

# **INTELLECTUAL PROPERTY DOCUMENTATION AND OWNERSHIP DECLARATION**

THIS INTELLECTUAL PROPERTY DOCUMENTATION AND OWNERSHIP 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 PREAMBLE AND RECITALS**

WHEREAS, the Company, Nexus Industrial Intelligence, Inc., a corporation duly organized and existing under the laws of Delaware, with its principal place of business at 2500 Innovation Drive, Suite 400, Silicon Valley, California 94025, has developed and owns certain proprietary artificial intelligence and machine learning technologies, including its flagship NexusCore™ Industrial AI Platform;

WHEREAS, such technologies include computer vision systems, predictive analytics algorithms, edge computing solutions, and industrial control system integration capabilities (collectively, the "Technology Stack"), developed through substantial investment of time, resources, and expertise since the Company's inception in 2018;

WHEREAS, the Technology Stack encompasses proprietary software architectures, mathematical models, training datasets, neural network configurations, deployment frameworks, and associated documentation, representing significant commercial value and competitive advantage in the industrial automation sector;

WHEREAS, the Company has invested in excess of fifty million dollars (\$50,000,000) in research and development activities related to the Technology Stack, resulting in numerous pending patent applications and registered intellectual property rights across multiple jurisdictions;

WHEREAS, the Company desires to formally document and declare its ownership of and rights in such intellectual property assets, including all improvements, modifications, and derivative works thereof;

WHEREAS, this Declaration shall serve as the definitive record of the Company's intellectual property rights and establish protocols for their protection and maintenance, in accordance with applicable federal, state, and international laws; and

WHEREAS, this Declaration is made with full authority of the Company's Board of Directors, as evidenced by resolution dated [DATE].

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

## **2.0 DEFINITIONS AND INTERPRETATION**

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

(a) "Proprietary Technology" means all Technology Stack components, including without limitation: (i) The NexusCore™ Industrial AI Platform; (ii) All associated source code, object code, firmware, and software; (iii) All algorithms, models, and methodologies; (iv) All documentation, designs, and technical specifications; (v) Any derivatives, modifications, or improvements thereof; and (vi) All related intellectual property rights, whether registered or unregistered.

(b) "Computer Vision Systems" means the Company's proprietary machine vision and image processing technologies that enable automated visual inspection, quality control, and process monitoring, including: (i) Image capture and preprocessing systems; (ii) Feature detection and recognition algorithms; (iii) Deep learning-based object detection models; and (iv) Real-time video analytics capabilities.

(c) "Machine Learning Algorithms" means the Company's proprietary artificial intelligence and machine learning models, including: (i) All training data, parameters, and optimization techniques; (ii) Neural network architectures and weights; (iii) Reinforcement learning systems; (iv) Statistical and probabilistic models; and (v) Model deployment and serving infrastructure.

(d) "Edge Computing Solutions" means the Company's distributed computing architecture and implementation methodologies for local data processing and analytics, encompassing: (i) Edge device hardware specifications; (ii) Local processing units and accelerators; (iii) Data preprocessing and filtering mechanisms; (iv) Edge-to-cloud communication protocols; and (v) Resource optimization algorithms.

(e) "Industrial Control Systems Integration" means all interfaces, protocols, and methods developed by the Company to enable communication with and control of industrial equipment and processes, including: (i) Protocol adapters and converters; (ii) Equipment drivers and firmware; (iii) Real-time control algorithms; (iv) Safety and redundancy systems; and (v) Process optimization modules.

2.2 Interpretation. In this Declaration: (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 Declaration; (d) "Including" means "including without limitation"; (e) References to any gender include all genders; (f) References to persons

include corporations, partnerships, and other legal entities; (g) References to writing include any mode of reproducing words in visible form; (h) References to time are to local time in the jurisdiction of incorporation; (i) References to statutory provisions include any statutory modification or re-enactment; (j) References to any agreement or document include any permitted amendments; and (k) References to "hereunder," "hereof," or "herein" relate to this Declaration as a whole.

2.3 Conflicts. In the event of any conflict between the terms defined herein and any other agreement between the parties, the definitions set forth in this Declaration shall prevail unless explicitly stated otherwise in writing.

## **3.0 INTELLECTUAL PROPERTY OWNERSHIP**

### **3.1 Core Technology Stack Ownership**

The Company hereby declares and affirms that it is the sole and exclusive owner of all right, title, and interest in and to the Technology Stack, including:

(a) All Proprietary Technology components, including but not limited to source code, object code, algorithms, data structures, architectures, and technical documentation; (b) All associated intellectual property rights worldwide, encompassing patents, copyrights, trademarks, trade dress, and design rights; (c) All improvements, modifications, and derivative works, whether created internally or through external collaboration; (d) All related trade secrets and confidential information, including development methodologies, technical specifications, and proprietary processes.

### **3.2 Derivative Works**

(a) The Company shall own all derivative works, modifications, and improvements to the Technology Stack, whether created by the Company's employees, contractors, or through automated machine learning processes.

(b) Any customizations or adaptations created for specific customer implementations shall remain the Company's exclusive property, subject to customer license rights as separately documented.

(c) The scope of derivative works includes, but is not limited to: (i) Custom modules and extensions (ii) Interface modifications and enhancements (iii) Performance optimizations and scalability improvements (iv) Integration components and APIs (v) Documentation and training materials

### **3.3 Improvements and Modifications**

(a) All improvements and modifications to the Technology Stack, regardless of their origin, shall be automatically assigned to the Company, including: (i) Bug fixes and security patches

(ii) Feature enhancements and additions (iii) User interface improvements (iv) Backend optimizations and infrastructure updates (v) Database schema modifications

(b) Contributors to such improvements, including employees and contractors, shall: (i) Execute necessary documentation to perfect the Company's ownership rights (ii) Maintain detailed records of all modifications (iii) Comply with the Company's development standards and procedures (iv) Preserve confidentiality of all related intellectual property

### 3.4 Third-Party Components

(a) The Company acknowledges that certain components of the Technology Stack may incorporate third-party software or libraries under appropriate licenses.

(b) All such third-party components are properly licensed and their use complies with applicable terms and conditions.

(c) The Company maintains a comprehensive inventory of: (i) All third-party components and their versions (ii) Associated license agreements and terms (iii) Usage restrictions and compliance requirements (iv) Attribution and notice requirements

### 3.5 Intellectual Property Protection

(a) The Company shall maintain appropriate registrations and protections for its intellectual property, including: (i) Patent applications and maintenance (ii) Copyright registrations (iii) Trademark registrations and monitoring (iv) Trade secret protection protocols

(b) The Company shall implement and maintain: (i) Regular intellectual property audits (ii) Security measures to protect proprietary information (iii) Employee training on IP protection (iv) Monitoring systems for potential infringement

### 3.6 Assignment and Transfer

(a) All employees, contractors, and consultants shall: (i) Execute appropriate assignment agreements (ii) Acknowledge the Company's exclusive ownership rights (iii) Waive any moral rights or similar claims (iv) Cooperate in protecting the Company's IP rights

(b) The Company reserves the right to: (i) Transfer or assign any intellectual property rights (ii) Grant licenses or sublicenses (iii) Enforce its rights against infringers (iv) Modify or discontinue any component of the Technology Stack

### 3.7 Dispute Resolution

(a) Any disputes regarding intellectual property ownership shall be: (i) Initially addressed through internal resolution procedures (ii) Mediated by qualified intellectual property mediators (iii) Subject to binding arbitration if necessary (iv) Governed by applicable intellectual property laws

(b) The Company shall maintain the right to seek: (i) Injunctive relief (ii) Monetary damages (iii) Other appropriate remedies (iv) Recovery of enforcement costs and attorney fees

## **4.0 PROTECTION AND MAINTENANCE**

### **4.1 Trade Secret Protection**

(a) The Company shall maintain strict confidentiality measures to protect trade secrets within the Technology Stack, including: (i) Access controls and monitoring systems with multi-factor authentication; (ii) Employee confidentiality agreements with specific provisions for AI technologies; (iii) Secure development and testing environments with isolated networks; (iv) Data encryption and security protocols utilizing industry-standard algorithms; (v) Regular security audits and vulnerability assessments; (vi) Physical security measures for server locations and development facilities; (vii) Visitor management protocols and non-disclosure requirements.

(b) The Company shall implement specific measures for protecting AI algorithms, including: (i) Segmentation of algorithmic components; (ii) Access logging and monitoring of algorithm modifications; (iii) Version control systems with detailed change tracking; (iv) Regular backup procedures and secure off-site storage.

### **4.2 Patent Strategy**

(a) The Company shall pursue patent protection for eligible innovations within the Technology Stack, including: (i) Core algorithmic improvements and computational methods; (ii) Novel system architectures and infrastructure designs; (iii) Unique industrial process optimization methods; (iv) Specialized machine learning techniques and training methodologies; (v) Hardware-software integration methods; (vi) Data processing and analysis techniques.

(b) Patent prosecution procedures shall include: (i) Regular invention disclosure reviews; (ii) Prior art searches and patentability assessments; (iii) Strategic filing in key jurisdictions; (iv) Maintenance of patent families and continuations; (v) Defense against third-party challenges.

### **4.3 Copyright Registration**

(a) The Company shall register copyrights for all original works of authorship within the Technology Stack, including: (i) Software code and documentation; (ii) Technical specifications and architecture diagrams; (iii) User interfaces and graphics; (iv) Training materials and manuals; (v) API documentation and integration guides; (vi) Database structures and schemas.

(b) Copyright protection measures shall include: (i) Source code escrow arrangements; (ii) Digital watermarking of documentation; (iii) Regular copyright notice updates; (iv) Registration renewal monitoring; (v) Infringement monitoring and enforcement procedures.

### **4.4 Trademark Management**

(a) The Company shall maintain and protect all trademarks associated with the Technology Stack, including: (i) "NexusCore™" and related marks; (ii) Product and service identifiers; (iii) Logo designs and visual elements; (iv) Marketing slogans and taglines.

(b) Trademark protection procedures shall include: (i) Regular usage monitoring and documentation; (ii) Renewal deadline tracking; (iii) Market surveillance for potential infringement; (iv) Style guide maintenance and enforcement; (v) International registration management.

#### 4.5 Maintenance and Updates

(a) The Company shall establish regular review procedures for all intellectual property assets: (i) Annual portfolio reviews; (ii) Maintenance fee payment schedules; (iii) Technology assessment and obsolescence evaluation; (iv) Documentation updates and version control; (v) License compliance monitoring.

(b) The Company shall maintain comprehensive records of: (i) All intellectual property filings and registrations; (ii) Maintenance and renewal deadlines; (iii) Third-party licenses and obligations; (iv) Enforcement actions and disputes; (v) Technology transfer agreements.

## 5.0 CONFIDENTIALITY AND SECURITY

### 5.1 Data Security Requirements

(a) All Technology Stack components shall be maintained with enterprise-grade security measures, including: (i) Multi-factor authentication with biometric verification; (ii) End-to-end encryption using industry-standard protocols (minimum AES-256); (iii) Quarterly third-party security audits and penetration testing; (iv) Advanced intrusion detection and prevention systems with real-time monitoring; (v) Secure data backup systems with geographic redundancy; (vi) Regular vulnerability assessments and patch management protocols.

### 5.2 Access Controls

(a) Access to Technology Stack components shall be strictly controlled through: (i) Role-based access control with principle of least privilege; (ii) Isolated secure development environments with air-gapped systems; (iii) Version control systems with signed commits and change tracking; (iv) Comprehensive audit logging and monitoring with retention periods; (v) Regular access review and certification processes; (vi) Secure remote access protocols with VPN requirements.

### 5.3 Employee Obligations

(a) All employees shall be bound by: (i) Comprehensive confidentiality agreements covering trade secrets; (ii) Intellectual property assignments with perpetual obligations; (iii) Security policies and procedures with annual acknowledgment; (iv) Mandatory quarterly security awareness training; (v) Background checks and security clearance requirements; (vi) Post-employment confidentiality obligations.

### 5.4 Third-Party Security Requirements

(a) All third-party vendors and contractors must: (i) Execute comprehensive non-disclosure agreements; (ii) Maintain SOC 2 Type II certification or equivalent; (iii) Submit to regular security assessments; (iv) Provide breach notification within 24 hours; (v) Maintain cyber liability insurance coverage.

#### 5.5 Data Breach Response

(a) The Company shall maintain: (i) Incident response plans with defined roles and responsibilities; (ii) Regular tabletop exercises and response drills; (iii) Breach notification procedures compliant with regulations; (iv) Digital forensics and incident documentation protocols; (v) Business continuity and disaster recovery plans.

#### 5.6 Compliance Requirements

(a) Security measures shall comply with: (i) Industry standards including ISO 27001 and NIST frameworks; (ii) Applicable data protection regulations; (iii) Sector-specific security requirements; (iv) Regular compliance audits and certifications; (v) Documentation of all security controls and procedures.