, whereby all intellectual property created during the course of employment or engagement is automatically assigned to the Company (d) Third-party technology integrations are governed by separate license agreements, with clear delineation of ownership rights and usage permissions (e) Any patents, copyrights, trade secrets, or other intellectual property rights arising from the Core Technology shall vest exclusively in the Company (f) The Company maintains exclusive rights to file for, prosecute, and maintain any patent applications or registrations related to the Core Technology

3.2 Training Data and Model Rights (a) The Company retains ownership of all training data collected or generated, including: (i) Raw data inputs used for model training (ii) Preprocessed and transformed data (iii) Feature engineering outputs (iv) Training datasets and validation sets (b) Customer data used for model training is subject to customer agreements, with specific provisions for: (i) Data usage rights and limitations (ii) Confidentiality obligations (iii) Data retention and deletion requirements (iv) Cross-contamination prevention measures (c) Model outputs and inferences are owned by the Company, encompassing: (i) Model predictions and classifications (ii) Generated content and recommendations (iii) Statistical analyses and insights (iv) Performance metrics and evaluations (d) Transfer learning and model adaptation rights reserved to Company, including: (i) Pre-trained model architectures (ii) Fine-tuning methodologies (iii) Domain adaptation techniques (iv) Knowledge transfer implementations

3.3 Derivative Works and Improvements (a) All derivative works based on the Proprietary Technology shall be owned by the Company, including: (i) Modified algorithms and model variants (ii) Enhanced feature sets and capabilities (iii) Optimized performance implementations (iv) Adapted interfaces and APIs (b) Customer-specific customizations and configurations remain Company property, including: (i) Custom model parameters and weights (ii) Specialized training procedures (iii) Customer-specific optimizations (iv) Integration frameworks and methods (c) Integration components and connectors are Company property, encompassing: (i) API implementations and wrappers (ii) Data transformation layers (iii) Communication protocols (iv) Security mechanisms (d) Documentation and training materials are exclusively owned by the Company, including: (i) Technical specifications and manuals (ii) User guides and tutorials (iii) Training curricula and materials (iv) Implementation guidelines

3.4 Intellectual Property Protection (a) The Company shall maintain appropriate measures to protect its intellectual property, including: (i) Registration of patents, copyrights, and trademarks (ii) Implementation of trade secret protection protocols (iii) Execution of confidentiality agreements (iv) Regular intellectual property audits (b) All parties shall cooperate in protecting the Company's intellectual property by: (i) Promptly disclosing potential infringement (ii) Assisting in enforcement actions (iii) Maintaining confidentiality obligations (iv) Implementing security measures

3.5 License Grants and Restrictions (a) Any licenses granted to third parties shall be: (i) Limited in scope and duration (ii) Non-exclusive unless explicitly stated (iii) Non-transferable

without Company consent (iv) Subject to Company's ongoing ownership rights (b) All licensed uses must comply with: (i) Usage restrictions and limitations (ii) Attribution requirements (iii) Confidentiality obligations (iv) Technical implementation guidelines

## **4.0 IP PROTECTION MEASURES**

4.1 Trade Secret Protection (a) Classification of confidential information (i) Systematic categorization of proprietary information into tiers: Critical, Sensitive, and Internal (ii) Regular review and reclassification procedures at minimum quarterly intervals (iii) Designation of Information Security Officers for each business unit (iv) Implementation of standardized classification markers and metadata

(b) Access control procedures (i) Multi-factor authentication requirements for all system access (ii) Role-based access control (RBAC) implementation (iii) Quarterly access rights review and adjustment (iv) Automated logging of all access attempts and data interactions (v) Immediate access termination protocols for departing personnel

(c) Employee training requirements (i) Mandatory initial IP protection training within 30 days of hire (ii) Annual refresher courses on confidentiality obligations (iii) Documented acknowledgment of training completion (iv) Specialized training for employees handling critical IP assets

(d) Documentation marking and handling (i) Standardized confidentiality headers and footers (ii) Digital watermarking of sensitive documents (iii) Secure document destruction protocols (iv) Chain of custody tracking for physical documents

(e) Third-party disclosure restrictions (i) Comprehensive non-disclosure agreements (ii) Authorized recipient tracking system (iii) Periodic audit of third-party compliance (iv) Breach notification requirements

4.2 Technical Security Measures (a) Source code repository security (i) Version control access restrictions (ii) Code signing requirements (iii) Repository encryption standards (iv) Automated security scanning protocols

(b) Development environment controls (i) Isolated development networks (ii) Secure code review procedures (iii) Change management documentation (iv) Development environment monitoring

(c) Deployment security protocols (i) Automated security testing requirements (ii) Production environment isolation (iii) Deployment approval chain (iv) Rollback procedures

(d) Network security requirements (i) Network segmentation standards (ii) Intrusion detection systems (iii) Regular penetration testing (iv) Security incident response procedures

(e) Encryption standards (i) Minimum encryption requirements for data at rest (ii) Transport layer security protocols (iii) Key management procedures (iv) Encryption algorithm specifications

4.3 Data Protection (a) Training data security (i) Data anonymization requirements (ii) Access logging and monitoring (iii) Data handling protocols (iv) Training data validation procedures

(b) Model protection measures (i) Model versioning and access control (ii) Model deployment security (iii) Model testing and validation protocols (iv) Model backup procedures

(c) Customer data segregation (i) Logical separation requirements (ii) Data isolation protocols (iii) Cross-contamination prevention (iv) Customer-specific security controls

(d) Backup and recovery procedures (i) Regular backup schedule requirements (ii) Secure backup storage protocols (iii) Recovery time objectives (iv) Backup validation procedures

(e) Data retention policies (i) Retention period specifications (ii) Secure data destruction protocols (iii) Compliance documentation requirements (iv) Audit trail maintenance

4.4 Compliance and Enforcement (a) Regular compliance audits (b) Violation reporting procedures (c) Disciplinary measures (d) Continuous monitoring requirements (e) Annual policy review and updates

## **5.0 IP USAGE RIGHTS AND RESTRICTIONS**

5.1 Licensed Uses (a) Authorized deployment scenarios shall include on-premises installation, cloud-hosted implementations, and hybrid configurations as explicitly authorized in writing by the Company. Deployments must conform to the Company's published security protocols and architectural guidelines.

(b) Customer usage limitations restrict concurrent user access to licensed quantities specified in the Order Form. Usage metrics include named users, concurrent sessions, processing cores, and data throughput volumes as applicable.

(c) API access restrictions mandate adherence to published rate limits, authentication protocols, and data governance requirements. All API calls must utilize approved security certificates and encryption standards.

(d) Integration requirements necessitate use of Company-approved connectors, middleware, and integration patterns. Custom integrations must undergo security review and certification prior to production deployment.

(e) Support and maintenance terms require customers to maintain current version compliance within two (2) releases of the latest general availability version to receive standard support services.

5.2 Territory and Field Restrictions (a) Geographic limitations confine usage to territories specified in the Order Form. Cross-border data transfers must comply with applicable data sovereignty requirements and export control regulations.

(b) Industry vertical restrictions limit deployment to authorized sectors as defined in Schedule A. Usage in regulated industries requires additional compliance certifications and controls.

(c) Application constraints prohibit use in critical safety systems, medical devices, nuclear facilities, or military applications without explicit written authorization and supplemental agreements.

(d) Customer size limitations apply based on annual revenue, employee count, or transaction volume thresholds specified in the Order Form. Changes exceeding specified thresholds require license upgrades.

(e) Revenue thresholds establish usage fee tiers based on customer's gross annual revenue or specific business unit revenue as applicable. Annual validation and true-up provisions apply.

5.3 Sublicensing and Transfer (a) Prohibition on sublicensing expressly forbids redistribution, resale, or sublicensing of the licensed technology to third parties. Authorized contractors may access solely for customer's internal business purposes.

(b) Assignment restrictions prevent transfer of license rights without prior written consent. Assignments to affiliates require notification and documentation of continuing compliance capability.

(c) Change of control provisions mandate notification of ownership changes exceeding twenty percent (20%) of voting control. Company reserves right to terminate or modify terms upon material change in customer control.

(d) Corporate restructuring requirements apply to mergers, acquisitions, divestitures, or reorganizations affecting licensed entity. Advance notification and transition planning required for maintaining license compliance.

5.4 Compliance and Reporting (a) Customer shall maintain accurate records of usage metrics, authorized users, and deployment configurations.

(b) Quarterly compliance reports documenting adherence to license terms shall be submitted through the designated portal.

(c) Company reserves audit rights with thirty (30) days notice to verify compliance with license terms and usage restrictions.

(d) Non-compliance remediation periods of sixty (60) days apply unless otherwise specified for critical violations.

5.5 Additional Restrictions (a) Reverse engineering, decompilation, or modification of licensed technology is strictly prohibited.

(b) Competitive use restrictions prohibit deployment by direct competitors or for competitive analysis purposes.

(c) Benchmark results may not be published without prior written authorization.

(d) High-risk use cases require supplemental agreements and enhanced support services.

5.6 Term and Termination (a) License rights terminate immediately upon breach of usage restrictions or compliance requirements.

(b) Post-termination obligations include certification of technology removal and data destruction.

(c) Survival provisions apply to confidentiality, liability limitations, and compliance verification rights.

IN WITNESS WHEREOF, the Company has executed this Declaration as of the Effective Date.

NEXUS INDUSTRIAL INTELLIGENCE, INC.

By: \_\_\_\_\_ Name: Dr. Sarah Chen Title: Chief Executive Officer

ATTEST:

By: \_\_\_\_\_ Name: David Kumar Title: Chief Financial Officer

## **EXHIBIT A**

Technical Specifications of NexusCore™ Platform [Technical details omitted for brevity]

## **EXHIBIT B**

Protected Intellectual Property Schedule [Schedule details omitted for brevity]

## **APPENDIX 1**

Security and Access Control Procedures [Procedure details omitted for brevity]