

INTELLECTUAL PROPERTY RIGHTS AND PROTECTION AGREEMENT

THIS INTELLECTUAL PROPERTY RIGHTS AND PROTECTION AGREEMENT (the "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 ("Nexus" or the "Company").

1.0 RECITALS

WHEREAS, Nexus is engaged in the development, deployment, and commercialization of artificial intelligence and machine learning technologies for industrial applications, including its proprietary NexusCore™ Industrial AI Platform;

WHEREAS, the Company has developed substantial intellectual property assets comprising computer vision systems, machine learning algorithms, edge computing solutions, and industrial control system integration technologies;

WHEREAS, the Company desires to establish comprehensive documentation regarding the ownership, protection, and permitted uses of its intellectual property assets;

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

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) "Artificial Intelligence Components" means the Company's proprietary machine learning models, neural networks, decision algorithms, and related computational systems that form the core of the NexusCore™ platform, including but not limited to predictive maintenance algorithms, anomaly detection systems, optimization routines, and adaptive learning mechanisms deployed across industrial applications.

(b) "Computer Vision Systems" means the Company's proprietary image processing, object detection, and visual analysis technologies used for industrial inspection and quality control,

encompassing multi-spectral imaging systems, defect detection algorithms, dimensional analysis tools, and real-time visual monitoring solutions.

(c) "Edge Computing Solutions" means the Company's distributed computing architecture and software designed to process data near the source of data generation, including local processing units, embedded systems, gateway devices, and associated firmware that enables real-time data analysis and decision-making at the network edge.

(d) "Industrial Control Integration Systems" means the Company's software interfaces, protocols, and systems designed to connect with and enhance industrial control and automation systems, including programmable logic controller (PLC) interfaces, supervisory control and data acquisition (SCADA) integration components, and manufacturing execution system (MES) connectivity modules.

(e) "Proprietary Technology" means, collectively, all Company-owned software, algorithms, methodologies, processes, databases, tools, and technical documentation, whether in source code or object code form, including all modifications, improvements, derivatives, and associated intellectual property rights.

(f) "Technical Documentation" means all manuals, specifications, designs, schematics, architecture diagrams, user guides, and other documentation related to the implementation, operation, and maintenance of the NexusCore™ platform.

(g) "Confidential Information" means any non-public technical, business, or operational information related to the Proprietary Technology, including but not limited to algorithms, architectures, source code, and performance metrics.

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) The term "including" means "including without limitation"

(e) Technical terms shall be interpreted according to their generally accepted meaning within the industrial automation and artificial intelligence industries

(f) References to any technology, standard, or protocol shall be deemed to include successor technologies, standards, or protocols that substantially replace or supersede them

(g) Any reference to software or systems includes all associated components, modules, interfaces, and documentation necessary for their operation

(h) Time periods shall be calculated in calendar days unless otherwise specified

(i) References to intellectual property rights shall encompass all current and future rights under patent, copyright, trade secret, and other applicable intellectual property laws

(j) Any ambiguity in technical specifications shall be resolved in favor of maintaining system security, reliability, and performance

2.3 Precedence. In the event of any conflict between the definitions in this Section and any technical specifications or documentation, the definitions in this Section shall prevail unless explicitly stated otherwise in writing.

3.0 INTELLECTUAL PROPERTY RIGHTS

3.1 Ownership of Artificial Intelligence Assets

(a) The Company exclusively owns all right, title, and interest in and to: (i) All machine learning models and algorithms (ii) Training methodologies and model architectures (iii) Neural network designs and implementations (iv) Decision optimization systems (v) All related improvements and derivatives (vi) Ensemble methods and hybrid AI approaches (vii) Reinforcement learning systems and policies (viii) Feature engineering methodologies (ix) Model compression techniques (x) Transfer learning implementations

(b) The Company maintains sole ownership of all training data, model parameters, and weights generated through the development and operation of its AI systems, including: (i) Raw and processed training datasets (ii) Data augmentation procedures (iii) Validation and test sets (iv) Model hyperparameters (v) Optimization metrics and benchmarks

(c) All intellectual property created through automated machine learning processes or AI-assisted development shall be deemed Company property, including: (i) Auto-generated code (ii) Automated feature selection results (iii) Architecture search outcomes (iv) Self-optimized parameters

3.2 Software and Code Rights

(a) The Company retains exclusive ownership of: (i) All source code and object code (ii) Software architecture and design patterns (iii) APIs and integration frameworks (iv) Development tools and utilities (v) Technical documentation and specifications (vi) Configuration files and deployment scripts (vii) Testing frameworks and test cases (viii) Build and compilation artifacts (ix) Version control repositories (x) Continuous integration/deployment pipelines

(b) Third-party components are utilized only pursuant to valid licenses and are clearly identified in Exhibit A. The Company shall: (i) Maintain current license compliance (ii) Document all third-party usage (iii) Conduct regular license audits (iv) Ensure proper attribution (v) Monitor license changes

3.3 Patent Rights

(a) The Company owns all patents and patent applications listed in Exhibit B, including all: (i) Issued patents (ii) Pending applications (iii) Provisional applications (iv) Continuations and

divisionals (v) Foreign counterparts (vi) Priority claims (vii) Patent cooperation treaty applications (viii) Reissue applications (ix) Extensions and adjustments (x) Related know-how and improvements

(b) The Company shall actively maintain and enforce its patent portfolio through: (i) Timely payment of maintenance fees (ii) Prosecution of pending applications (iii) Defense against invalidity challenges (iv) Monitoring for infringement (v) Strategic filing of continuation applications

3.4 Trade Secrets

(a) The Company maintains as trade secrets: (i) Algorithm optimization techniques (ii) Model training procedures (iii) System architecture designs (iv) Customer implementation methodologies (v) Performance optimization strategies (vi) Proprietary data preprocessing methods (vii) Custom loss functions (viii) Hyperparameter optimization approaches (ix) Model evaluation metrics (x) Deployment optimization techniques

(b) The Company shall implement the following trade secret protection measures: (i) Access controls and monitoring (ii) Confidentiality agreements (iii) Information classification systems (iv) Security protocols (v) Employee training programs

3.5 Derivative Works and Improvements

(a) All derivative works, modifications, and improvements to Company intellectual property shall be owned exclusively by the Company, including: (i) Customer-specific adaptations (ii) Integration modifications (iii) Performance optimizations (iv) Feature enhancements (v) Bug fixes and patches

(b) Any intellectual property developed using Company resources, including: (i) Computing infrastructure (ii) Development tools (iii) Proprietary data (iv) Internal knowledge bases (v) Company time or facilities

shall be assigned to and owned by the Company.

3.6 License Grants

(a) The Company may, at its sole discretion, grant limited licenses to its intellectual property, subject to: (i) Written agreement terms (ii) Usage restrictions (iii) Confidentiality obligations (iv) Payment of applicable fees (v) Compliance monitoring requirements

4.0 CONFIDENTIALITY AND DATA PROTECTION

4.1 Confidential Information

(a) "Confidential Information" includes: (i) All Proprietary Technology, including source code, algorithms, and system architectures (ii) Technical specifications, documentation, research data, and development methodologies (iii) Customer data, usage patterns, behavioral analytics,

and engagement metrics (iv) Business and development strategies, market analyses, and financial projections (v) Employee technical contributions, innovations, and work products (vi) Internal communications, meeting minutes, and strategic planning documents (vii) Vendor relationships, pricing structures, and contractual arrangements (viii) Manufacturing processes, quality control procedures, and operational workflows

4.2 Protection Requirements

(a) The Company shall: (i) Maintain administrative, physical, and technical safeguards, including encryption protocols, access controls, and secure storage systems (ii) Restrict access to authorized personnel through multi-factor authentication and role-based permissions (iii) Require confidentiality agreements with specific enforcement provisions (iv) Monitor compliance with security protocols through automated systems and regular audits (v) Regularly audit protection measures and update security policies (vi) Implement incident response procedures and data breach notification protocols (vii) Maintain detailed access logs and conduct periodic security assessments (viii) Deploy industry-standard encryption for data at rest and in transit

4.3 Employee Obligations

(a) All employees must: (i) Sign intellectual property assignments and confidentiality agreements prior to employment (ii) Adhere to security policies and complete mandatory security training (iii) Report potential breaches within 24 hours of discovery (iv) Return all materials, devices, and access credentials upon separation (v) Maintain confidentiality perpetually for trade secrets and designated information (vi) Participate in regular security awareness training sessions (vii) Use approved secure communication channels for sensitive information (viii) Comply with clean desk policies and secure document handling procedures

4.4 Third Party Restrictions

(a) Disclosure to third parties requires: (i) Written authorization from designated company officers (ii) Executed confidentiality agreements with specific duration and scope (iii) Limited scope of access based on legitimate business need (iv) Return or destruction provisions with verification requirements (v) Compliance monitoring through regular audits and assessments (vi) Immediate notification of unauthorized access or disclosure (vii) Maintenance of disclosure logs and access records (viii) Implementation of secure data transfer protocols

4.5 Data Protection Standards

(a) The Company shall implement: (i) Regular data classification and inventory procedures (ii) Data retention and destruction schedules (iii) Privacy impact assessments for new processes (iv) Vendor security assessment procedures (v) Geographic data storage restrictions (vi) Data minimization and purpose limitation protocols (vii) Regular privacy compliance audits (viii) Documentation of all data processing activities

4.6 Enforcement and Remedies

(a) Violations may result in: (i) Immediate termination of employment or contract (ii) Legal action for damages and injunctive relief (iii) Reporting to relevant authorities (iv) Financial penalties as permitted by law (v) Mandatory security retraining (vi) Revocation of access privileges (vii) Documentation in personnel files (viii) Implementation of additional monitoring measures

5.0 LICENSE GRANTS AND RESTRICTIONS

5.1 Platform Usage Rights

(a) The Company grants customers the following non-transferable rights: (i) Non-exclusive usage rights to access and operate the Platform within designated parameters (ii) Limited deployment licenses for authorized business operations (iii) API access permissions in accordance with published documentation (iv) Integration authorizations for approved third-party systems (v) Support entitlements as specified in the Service Level Agreement

(b) Usage rights are subject to: (i) Payment of applicable fees (ii) Compliance with usage quotas and limitations (iii) Adherence to security protocols (iv) Maintenance of current subscription status (v) Completion of required training and certification

5.2 Restrictions

(a) Customers shall not: (i) Modify, alter, or adapt the Proprietary Technology (ii) Reverse engineer, decompile, or disassemble components (iii) Remove, obscure, or alter proprietary notices or markings (iv) Exceed authorized usage limits or concurrent user thresholds (v) Transfer, sublicense, or assign rights to third parties

(b) Additional prohibited activities include: (i) Attempting to bypass security measures (ii) Creating derivative works without authorization (iii) Sharing access credentials (iv) Using the Platform for competitive analysis (v) Conducting penetration testing without written consent

5.3 Implementation Rights

(a) Customers may: (i) Configure permitted parameters within documented guidelines (ii) Integrate with authorized systems using approved methods (iii) Generate authorized outputs for business purposes (iv) Train models on approved data sets (v) Create allowed customizations within specified boundaries

(b) Implementation requirements include: (i) Following prescribed security protocols (ii) Maintaining audit logs of system access (iii) Reporting unauthorized access attempts (iv) Implementing required backup procedures (v) Adhering to data retention policies

5.4 Usage Monitoring and Compliance

(a) The Company reserves the right to: (i) Monitor Platform usage patterns (ii) Conduct periodic compliance audits (iii) Request usage reports and documentation (iv) Verify adherence to license terms (v) Investigate suspected violations

(b) Customer obligations include: (i) Maintaining accurate usage records (ii) Providing access for compliance verification (iii) Cooperating with audit procedures (iv) Remediating identified violations (v) Reporting unauthorized access

5.5 Term and Termination

(a) License rights shall: (i) Commence on the Effective Date (ii) Continue for the specified subscription period (iii) Renew according to agreement terms (iv) Terminate upon material breach (v) Cease upon agreement expiration

(b) Upon termination: (i) All access rights immediately cease (ii) Customer data must be returned or destroyed (iii) Confidentiality obligations survive (iv) Payment obligations remain in effect (v) System access is revoked

5.6 Compliance and Reporting

(a) Customers must maintain: (i) Current user registrations (ii) Updated contact information (iii) Accurate usage metrics (iv) Compliance documentation (v) Security incident reports

(b) Regular reporting includes: (i) Monthly usage summaries (ii) User access logs (iii) Integration status reports (iv) Security compliance certificates (v) Data processing records

5.7 Support and Maintenance

(a) License includes: (i) Standard technical support (ii) Documentation access (iii) Security updates (iv) Bug fixes (v) Version upgrades

(b) Additional services available: (i) Premium support options (ii) Custom development (iii) Advanced training (iv) Consulting services (v) Enhanced monitoring