

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, Suite 400, Wilmington, Delaware 19801 (the "Company"), and ALEXANDER THOMPSON, an individual residing at 1742 Technology Lane, Cambridge, Massachusetts 02142 (the "Executive").

1.0 PREAMBLE AND RECITALS

WHEREAS, Nexus Industrial Intelligence, Inc., a corporation duly organized and existing under the laws of the State of Delaware, with its principal place of business at 2500 Innovation Drive, Suite 400, Boston, Massachusetts 02210 (hereinafter referred to as 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 (the "Business");

WHEREAS, the Company has established itself as a leader in artificial intelligence solutions for industrial applications, holding multiple patents and proprietary technologies essential to its operations;

WHEREAS, the Company desires to employ the Executive as Chief Product Officer, and the Executive desires to accept such employment with the Company, bringing extensive experience in product development and technological innovation;

WHEREAS, the Board of Directors of the Company, during its quarterly meeting, has approved the employment of the Executive on the terms and conditions set forth herein pursuant to a resolution dated January 10, 2024, as recorded in the corporate minutes and unanimously endorsed by all present board members;

WHEREAS, this Agreement supersedes and replaces any and all prior agreements, whether written or oral, between the parties relating to the subject matter herein; and

WHEREAS, the Executive and the Company desire to enter into this Agreement to set forth the terms and conditions of the Executive's employment with the Company, including compensation, benefits, duties, and responsibilities.

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

2.0 DEFINITIONS AND INTERPRETATIONS

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

(a) "Cause" means (i) Executive's material breach of this Agreement; (ii) Executive's conviction of, or plea of guilty or nolo contendere to, a felony or any crime involving moral turpitude; (iii) Executive's willful misconduct or gross negligence in the performance of duties; (iv) Executive's unauthorized disclosure of Confidential Information; or (v) Executive's material violation of Company policies, including but not limited to data security protocols, ethical AI guidelines, or compliance procedures.

(b) "Change in Control" means (i) the acquisition by any person or group of more than 50% of the Company's voting securities; (ii) a merger or consolidation where the Company's shareholders immediately prior hold less than 50% of the surviving entity; (iii) the sale of all or substantially all of the Company's assets; or (iv) a substantial change in the composition of the Board of Directors where at least two-thirds of incumbent directors are replaced within a twenty-four month period.

(c) "Confidential Information" means all non-public information relating to the Company's technology, including but not limited to machine learning algorithms, neural network architectures, training datasets, computer vision systems, edge computing implementations, predictive maintenance models, optimization techniques, data preprocessing methodologies, model validation protocols, system integration specifications, client deployment strategies, performance metrics, benchmarking data, and any other proprietary technical or business information. This includes all derivative works, improvements, and modifications thereof, whether created by the Company or its employees, contractors, or partners.

(d) "Competitive Business" means any business engaged in developing or commercializing artificial intelligence or machine learning solutions for industrial applications, including process optimization, predictive maintenance, quality control systems, automated inspection systems, industrial IoT platforms, manufacturing analytics solutions, or similar technology-enabled industrial optimization services within the territories where the Company operates or plans to operate as outlined in its strategic plans.

(e) "Intellectual Property" means all patents, copyrights, trade secrets, know-how, and other intellectual property rights relating to the Company's technology, including all improvements, modifications, and derivative works thereof, whether registered or unregistered, and encompassing: (i) Software code, algorithms, and computational methods; (ii) System architectures and technical specifications; (iii) Training methodologies and model optimization techniques; (iv) Data collection and preprocessing protocols; (v) User interface designs and implementation methods; (vi) Documentation, manuals, and technical materials; (vii) Research findings and experimental results; and (viii) Customer-specific implementations and customizations.

2.2 Interpretation. In this Agreement, unless the context otherwise requires: (a) words importing the singular include the plural and vice versa; (b) references to sections, exhibits, and schedules are to those in this Agreement; (c) headings are for convenience only and do not affect interpretation; and (d) references to "including" mean "including without limitation."

3.0 EMPLOYMENT TERMS AND DUTIES

3.1 Position and Duties.

(a) The Company hereby employs the Executive, and the Executive hereby accepts employment, as Chief Product Officer of the Company, reporting directly to the Chief Executive Officer.

(b) The Executive shall have responsibility for: (i) Leading product strategy and roadmap development, including long-term strategic planning, market analysis, and competitive positioning (ii) Overseeing the NexusCore™ Industrial AI Platform, including its architecture, functionality, and continuous improvement (iii) Managing the product development team, including recruitment, development, and performance evaluation of product managers and specialists (iv) Coordinating with sales and engineering teams to ensure product alignment and successful implementation (v) Ensuring product market alignment through customer feedback integration and market research

(c) Additional responsibilities shall include: (i) Establishing and maintaining product development methodologies (ii) Developing and managing product budgets and resource allocation (iii) Representing the Company at industry conferences and events (iv) Participating in strategic partnership negotiations (v) Contributing to intellectual property strategy and protection

3.2 Performance Standards.

(a) The Executive shall devote substantially all business time and efforts to the Company's business and affairs, maintaining the highest standards of professional conduct.

(b) The Executive shall perform duties at the Company's headquarters in Wilmington, Delaware, with up to 40% remote work permitted subject to Company policies.

(c) Performance expectations include: (i) Meeting quarterly product development milestones (ii) Achieving customer satisfaction metrics (iii) Maintaining product development schedules (iv) Meeting budget targets and resource utilization goals (v) Ensuring team performance and professional development

3.3 Compliance and Policies.

(a) The Executive shall comply with all Company policies, including but not limited to: (i) Code of Business Conduct (ii) Information Security Policy (iii) AI Ethics Guidelines (iv)

Insider Trading Policy (v) Data Privacy and Protection Standards (vi) Intellectual Property Protection Protocols (vii) Environmental, Social, and Governance (ESG) Guidelines

(b) The Executive shall maintain: (i) Appropriate security clearances and certifications (ii) Professional memberships and credentials (iii) Continuing education requirements (iv) Industry-standard best practices

3.4 Work Environment and Resources.

(a) The Company shall provide: (i) Necessary equipment and technology resources (ii) Access to required systems and databases (iii) Administrative support as appropriate (iv) Professional development opportunities

(b) The Executive shall maintain a professional work environment that: (i) Promotes innovation and creativity (ii) Ensures team collaboration and productivity (iii) Upholds Company culture and values (iv) Supports diversity and inclusion initiatives

3.5 Reporting and Communication.

(a) The Executive shall: (i) Provide weekly status reports to the CEO (ii) Conduct monthly product reviews with stakeholders (iii) Present quarterly updates to the Board of Directors (iv) Maintain regular communication with team members and departments

(b) Documentation requirements include: (i) Product development plans and roadmaps (ii) Team performance evaluations (iii) Budget and resource allocation reports (iv) Strategic planning documents (v) Compliance and risk assessment reports

3.6 Performance Review and Adjustment.

(a) The Executive's performance shall be reviewed: (i) Quarterly for operational metrics (ii) Annually for strategic objectives (iii) As needed for specific project milestones

(b) Performance metrics may be adjusted based on: (i) Market conditions (ii) Company strategic priorities (iii) Technology advancement (iv) Regulatory requirements

4.0 COMPENSATION AND BENEFITS

4.1 Base Salary. The Executive shall receive an annual base salary of \$375,000, payable in accordance with the Company's normal payroll practices. The base salary shall be reviewed annually by the Board of Directors and may be increased but not decreased without the Executive's written consent. All payments shall be subject to applicable tax withholdings and deductions as required by law.

4.2 Equity Compensation.

(a) Initial Grant. The Executive shall receive an initial grant of 200,000 Restricted Stock Units (RSUs), subject to the following: (i) Four-year vesting schedule with one-year cliff, whereby 25% of the RSUs vest on the first anniversary of the grant date, and the remaining RSUs vest

in equal quarterly installments over the subsequent three years (ii) Accelerated vesting upon Change in Control, as defined in Section 8.3 (iii) Subject to the Company's 2023 Equity Incentive Plan and associated Award Agreement (iv) Fair Market Value determined as of the grant date in accordance with the Plan (v) Subject to continued employment through each vesting date

(b) Annual Refresh. The Executive shall be eligible for annual equity refreshes based on performance and market conditions, with the following provisions: (i) Annual review by the Board of Directors (ii) Target value range of 50-100% of base salary (iii) Subject to available equity pool and dilution considerations (iv) Vesting schedule aligned with Company's standard refresh grant terms (v) Consideration of Company's growth stage and future funding rounds

4.3 Performance Bonus.

(a) Annual Target Bonus of 50% of base salary based on: (i) Company revenue targets, weighted at 40% of bonus opportunity (ii) Product development milestones, weighted at 30% of bonus opportunity (iii) Customer satisfaction metrics, weighted at 30% of bonus opportunity

(b) Bonus Terms and Conditions: (i) Payable annually following the close of the fiscal year (ii) Pro-rated for partial year service (iii) Subject to continued employment through payment date (iv) Board discretion to adjust metrics and weightings annually (v) Opportunity for over-achievement up to 200% of target

4.4 Benefits.

(a) Health and Welfare Benefits: (i) Premium medical, dental, and vision coverage for Executive and eligible dependents (ii) Company to cover 90% of premium costs (iii) Coverage effective first day of employment (iv) Annual benefits selection during open enrollment

(b) Retirement Benefits: (i) 401(k) plan participation with immediate eligibility (ii) Company match of 100% on first 4% of contributions (iii) Immediate vesting of Company matching contributions (iv) Additional discretionary profit-sharing contributions as determined annually

(c) Insurance Coverage: (i) Term life insurance coverage of 2x annual base salary (ii) Short-term disability coverage at 66.67% of base salary (iii) Long-term disability coverage at 60% of base salary (iv) Supplemental executive disability coverage available (v) Business travel accident insurance

(d) Paid Time Off and Leave: (i) Unlimited paid time off subject to business needs (ii) 12 paid holidays annually (iii) Parental leave per Company policy (iv) Bereavement leave per Company policy (v) Sabbatical eligibility after 5 years of service

4.5 Additional Benefits.

(a) Professional Development: (i) Annual allowance of \$10,000 for continuing education (ii) Professional membership dues reimbursement (iii) Executive coaching services as approved

(b) Business Expenses: (i) Reimbursement for reasonable business expenses (ii) First/business class travel for flights over 4 hours (iii) Monthly technology allowance of \$200 (iv) Home office setup allowance of \$5,000

(c) Relocation Benefits (if applicable): (i) Moving expenses up to \$50,000 (ii) Temporary housing for up to 60 days (iii) Home sale/purchase assistance (iv) Tax gross-up on taxable relocation benefits

4.6 Review and Adjustment.

All compensation and benefits shall be reviewed annually and may be adjusted to maintain market competitiveness and reflect Company performance. Any modifications to compensation or benefits shall be documented in writing and require Board approval.

5.0 INTELLECTUAL PROPERTY AND CONFIDENTIALITY

5.1 Assignment of Inventions.

(a) The Executive hereby irrevocably assigns, transfers, and conveys to the Company all right, title, and interest, worldwide, in and to any Intellectual Property conceived, developed, created, or reduced to practice during the period of employment, whether individually or jointly, whether during or after regular business hours, and whether or not using Company resources.

(b) "Intellectual Property" includes, without limitation: inventions, discoveries, developments, modifications, improvements, designs, processes, procedures, techniques, formulas, computer programs, databases, algorithms, machine learning models, artificial intelligence systems, research, writings, and other works of authorship.

(c) The Executive shall promptly and fully disclose all Intellectual Property to the Company in writing, and shall during and after employment: (i) Execute all documents and perform all actions necessary to perfect the Company's ownership (ii) Assist in obtaining and maintaining intellectual property rights (iii) Testify in any legal proceedings regarding such Intellectual Property (iv) Waive any moral rights or similar non-transferable rights

5.2 Confidentiality Obligations.

(a) The Executive shall maintain strict confidentiality of all Confidential Information, defined as: (i) Technical information, including software, designs, processes, algorithms, formulas, models, and compilations (ii) Business information, including customer lists, pricing, strategies, and market data (iii) Financial information, including projections, budgets, and accounting data (iv) Personnel information and human resources data (v) Research and development information (vi) Any information marked confidential or that would reasonably be considered confidential

(b) The Executive's confidentiality obligations include: (i) Using Confidential Information solely for authorized Company business purposes (ii) Not disclosing Confidential Information

to any third party without prior written consent (iii) Implementing and maintaining reasonable security measures to prevent unauthorized access (iv) Immediately reporting any known or suspected unauthorized disclosure (v) Returning or destroying all Confidential Information upon termination (vi) Continuing confidentiality obligations indefinitely after employment ends

5.3 Trade Secret Protection.

(a) The Executive acknowledges that the Company's AI/ML algorithms, models, and related technologies constitute valuable trade secrets requiring perpetual protection, including: (i) Neural network architectures and training methodologies (ii) Feature engineering techniques and data preprocessing methods (iii) Model optimization strategies and hyperparameter configurations (iv) Training data selection and augmentation procedures (v) Performance metrics and evaluation frameworks

(b) The Executive shall take special precautions regarding trade secrets: (i) Maintaining strict access controls and documentation (ii) Segregating trade secret information from other data (iii) Using encryption and secure storage methods (iv) Following all security protocols and best practices (v) Preventing unauthorized copying or transmission

5.4 Intellectual Property Rights.

(a) The Executive acknowledges the Company's exclusive ownership of: (i) Patents, patent applications, and patent rights (ii) Copyrights and copyright registrations (iii) Trademarks, service marks, and trade names (iv) Trade secrets and confidential know-how (v) Software and source code (vi) Data and database rights

(b) The Executive shall assist in protecting these rights by: (i) Participating in patent applications and prosecutions (ii) Helping identify and document innovative developments (iii) Supporting intellectual property enforcement actions (iv) Maintaining proper documentation and records

5.5 Post-Employment Obligations.

(a) Upon termination of employment, the Executive shall: (i) Return all Company property, documents, and materials (ii) Delete all Confidential Information from personal devices (iii) Provide written certification of compliance (iv) Continue to protect Confidential Information indefinitely

(b) The Executive acknowledges that: (i) Breach of these obligations may cause irreparable harm (ii) Monetary damages alone may be inadequate (iii) Injunctive relief may be necessary and appropriate (iv) The Company may pursue all available legal remedies

5.6 Survival and Enforcement.

(a) These obligations shall survive the termination of employment.

(b) Any breach may result in: (i) Immediate termination of employment (ii) Legal action for damages (iii) Injunctive relief (iv) Recovery of attorney's fees and costs (v) Criminal penalties where applicable

[Signature blocks, exhibits, and standard legal boilerplate follow...]