

Research Grant and Funding Allocation Breakdown

CONFIDENTIAL DOCUMENT

Nexus Intelligent Systems, Inc.

Delaware Corporate Research Funding Allocation

PRELIMINARY DEFINITIONS

1 "Company" shall refer to Nexus Intelligent Systems, Inc., a Delaware corporation with principal offices located at 1200 Technology Park Drive, San Jose, California 95134.

2 "Research Grant" means the specific financial allocation detailed herein for advanced predictive analytics research and development initiatives.

3 "Funding Period" refers to the fiscal year commencing January 1, 2024 and terminating December 31, 2024.

GRANT OVERVIEW

1 Total Funding Allocation

The total research grant funding for the specified period shall be \$2,750,000 (Two Million Seven Hundred Fifty Thousand Dollars), allocated across multiple strategic research domains.

2 Funding Distribution Breakdown

- a) Predictive Maintenance AI Platform Development: \$1,250,000
- b) Machine Learning Diagnostic Tool Enhancement: \$875,000
- c) Enterprise Digital Transformation Research: \$625,000

RESEARCH OBJECTIVES

1 Primary Research Objectives

The research grant funding is specifically designated to advance the following strategic technological initiatives:

- a) Development of next-generation predictive maintenance algorithms capable of integrating multi-sensor industrial data streams
- b) Enhancement of machine learning diagnostic tools with improved anomaly detection capabilities

c) Exploration of cross-industry digital transformation methodologies applicable to manufacturing, energy, and transportation sectors

2 Performance Metrics

Research progress will be evaluated against the following key performance indicators:

- Algorithmic prediction accuracy improvements
- Reduction in false-positive diagnostic events
- Scalability of developed technological solutions
- Potential commercial application potential

FUNDING DISBURSEMENT TERMS

1 Disbursement Schedule

Funding shall be disbursed in quarterly installments, subject to milestone achievement and comprehensive quarterly review:

- Q1 Disbursement (March 15, 2024): \$687,500
- Q2 Disbursement (June 15, 2024): \$687,500
- Q3 Disbursement (September 15, 2024): \$687,500
- Q4 Disbursement (December 15, 2024): \$687,500

2 Milestone Contingencies

Each quarterly disbursement is contingent upon:

- Submission of comprehensive research progress report
- Demonstration of technological advancement
- Compliance with established research protocols
- Financial and operational accountability

INTELLECTUAL PROPERTY PROVISIONS

1 IP Ownership

All intellectual property developed utilizing these research funds shall remain exclusively owned by Nexus Intelligent Systems, Inc., with full commercial exploitation rights.

2 Publication and Disclosure

Research findings may be published or disclosed only after comprehensive internal review and

potential patent application processes.

COMPLIANCE AND REPORTING

1 Reporting Requirements

Detailed quarterly reports must be submitted, including:

- Technical progress documentation
- Financial expenditure breakdown
- Projected research trajectory
- Potential commercial applications

2 Audit Provisions

The Company reserves the right to conduct comprehensive financial and technical audits related to research grant utilization.

TERMINATION PROVISIONS

1 Funding Discontinuation

The Company maintains unilateral discretion to modify, suspend, or terminate funding based on:

- Lack of demonstrable progress
- Deviation from research objectives
- Material breach of research protocols

CONFIDENTIALITY

1 All information related to this research grant represents confidential proprietary information of Nexus Intelligent Systems, Inc.

EXECUTION

IN WITNESS WHEREOF, the authorized representatives of Nexus Intelligent Systems, Inc. have executed this Research Grant and Funding Allocation Breakdown.

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Date: January 22, 2024