

EMPLOYMENT AND COMPENSATION AGREEMENT

THIS EMPLOYMENT AND COMPENSATION 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, Wilmington, Delaware 19801 (the "Company"), and DR. ALEXANDER PATEL, an individual residing at 127 Technology Circle, Cambridge, Massachusetts 02142 (the "Executive").

1.0 PREAMBLE AND RECITALS

WHEREAS, the Company is engaged in the business of developing and commercializing proprietary machine learning and computer vision solutions for industrial process optimization and predictive maintenance, including its NexusCore™ Industrial AI Platform (the "Business");

WHEREAS, the Company has developed substantial intellectual property and proprietary methodologies in the field of artificial intelligence and machine learning, specifically focused on industrial applications and process optimization;

WHEREAS, the Company desires to employ the Executive as Chief Machine Learning Officer, and the Executive desires to accept such employment with the Company;

WHEREAS, the Executive possesses unique technical expertise in artificial intelligence and machine learning algorithms specifically applicable to industrial applications;

WHEREAS, the Executive has demonstrated exceptional qualifications through prior achievements in developing and implementing machine learning solutions for industrial applications, including significant experience in deep learning, neural networks, and computer vision systems;

WHEREAS, the Company recognizes the competitive nature of the artificial intelligence and machine learning industry and the importance of securing specialized talent to maintain its market position;

WHEREAS, the parties acknowledge that this Agreement is being executed in Delaware, and shall be governed by and construed in accordance with the laws of the State of Delaware; and

WHEREAS, the parties desire to enter into this Agreement to define their respective rights and obligations with respect to the Executive's employment by the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

2.0 DEFINITIONS

2.1 "Confidential Information" means all non-public information, whether in oral, written, or electronic form, relating to the Company's technology, products, business, and operations, including but not limited to: (a) machine learning algorithms, neural network architectures, and training methodologies; (b) computer vision systems and image processing techniques; (c) predictive maintenance models and associated training data; (d) source code and technical documentation; (e) customer data and usage patterns; (f) research and development activities; (g) business strategies and financial information; (h) system optimization parameters and performance metrics; (i) proprietary data preprocessing techniques; (j) model validation protocols; and (k) deployment architectures and scaling methodologies.

2.2 "Company Technology" means the NexusCore™ Industrial AI Platform and all associated software, algorithms, models, methodologies, and technical implementations, including all improvements, modifications, and derivative works thereof. This encompasses: (a) core processing engines; (b) distributed computing frameworks; (c) data ingestion pipelines; (d) model training infrastructure; (e) deployment containers and orchestration systems; (f) user interface components; (g) API specifications and implementations; and (h) associated documentation and technical materials.

2.3 "Intellectual Property" means all patents, patent applications, copyrights, trademarks, trade secrets, and other intellectual property rights relating to the Company Technology or arising from the Executive's employment with the Company, including: (a) algorithm implementations; (b) model architectures; (c) training methodologies; (d) optimization techniques; (e) software implementations; (f) technical documentation; (g) research findings; (h) experimental results; (i) performance improvements; and (j) any derivatives or modifications thereof.

2.4 "Competitive Business" means any business engaged in developing or commercializing artificial intelligence or machine learning solutions for industrial process optimization, predictive maintenance, or quality control applications within the manufacturing sector. This includes entities that: (a) develop similar AI/ML platforms; (b) offer competing industrial optimization solutions; (c) provide predictive maintenance services; (d) implement quality control systems; or (e) create industrial automation solutions utilizing artificial intelligence.

2.5 "Technical Documentation" means all materials, whether in electronic or physical form, that describe, explain, or detail any aspect of the Company Technology, including: (a) system architecture documents; (b) API specifications; (c) implementation guides; (d) deployment

procedures; (e) maintenance protocols; (f) troubleshooting guides; (g) performance optimization recommendations; and (h) security procedures.

2.6 "Training Data" means any data, datasets, or information used to train, validate, or test the Company's machine learning models, including: (a) raw industrial process data; (b) annotated datasets; (c) validation sets; (d) test cases; (e) benchmark results; (f) performance metrics; and (g) associated metadata.

2.7 "Derivative Works" means any modification, enhancement, improvement, or adaptation of the Company Technology or Confidential Information, including: (a) optimized algorithms; (b) modified models; (c) customized implementations; (d) enhanced features; (e) integration components; and (f) specialized applications developed for specific use cases or customers.

3.0 EMPLOYMENT TERMS AND DUTIES

3.1 Position and Duties

(a) The Company hereby employs the Executive as Chief Machine Learning Officer, reporting directly to the Chief Executive Officer.

(b) The Executive shall be responsible for: (i) Leading the development and implementation of machine learning strategies (ii) Overseeing the Company's AI research initiatives (iii) Managing the machine learning engineering team (iv) Ensuring compliance with AI ethics guidelines (v) Contributing to product strategy and technical vision

(c) The Executive's responsibilities shall further include: (i) Establishing and maintaining technical standards for AI development (ii) Conducting regular assessments of AI system performance (iii) Developing risk mitigation strategies for AI deployments (iv) Representing the Company in technical forums and conferences (v) Collaborating with other C-suite executives on strategic initiatives (vi) Providing quarterly reports to the Board of Directors on AI developments

(d) The Executive shall have authority to: (i) Hire and terminate machine learning team members (ii) Approve AI development methodologies (iii) Establish technical partnerships with third-party vendors (iv) Allocate AI development resources within approved budgets (v) Define technical requirements for AI projects

3.2 Work Location and Schedule

(a) Primary work location shall be the Company's headquarters in Wilmington, Delaware.

(b) Remote work arrangements permitted up to two (2) days per week, subject to Company policy.

(c) The Executive shall: (i) Maintain core working hours of 9:00 AM to 5:00 PM Eastern Time (ii) Be available for emergency technical consultations outside regular hours (iii) Attend

quarterly in-person board meetings (iv) Participate in weekly executive team meetings (v) Travel up to 25% of working time for business purposes

3.3 Performance Standards

The Executive shall: (a) Devote full business time and attention to Company duties (b) Comply with Company's AI Ethics Framework (c) Maintain technical documentation standards (d) Participate in regular code reviews (e) Adhere to data privacy and security protocols

3.4 Technical Oversight and Compliance

(a) The Executive shall ensure: (i) Implementation of robust testing protocols for AI systems (ii) Regular audits of AI model performance and bias (iii) Compliance with industry standards and best practices (iv) Documentation of AI development processes (v) Protection of intellectual property related to AI development

(b) The Executive shall establish and maintain: (i) Quality assurance procedures for AI deployments (ii) Security protocols for AI system access (iii) Data governance frameworks (iv) Model validation procedures (v) Technical documentation requirements

3.5 Professional Development and Team Leadership

(a) The Executive shall: (i) Maintain current knowledge of AI industry developments (ii) Participate in relevant professional organizations (iii) Pursue appropriate technical certifications (iv) Develop team members' technical capabilities (v) Foster innovation within the AI development team

(b) Leadership responsibilities include: (i) Conducting regular team performance reviews (ii) Implementing professional development programs (iii) Mentoring senior technical staff (iv) Building team capacity and capabilities (v) Promoting knowledge sharing and collaboration

3.6 Strategic Planning and Reporting

(a) The Executive shall develop and maintain: (i) Annual AI development roadmaps (ii) Quarterly technical milestone reports (iii) Budget forecasts for AI initiatives (iv) Resource allocation plans (v) Risk assessment frameworks

(b) Regular reporting shall include: (i) Monthly progress updates to CEO (ii) Quarterly presentations to Board of Directors (iii) Annual strategic planning documents (iv) Technical performance metrics (v) Team productivity assessments

3.7 Intellectual Property and Confidentiality

(a) The Executive shall ensure: (i) Protection of Company's AI-related intellectual property (ii) Proper documentation of technical innovations (iii) Compliance with non-disclosure agreements (iv) Secure handling of proprietary algorithms (v) Management of technical trade secrets

4.0 COMPENSATION AND BENEFITS

4.1 Base Salary The Executive shall receive an annual base salary of \$375,000, payable in accordance with Company's standard payroll practices. Such salary shall be reviewed annually by the Board of Directors and may be adjusted upward based on performance, market conditions, and Company financial status. Salary reviews shall occur within thirty (30) days of the Executive's employment anniversary date. Any salary increases shall take effect immediately upon approval and shall not be retroactive.

4.2 Equity Compensation (a) Initial grant of 150,000 restricted stock units (RSUs), subject to the terms and conditions of the Company's Equity Incentive Plan (b) Four-year vesting schedule with one-year cliff, whereby 25% of RSUs vest after one year of continuous service, followed by quarterly vesting of remaining RSUs (c) Additional performance-based equity grants as determined by Board, contingent upon achievement of specified milestones (d) Accelerated vesting provisions apply in the event of a Change in Control, as defined in the Company's Equity Incentive Plan (e) Executive shall have the right to exercise vested options for up to ninety (90) days following termination of employment (f) All equity grants shall be subject to applicable tax withholding requirements

4.3 Annual Bonus Target bonus of 40% of base salary based on: (a) Company performance metrics, including revenue growth, market share, and profitability targets (b) Technical milestone achievement, as defined in annual objectives (c) Team development objectives and organizational growth metrics (d) Bonus determination shall occur within sixty (60) days of fiscal year end (e) Payment of earned bonus shall be made no later than March 15 of the year following the performance year (f) Executive must be actively employed on bonus payment date to receive payment (g) Board maintains discretion to adjust bonus criteria and payment timing based on business conditions

4.4 Benefits Package (a) Health, dental, and vision insurance with premium coverage at 90% for Executive and 75% for dependents (b) 401(k) with 4% company match, vesting immediately upon contribution (c) Life insurance policy valued at 2x annual salary (d) Short-term and long-term disability insurance with 66.67% salary continuation (e) Professional development allowance of \$10,000 annually for approved programs (f) Four weeks paid vacation annually, accruing at 1.67 days per month (g) Unlimited sick leave for medical necessities (h) Ten paid holidays annually as designated by Company (i) Annual executive health screening (j) Mobile phone and home office allowance of \$200 monthly

4.5 Additional Compensation Provisions (a) All compensation subject to required tax withholdings and deductions (b) Company reserves right to modify benefit programs with thirty (30) days notice (c) Executive eligible for participation in future compensation programs established for senior management (d) Reimbursement for reasonable business expenses per Company policy (e) Annual compensation review to ensure market competitiveness (f) Relocation assistance if required by Company, including temporary housing and moving

expenses (g) Company car allowance of \$750 monthly or equivalent transportation benefit (h) Supplemental executive retirement plan participation upon meeting eligibility requirements (i) Financial planning and tax preparation services allowance of \$5,000 annually (j) Club membership dues reimbursement for business-related activities

4.6 Compensation Recovery Company maintains right to recover compensation in the event of: (a) Material financial restatement (b) Executive misconduct (c) Violation of non-compete or confidentiality provisions (d) Fraudulent activity or gross negligence (e) As required by applicable laws or regulations

5.0 INTELLECTUAL PROPERTY AND INVENTIONS

5.1 Assignment of Inventions

(a) The Executive hereby irrevocably assigns, transfers, and conveys to the Company all right, title, and interest in and to: (i) All inventions, improvements, discoveries, developments, designs, innovations, and technical advances made, conceived, reduced to practice, or developed (whether alone or jointly with others) during the period of employment (ii) All machine learning models, algorithms, neural networks, and artificial intelligence systems developed or enhanced during employment (iii) All technical documentation, source code, specifications, implementations, and related materials (iv) All modifications, derivatives, and improvements to existing Company intellectual property (v) Any intellectual property created using Company resources, facilities, or confidential information

(b) The Executive acknowledges and agrees that: (i) All such inventions and intellectual property shall be "works made for hire" under applicable copyright laws (ii) The Company shall be considered the author and owner of such works (iii) If any such works are not considered works made for hire, they are hereby assigned to the Company

5.2 AI Algorithm Ownership

(a) The Company shall exclusively own all rights, title, and interest in: (i) Neural network architectures, topologies, and configurations (ii) Training methodologies, optimization techniques, and hyperparameter settings (iii) Model parameters, weights, biases, and learned representations (iv) Data preprocessing methods and feature engineering techniques (v) Model deployment strategies and inference optimization methods (vi) Associated technical documentation, research notes, and experimental results

(b) The Executive shall: (i) Maintain detailed records of all AI/ML development activities (ii) Document all training datasets, methodologies, and experimental results (iii) Preserve all version histories and development iterations (iv) Transfer all such documentation to the Company upon request

5.3 Patent Rights and Protection

(a) The Executive shall: (i) Cooperate fully in securing patent protection for Company inventions (ii) Execute all necessary documents for patent applications (iii) Assist in prosecuting patent applications (iv) Provide testimony in any patent-related proceedings

(b) The Company shall have the exclusive right to: (i) File patent applications on any invention within the scope of this agreement (ii) Prosecute such applications worldwide (iii) Maintain and enforce resulting patents (iv) License or transfer patent rights at its discretion

5.4 Open Source Software

(a) The Executive shall strictly comply with the Company's open source software policy, including: (i) Obtaining written approval before incorporating any open source components (ii) Maintaining detailed records of all open source usage (iii) Ensuring compliance with all applicable open source licenses (iv) Conducting regular open source audits of all code bases

(b) Prohibited Actions: (i) Incorporating open source components that could require disclosure of Company proprietary code (ii) Using open source software with viral or copyleft licensing terms (iii) Contributing Company code to open source projects without approval (iv) Modifying open source licenses without legal review

5.5 Disclosure and Documentation

(a) The Executive shall promptly disclose to the Company: (i) All inventions, improvements, and discoveries (ii) All potential patentable innovations (iii) All technical advances and implementations (iv) Any use of open source components

(b) Required Documentation: (i) Detailed technical specifications and architectures (ii) Source code and implementation details (iii) Research notes and experimental results (iv) Training data specifications and preprocessing methods

5.6 Third-Party Rights

(a) The Executive warrants that: (i) All assigned intellectual property is free from third-party claims (ii) No third-party intellectual property rights are infringed (iii) All necessary rights and permissions have been obtained (iv) No confidentiality obligations to others are breached

5.7 Post-Employment Obligations

(a) The Executive shall: (i) Continue to assist with intellectual property protection (ii) Execute necessary documentation for patent applications (iii) Maintain confidentiality of all intellectual property (iv) Return all materials and documentation upon employment termination

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

NEXUS INDUSTRIAL INTELLIGENCE, INC.

By: _____ Name: Dr. Sarah Chen Title: Chief Executive Officer

EXECUTIVE:

Dr. Alexander Patel

[Exhibits and appendices to follow]