

INTELLECTUAL PROPERTY RIGHTS AND PROTECTION AGREEMENT

THIS INTELLECTUAL PROPERTY RIGHTS 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 "Technology");

WHEREAS, Company desires to establish and document the ownership, protection, and permitted uses of its intellectual property rights relating to the Technology;

WHEREAS, Company's Technology includes the NexusCore™ Industrial AI Platform and related software solutions for manufacturing operations; and

WHEREAS, Company seeks to protect its intellectual property rights while enabling appropriate commercial deployment of the Technology.

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

2.0 DEFINITIONS AND INTERPRETATION

2.1 "AI Technology Stack" means Company's proprietary artificial intelligence and machine learning architecture, including all algorithms, models, neural networks, and related computational methods developed by Company, encompassing both supervised and unsupervised learning systems, deep learning frameworks, and associated training infrastructures.

2.2 "Computer Vision System" means Company's proprietary computer vision technology, including image processing algorithms, object detection and classification systems, feature extraction methodologies, semantic segmentation capabilities, motion tracking components,

and all related software components, whether deployed in real-time or batch processing environments.

2.3 "Customer Data" means any data provided by Company's customers or collected from customer operations through the NexusCore™ Platform, including but not limited to process parameters, operational metrics, equipment telemetry, quality control measurements, environmental data, and any derivative works created therefrom.

2.4 "Edge Computing Technology" means Company's proprietary software and systems for processing data at or near the source of data generation in industrial environments, including edge nodes, local processing units, distributed computing architectures, and associated middleware components that enable real-time analytics and decision-making capabilities.

2.5 "Intellectual Property Rights" means all patents, copyrights, trade secrets, trademarks, mask works, and other intellectual property rights, whether registered or unregistered, including all applications and registrations thereof, as well as any renewals, extensions, continuations, divisionals, and reissues of the foregoing.

2.6 "Machine Learning Models" means Company's proprietary trained artificial intelligence models, including all weights, parameters, architectures, training methodologies, optimization algorithms, hyperparameter configurations, and associated validation frameworks developed for industrial applications.

2.7 "NexusCore™ Platform" means Company's flagship software platform that integrates the AI Technology Stack, Computer Vision System, Edge Computing Technology, and Machine Learning Models, including all user interfaces, APIs, documentation, and supporting software components that enable industrial process optimization and automation.

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

2.9 "Technology" means collectively all software, hardware, systems, methodologies, and processes developed by Company, including any modifications, improvements, or derivative works thereof.

2.10 For the purposes of this Agreement, unless explicitly stated otherwise: (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 terms "including" and "includes" shall be deemed to be followed by "without limitation"; (d) Technical terms shall be interpreted in accordance with generally accepted industry standards; (e) References to any laws, regulations, or standards include any modifications or re-enactments thereof; (f) Time periods specified in this Agreement shall be computed as calendar days unless otherwise stated; and (g) The headings in this Agreement are for reference only and shall not affect its interpretation.

3.0 INTELLECTUAL PROPERTY OWNERSHIP

3.1 Pre-existing Intellectual Property

(a) Company owns all right, title, and interest in and to all Intellectual Property Rights in the Technology existing as of the Effective Date, including but not limited to: (i) Software source code and object code (ii) Proprietary algorithms and computational methods (iii) System architectures and technical specifications (iv) Database structures and data models (v) User interface designs and workflows

(b) No rights to any pre-existing third-party technology incorporated into the Technology are claimed by Company except as properly licensed to Company through valid, written agreements that explicitly grant necessary usage rights.

(c) Company warrants that it has conducted appropriate due diligence to verify ownership of all pre-existing Intellectual Property Rights and maintains documentation evidencing such ownership.

3.2 Newly Developed Intellectual Property

(a) All Intellectual Property Rights in any improvements, modifications, or enhancements to the Technology developed by Company shall be owned exclusively by Company, including: (i) Modifications to Machine Learning Models, including model architectures, training methodologies, and hyperparameter configurations (ii) Enhanced computer vision algorithms, including object detection, classification, and tracking systems (iii) Optimized edge computing solutions, including deployment frameworks and runtime optimizations (iv) New industrial process optimization methods, including control systems and efficiency algorithms (v) Data preprocessing techniques and feature engineering methodologies (vi) System integration protocols and interfaces (vii) Performance optimization techniques and implementations

(b) Any derivative works based on the Technology shall be owned by Company, regardless of the party creating such works or the circumstances of their creation.

(c) Improvements developed jointly with third parties shall be governed by separate written agreements, which must explicitly assign ownership rights to Company.

3.3 Employee and Contractor Contributions

(a) All employees and contractors of Company have assigned or shall assign to Company all Intellectual Property Rights in any contributions to the Technology through written agreements that: (i) Explicitly transfer all rights, title, and interest (ii) Include waiver of moral rights where applicable (iii) Provide for cooperation in patent prosecution (iv) Include perpetual obligations to assist in IP protection

(b) Company maintains appropriate invention assignment agreements with all personnel who have access to or contribute to the Technology, including: (i) Full-time and part-time

employees (ii) Independent contractors and consultants (iii) Temporary workers and interns (iv) Research collaborators and academic partners

(c) All personnel are required to promptly disclose any inventions, improvements, or discoveries related to the Technology.

3.4 Open Source Components

(a) Company maintains records of all open source software incorporated into the Technology, including: (i) Complete license texts and versions (ii) Usage scope and implementation details (iii) Modification tracking and distribution records (iv) Dependency mapping and version control

(b) Use of open source components complies with applicable license terms and does not compromise Company's proprietary rights, ensuring: (i) Proper attribution and notices (ii) Separation of proprietary and open source code (iii) Compliance with distribution requirements (iv) Regular audit and compliance verification

3.5 Third-Party Technology Integration

(a) Company shall maintain documentation of all third-party technology licenses, including: (i) License terms and restrictions (ii) Payment obligations and royalties (iii) Usage limitations and territories (iv) Term and termination provisions

(b) Integration of third-party technology must be approved through Company's established review process to ensure: (i) Compatibility with existing licenses (ii) No conflict with Company's IP rights (iii) Appropriate risk assessment (iv) Compliance with security requirements

3.6 IP Protection and Enforcement

(a) Company shall maintain appropriate measures to protect its Intellectual Property Rights, including: (i) Regular patent filings for novel innovations (ii) Trade secret protection protocols (iii) Copyright registrations where appropriate (iv) Trademark protection for relevant brands

(b) Company reserves the right to enforce its Intellectual Property Rights against any unauthorized use, including through legal action when necessary.

4.0 IP PROTECTION AND CONFIDENTIALITY

4.1 Trade Secret Protection

(a) Company shall maintain the following as trade secrets: (i) Machine learning model architectures and parameters (ii) Training methodologies and datasets (iii) Proprietary algorithms and optimization techniques (iv) Customer-specific implementation details (v) Performance optimization metrics and benchmarks (vi) System integration specifications and

protocols (vii) Proprietary data preprocessing techniques (viii) Custom feature engineering methodologies

(b) Company implements reasonable measures to maintain secrecy, including: (i) Access controls and authentication systems (ii) Confidentiality agreements (iii) Information classification protocols (iv) Security monitoring and auditing (v) Multi-factor authentication for critical systems (vi) Encryption of sensitive data at rest and in transit (vii) Regular security training for personnel (viii) Incident response and breach notification procedures

(c) Documentation Requirements: (i) Maintenance of trade secret registry (ii) Regular review and updates of protection measures (iii) Documentation of access logs and authorization records (iv) Periodic audit of security measures and compliance

4.2 Patent Strategy

(a) Company shall pursue patent protection for novel and non-obvious aspects of the Technology where appropriate, including: (i) Innovative algorithmic improvements (ii) Novel system architectures (iii) Unique optimization methodologies (iv) Hardware-software integration techniques

(b) Company maintains procedures for: (i) Invention disclosure and documentation (ii) Patent application review and prosecution (iii) Foreign filing decisions (iv) Maintenance fee scheduling (v) Portfolio management and monetization

4.3 Copyright Protection

(a) All software code, documentation, and original works shall bear appropriate copyright notices including: (i) Year of first publication (ii) Company name and ownership declaration (iii) All rights reserved statement (iv) License terms and restrictions

(b) Company shall register copyrights for: (i) Core software components (ii) Technical documentation (iii) Training materials (iv) User interfaces and graphics (v) Marketing materials containing proprietary content

4.4 Confidentiality Obligations

(a) All Proprietary Information shall be maintained in strict confidence and: (i) Marked with appropriate confidentiality legends (ii) Stored in secure locations or systems (iii) Transmitted using secure methods (iv) Destroyed or returned upon request

(b) Access to Proprietary Information shall be limited to: (i) Authorized personnel with documented need-to-know (ii) Third parties under written confidentiality obligations (iii) Contractors with appropriate security clearance (iv) Legal counsel and auditors as required

(c) Disclosure of Proprietary Information shall require: (i) Written authorization from designated authority (ii) Execution of appropriate confidentiality agreements (iii) Documentation of disclosure scope and recipients (iv) Return or destruction confirmation

4.5 Enforcement and Compliance

- (a) Company shall maintain procedures for: (i) Regular compliance audits (ii) Investigation of suspected breaches (iii) Enforcement of rights against infringers (iv) Documentation of security incidents
- (b) Personnel responsibilities include: (i) Immediate reporting of suspected breaches (ii) Cooperation with investigations (iii) Compliance with security protocols (iv) Participation in security training
- (c) Remedial measures shall include: (i) Prompt investigation of incidents (ii) Implementation of corrective actions (iii) Updates to security protocols (iv) Additional training as needed

5.0 IP USAGE AND LICENSING

5.1 Internal Use Rights

- (a) Company personnel may access and use the Technology solely for authorized business purposes within the scope of their employment duties and responsibilities.
- (b) Internal use is subject to Company's security policies, confidentiality requirements, and data protection protocols as outlined in Appendix 1.
- (c) Authorized personnel must complete mandatory IP protection training prior to accessing the Technology and maintain current certification status.
- (d) Department heads shall maintain detailed logs of personnel access and usage patterns for audit purposes.

5.2 Customer License Grants

- (a) Company may grant customers non-exclusive, non-transferable licenses to use the NexusCore™ Platform pursuant to separate license agreements.
- (b) Customer licenses shall include appropriate restrictions to protect Company's Intellectual Property Rights, including but not limited to: (i) Geographic limitations on usage (ii) Restrictions on number of authorized users (iii) Limitations on data processing volume (iv) Specific use case authorizations (v) Integration restrictions with third-party systems
- (c) License terms shall specify permitted manufacturing applications, authorized facility locations, and approved integration points with industrial control systems.
- (d) Customers must implement specified security measures and maintain minimum security standards as defined in Schedule C of the license agreement.

5.3 Usage Restrictions

- (a) No reverse engineering, decompilation, or disassembly of the Technology is permitted under any circumstances.

(b) No transfer, sublicense, or distribution of the Technology is allowed except as expressly authorized by Company in writing.

(c) Prohibited activities include, but are not limited to: (i) Attempting to derive source code (ii) Modifying or creating derivative works (iii) Removing or altering any proprietary notices (iv) Circumventing security measures (v) Conducting security audits without authorization (vi) Sharing access credentials (vii) Operating outside authorized territories

(d) Violations of usage restrictions shall result in immediate license termination and potential legal action.

5.4 API Access

(a) Company may provide API access to certain Technology components under separate API license terms.

(b) API usage shall be monitored and may be restricted or revoked for unauthorized use or excessive consumption.

(c) API licensees must: (i) Register all applications accessing the API (ii) Maintain secure key management practices (iii) Implement rate limiting and request throttling (iv) Report security incidents within 24 hours (v) Maintain detailed access logs

5.5 Compliance and Auditing

(a) Company reserves the right to conduct periodic audits of Technology usage and compliance with license terms.

(b) Licensees shall maintain complete and accurate records of Technology usage for a minimum of three (3) years.

(c) Upon reasonable notice, Company may inspect licensee facilities, systems, and records to verify compliance.

5.6 Intellectual Property Ownership

(a) All Technology components, including modifications, improvements, and derivative works, remain the exclusive property of Company.

(b) Licensees shall promptly disclose any improvements or modifications to the Technology.

(c) Any unauthorized modifications or derivative works shall automatically become Company property.

5.7 Term and Termination

(a) License terms shall be specified in individual agreements but may be terminated: (i) Upon material breach of license terms (ii) Failure to pay applicable fees (iii) Violation of usage restrictions (iv) Company's reasonable determination of security risks

(b) Upon termination, licensees must: (i) Immediately cease all Technology use (ii) Return or destroy all copies of the Technology (iii) Certify compliance with termination requirements (iv) Maintain confidentiality obligations

5.8 Support and Updates

(a) Company shall provide support and updates as specified in individual license agreements.

(b) Licensees must implement security updates within specified timeframes to maintain license validity.

(c) Support services may be suspended for non-compliance with license terms or security requirements.