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, predictive analytics algorithms, and edge computing solutions, collectively comprising the NexusCore™ Industrial AI Platform;

WHEREAS, Company seeks to establish and document comprehensive intellectual property rights, protections, and usage parameters for its proprietary technology stack and related innovations;

WHEREAS, Company requires clear documentation of ownership rights, confidentiality obligations, and licensing terms for its industrial process optimization and automation technologies; and

WHEREAS, this Agreement sets forth the terms and conditions governing the ownership, protection, and permitted uses of Company's intellectual property assets.

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

2.0 DEFINITIONS AND INTERPRETATION

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

(a) "AI Technology Stack" means Company's proprietary artificial intelligence and machine learning technologies, including but not limited to computer vision algorithms, neural network architectures, training methodologies, model optimization techniques, inference engines, and distributed computing frameworks.

(b) "Confidential Information" means all non-public information relating to the Technology Assets, including source code, algorithms, training data, model architectures, technical

documentation, trade secrets, research methodologies, performance metrics, optimization strategies, and deployment configurations.

(c) "Edge Computing Infrastructure" means the distributed computing architecture deployed at industrial sites, including edge servers, processing units, sensor gateways, and local data storage systems designed for real-time processing.

(d) "Industrial Process Data" means data collected from manufacturing operations, sensor networks, control systems, and IoT devices through the Technology Assets, including time-series data, quality metrics, environmental parameters, and operational statistics.

(e) "Intellectual Property Rights" means all patents, copyrights, trade secrets, trademarks, industrial designs, database rights, mask works, and other intellectual property rights owned or controlled by Company, whether registered or unregistered, and all applications and registrations thereof.

(f) "Machine Learning Models" means Company's trained artificial intelligence models, including predictive maintenance algorithms, quality control classifiers, process optimization systems, anomaly detection networks, and computer vision models for industrial inspection.

(g) "NexusCore™ Platform" means Company's flagship software platform that integrates the AI Technology Stack with industrial control systems and IoT infrastructure, including its user interface, APIs, middleware components, and security frameworks.

(h) "Performance Metrics" means quantitative measurements of the Technology Assets' effectiveness, including accuracy rates, processing speeds, prediction reliability, and system availability statistics.

(i) "System Integration Protocols" means the standardized methods and specifications for connecting the Technology Assets with third-party industrial systems, including communication protocols, data formats, and security requirements.

(j) "Technology Assets" means, collectively, the AI Technology Stack, Machine Learning Models, NexusCore™ Platform, Edge Computing Infrastructure, and all related intellectual property, documentation, and improvements thereof.

2.2 Interpretation. In this Agreement: (a) Section headings are for convenience only and shall not affect interpretation (b) Words importing the singular include the plural and vice versa (c) References to Sections are to sections of this Agreement (d) "Including" means "including without limitation" (e) References to time are to local time in the jurisdiction of performance (f) Technical terms shall be interpreted according to their generally accepted meaning within the artificial intelligence and industrial automation industries (g) References to any party include their permitted successors and assigns (h) The terms "hereof," "herein," and similar expressions refer to this Agreement as a whole (i) References to documents include electronic formats and subsequent versions (j) Any obligation not to do something includes an obligation not to permit or suffer that thing to be done

2.3 Precedence. In the event of any conflict or inconsistency between the definitions in Section 2.1 and their usage in industry practice, the definitions in this Agreement shall prevail.

3.0 INTELLECTUAL PROPERTY OWNERSHIP

3.1 Ownership Declaration. Company hereby declares and confirms its exclusive ownership of all right, title, and interest in and to the Technology Assets, including:

(a) All algorithms, source code, and software components comprising the NexusCore™ Platform;

(b) All Machine Learning Models, whether pre-trained or customized for specific applications;

(c) All computer vision systems and edge computing implementations;

(d) All technical documentation, specifications, and training materials;

(e) All improvements, modifications, and derivative works of the foregoing.

3.2 Pre-Existing IP. Company retains all rights to any intellectual property developed prior to or independent of customer engagements, including:

(a) Core AI algorithms and architectural frameworks, including but not limited to neural network architectures, decision trees, and ensemble methods;

(b) Base machine learning models and training methodologies, encompassing supervised, unsupervised, and reinforcement learning approaches;

(c) Standard platform features and capabilities, including user interfaces, APIs, and system infrastructure;

(d) Generic process optimization techniques and their implementations;

(e) Proprietary data preprocessing methods and feature extraction techniques;

(f) System architecture designs and deployment frameworks.

3.3 Newly Developed IP. Any improvements, customizations, or new features developed by Company shall be owned exclusively by Company, including:

(a) Industry-specific model adaptations and domain-specific implementations;

(b) Custom algorithms and workflows developed for particular use cases;

(c) Integration components and connectors designed for third-party systems;

(d) Performance optimizations and enhancements to existing systems;

(e) Novel feature engineering methods and data transformation techniques;

(f) Specialized deployment configurations and scaling solutions.

3.4 Third-Party Components. Company acknowledges use of certain third-party and open source components, as documented in Exhibit A, subject to their respective license terms.

3.5 Derivative Works. Company shall retain exclusive ownership of any derivative works, improvements, or modifications to the Technology Assets, regardless of the source of inspiration or customer feedback, including:

(a) Enhanced algorithms based on deployment experience;

(b) Refined model architectures resulting from performance analysis;

(c) Optimized processing pipelines developed during implementation;

(d) Advanced feature sets inspired by customer use cases.

3.6 Data Rights and Usage. Company maintains the following rights regarding data processing and utilization:

(a) Right to use anonymized data for model training and improvement;

(b) Ownership of all derived features and engineered attributes;

(c) Rights to aggregate performance metrics and optimization insights;

(d) Authority to implement learned improvements across platform instances.

3.7 Intellectual Property Protection. Company shall maintain appropriate measures to protect its intellectual property, including:

(a) Regular patent filings for novel technological innovations;

(b) Copyright registration for software implementations;

(c) Trade secret protection for proprietary algorithms and methods;

(d) Confidentiality agreements with all parties accessing IP assets.

3.8 License Grants. Any license granted to customers or partners shall be:

(a) Limited to specific, documented use cases;

(b) Non-exclusive and non-transferable;

(c) Subject to Company's ongoing ownership rights;

(d) Terminable upon breach of agreement terms.

3.9 Intellectual Property Representations. Company represents and warrants that:

(a) It has full rights and authority to license the Technology Assets;

(b) The Technology Assets do not infringe third-party intellectual property rights;

(c) All necessary third-party licenses are properly maintained;

(d) Appropriate intellectual property registrations are current and valid.

3.10 Enforcement Rights. Company reserves all rights to:

(a) Pursue legal action against unauthorized use or infringement;

(b) Seek injunctive relief for intellectual property violations;

(c) Recover damages for unauthorized use or disclosure;

(d) Terminate access rights upon discovery of violations.

4.0 IP PROTECTION AND CONFIDENTIALITY

4.1 Trade Secret Protection. Company shall maintain strict confidentiality of all trade secrets within the Technology Assets through:

(a) Access controls and authentication systems, including multi-factor authentication, role-based access control, and periodic access review protocols (b) Employee confidentiality agreements, which shall be executed prior to access grant and maintained throughout employment and for five (5) years post-employment (c) Secure development and deployment practices, incorporating industry-standard security frameworks and best practices (d) Data encryption and security protocols, utilizing minimum AES-256 encryption standards (e) Physical security measures including restricted access areas, surveillance systems, and visitor management protocols (f) Regular employee training on trade secret handling and protection procedures

4.2 Patent Rights. Company shall pursue and maintain patent protection for novel and non-obvious aspects of the Technology Assets, including:

(a) AI/ML architectures and implementations, specifically covering: (i) Neural network architectures and training methodologies (ii) Feature extraction and selection algorithms (iii) Model optimization techniques (b) Industrial process optimization methods, encompassing: (i) Real-time process control algorithms (ii) Predictive maintenance systems (iii) Resource allocation optimization (c) Computer vision techniques, including proprietary: (i) Object detection and classification methods (ii) Image processing algorithms (iii) Real-time video analysis systems (d) Edge computing solutions, covering: (i) Distributed processing architectures (ii) Resource management algorithms (iii) Edge-cloud communication protocols

4.3 Copyright Protection. Company claims copyright protection in all original works of authorship within the Technology Assets, including:

(a) Source code and software implementations, encompassing: (i) Application code bases (ii) Development frameworks (iii) Custom libraries and modules (b) Technical documentation and materials, including: (i) System architecture documents (ii) API specifications (iii) Implementation guides (c) User interfaces and visual elements, covering: (i) Interface designs (ii) Graphical assets (iii) Interactive elements (d) Training data and model architectures, including: (i) Curated datasets (ii) Model parameters (iii) Training methodologies

4.4 Data Security Requirements. Company shall implement comprehensive security measures including:

(a) Encryption of data in transit and at rest, utilizing: (i) TLS 1.3 or higher for data in transit (ii) Hardware-based encryption for storage systems (iii) Key management protocols (b) Secure access controls and authentication, implementing: (i) Zero-trust architecture principles (ii) Regular credential rotation (iii) Access logging and monitoring (c) Regular security audits and testing, including: (i) Quarterly vulnerability assessments (ii) Annual penetration testing (iii) Continuous security monitoring (d) Incident response procedures, comprising: (i) Detailed response protocols (ii) Communication procedures (iii) Recovery and remediation plans

4.5 Compliance Requirements. Company shall maintain compliance with applicable data protection and privacy regulations, including:

(a) Regular compliance audits and assessments (b) Documentation of security controls and procedures (c) Maintenance of required certifications and attestations (d) Regular updates to security policies and procedures (e) Implementation of privacy-by-design principles (f) Establishment of data protection impact assessment procedures

5.0 LICENSE GRANTS AND RESTRICTIONS

5.1 Platform License. Company may grant limited licenses to the NexusCore™ Platform subject to:

(a) Written license agreements executed by authorized representatives of both parties, which shall specify the precise scope, duration, and territorial limitations of the granted rights (b) Usage scope restrictions defined by user count, deployment environment, geographic territory, and permitted applications (c) Confidentiality obligations regarding platform architecture, performance metrics, and proprietary technologies (d) Payment of applicable fees, including but not limited to initial licensing fees, maintenance fees, upgrade fees, and usage-based charges

5.2 API Access. API access shall be governed by:

(a) API documentation and specifications provided through the Company's developer portal, including all updates and modifications thereto (b) Rate limiting and usage quotas as specified in the applicable service tier, with automatic suspension of access upon exceeding prescribed limits (c) Authentication requirements including secure key management, token-based access, and multi-factor authentication protocols (d) Data handling obligations including encryption standards, storage limitations, and processing restrictions (e) Real-time monitoring and reporting requirements for API usage patterns and anomaly detection (f) Compliance with industry-standard security protocols and Company's security policies

5.3 Usage Restrictions. Licensees shall not:

(a) Reverse engineer, decompile, disassemble, or attempt to derive the source code of the Technology Assets (b) Access source code, algorithms, or underlying architectural components except as expressly permitted (c) Create derivative works, modifications, or adaptations of the Technology Assets (d) Circumvent, disable, or interfere with security measures, including access controls and monitoring systems (e) Share access credentials, API keys, or authentication tokens with unauthorized third parties (f) Use the Platform for purposes of competitive analysis, benchmarking, or development of competing products (g) Exceed authorized user counts or permitted deployment scenarios (h) Process restricted data categories without explicit authorization

5.4 Sublicensing. Sublicensing of Technology Assets is prohibited without Company's express written consent, subject to:

(a) Formal sublicense agreement execution with Company (b) Additional fee arrangements and revenue sharing provisions (c) Maintenance of security standards and compliance requirements (d) Regular auditing and reporting obligations (e) Joint liability provisions for sublicensee violations

5.5 Compliance and Monitoring:

(a) Company reserves the right to monitor Platform usage for compliance verification (b) Licensee shall maintain accurate records of all authorized users and access patterns (c) Regular compliance reports shall be submitted as specified in the license agreement (d) Company may conduct periodic audits with reasonable notice (e) Automated monitoring tools may be deployed to ensure usage compliance

5.6 Term and Termination:

(a) License duration shall be specified in the applicable license agreement (b) Company may terminate licenses upon material breach with thirty (30) days written notice (c) Immediate termination rights exist for security violations or unauthorized access (d) Post-termination obligations include data return, platform access removal, and certification of compliance (e) Survival provisions for confidentiality and data protection obligations

5.7 Support and Maintenance:

(a) Standard support services included in base license fees (b) Premium support options available for additional fees (c) Regular maintenance windows and update schedules (d) Critical security patches must be implemented within specified timeframes (e) Version compatibility requirements and upgrade obligations

5.8 Intellectual Property Protection:

(a) All Technology Assets remain exclusive property of Company (b) Licensee shall promptly report any intellectual property infringement (c) Cooperation required in enforcement actions (d) Grant-back provisions for licensee improvements (e) Trademark usage guidelines and restrictions

5.9 Warranty and Liability:

(a) Limited warranty for Platform performance (b) Disclaimer of implied warranties (c) Limitation of liability provisions (d) Indemnification obligations (e) Force majeure considerations