

INTELLECTUAL PROPERTY OWNERSHIP AND PROTECTION AGREEMENT

THIS INTELLECTUAL PROPERTY OWNERSHIP 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 for industrial process optimization, including computer vision systems, predictive maintenance algorithms, and quality control solutions (collectively, the "Technology");

WHEREAS, Company desires to establish and memorialize the ownership, protection, and permitted uses of its intellectual property assets relating to the Technology;

WHEREAS, Company's NexusCore™ Industrial AI Platform and related software solutions represent significant proprietary developments in the field of industrial automation and operational intelligence; and

WHEREAS, Company seeks to properly document and protect its intellectual property rights while enabling appropriate commercial deployment of its Technology.

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

2.0 DEFINITIONS AND INTERPRETATION

2.1 Defined Terms. The following terms shall have the meanings set forth below:

(a) "AI Technology Stack" means Company's proprietary artificial intelligence and machine learning technology infrastructure, including all algorithms, models, neural networks, and related computational methods, together with all improvements, modifications, updates, and derivative works thereof.

(b) "Computer Vision System" means Company's proprietary visual recognition and processing technology that enables automated inspection, measurement, and analysis of industrial

processes, including but not limited to image capture devices, optical sensors, pattern recognition algorithms, and associated calibration methodologies.

(c) "Edge Computing Components" means Company's distributed computing architecture and software deployed at industrial facility endpoints, including local processing units, embedded systems, gateway devices, and associated firmware.

(d) "Intellectual Property Rights" means all patents, copyrights, trade secrets, trademarks, mask works, and other intellectual property rights worldwide, whether registered or unregistered, including all applications and registrations, renewals, extensions, continuations, divisions, or reissues thereof.

(e) "Machine Learning Models" means Company's trained algorithmic models and their associated parameters, weights, and architectures, including all training data, validation sets, optimization methods, and hyperparameter configurations.

(f) "NexusCore™ Platform" means Company's flagship software platform that integrates the AI Technology Stack with industrial control systems, including all modules, interfaces, APIs, documentation, and related technical materials.

(g) "Proprietary Information" means all confidential and proprietary technical and business information relating to the Technology, including source code, algorithms, technical specifications, research data, customer information, and business strategies.

(h) "System Integration Components" means all software, hardware, and connectivity elements that enable communication between the NexusCore™ Platform and third-party industrial systems.

(i) "Technology Documentation" means all technical manuals, user guides, specifications, protocols, and other materials describing the Technology's operation and implementation.

(j) "Updates" means all improvements, modifications, patches, fixes, and new versions of the Technology released during the term of this Agreement.

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 any gender include all genders

(f) References to "written" or "in writing" include email and other electronic communications

(g) References to a "person" include individuals, corporations, partnerships, and other legal entities

- (h) The words "herein," "hereof," and "hereunder" refer to this Agreement as a whole
 - (i) Technical terms not otherwise defined shall have their generally accepted industry meanings
 - (j) Ambiguities shall not be construed against the drafting party
- 2.3 Order of Precedence. In the event of any conflict or inconsistency between the provisions of this Agreement, the following order of precedence shall apply:
- (a) The main body of this Agreement (b) The Schedules and Exhibits (c) Any amendments or addenda, with later-dated documents taking precedence over earlier-dated documents

3.0 INTELLECTUAL PROPERTY OWNERSHIP

3.1 Pre-Existing Intellectual Property

- (a) Company owns all right, title, and interest in and to all Intellectual Property Rights in the Technology existing as of the Effective Date, including: (i) All components of the AI Technology Stack (ii) The NexusCore™ Platform and associated software (iii) All Machine Learning Models and algorithms (iv) The Computer Vision System (v) All Edge Computing Components
- (b) Pre-existing Intellectual Property encompasses, without limitation: (i) All proprietary methodologies, processes, and technical documentation (ii) Database structures, schemas, and data architectures (iii) User interface designs and experience flows (iv) System architecture diagrams and technical specifications (v) Training datasets and data preprocessing methodologies

3.2 Newly Developed Intellectual Property

- (a) Company shall own all Intellectual Property Rights in any improvements, modifications, or derivatives of the Technology developed after the Effective Date.
- (b) All intellectual property created by Company employees or contractors in connection with the Technology shall be deemed "works made for hire" and owned exclusively by Company.
- (c) Newly developed intellectual property includes, but is not limited to: (i) Algorithm improvements and optimizations (ii) Enhanced machine learning model architectures (iii) Novel feature engineering techniques (iv) System performance improvements (v) Integration protocols and interfaces (vi) Custom deployment configurations

3.3 Third-Party Components

- (a) Company maintains records of all third-party software and technology incorporated into the Technology.
- (b) Company has obtained all necessary rights and licenses for third-party components.

(c) Third-party component management includes: (i) Regular audits of third-party software usage (ii) Documentation of all license terms and conditions (iii) Monitoring of compliance requirements (iv) Version control and update management (v) Risk assessment of dependencies

3.4 Open Source Software

(a) Company maintains compliance with all applicable open source licenses.

(b) Company's proprietary code is segregated from open source components.

(c) Open source management procedures include: (i) License compatibility analysis (ii) Code isolation and containment measures (iii) Attribution requirements documentation (iv) Distribution compliance verification (v) Regular open source audit processes

3.5 Employee and Contractor IP Assignments

(a) All employees and contractors have executed appropriate intellectual property assignment agreements.

(b) Such agreements include present and future assignments of all relevant intellectual property rights.

(c) IP assignment provisions specifically address: (i) Invention disclosure requirements (ii) Cooperation in patent prosecution (iii) Trade secret protection obligations (iv) Post-employment obligations (v) Assignment of moral rights

3.6 Intellectual Property Protection

(a) Company implements comprehensive measures to protect intellectual property, including: (i) Regular patent portfolio reviews (ii) Trade secret protection protocols (iii) Confidentiality agreements (iv) Access control systems (v) Security audits and monitoring

3.7 License Grants and Restrictions

(a) Any licenses granted to third parties shall be: (i) Limited in scope and duration (ii) Non-exclusive unless explicitly stated (iii) Non-transferable without Company consent (iv) Subject to Company's ongoing ownership rights

3.8 Intellectual Property Enforcement

(a) Company maintains the right to enforce its intellectual property rights through: (i) Legal proceedings (ii) Cease and desist actions (iii) Alternative dispute resolution (iv) Negotiated settlements

3.9 Technology Evolution

(a) As the Technology evolves, Company's intellectual property rights extend to: (i) New features and capabilities (ii) Platform expansions (iii) Integration mechanisms (iv) Performance optimizations (v) Security enhancements

3.10 Documentation and Records

(a) Company maintains comprehensive records of: (i) Intellectual property registrations (ii) Innovation documentation (iii) Development histories (iv) Ownership chains (v) License agreements

4.0 IP PROTECTION AND CONFIDENTIALITY

4.1 Trade Secret Protection

(a) Company shall maintain the following as trade secrets: (i) Machine Learning Model architectures and parameters, including but not limited to neural network configurations, hyperparameters, weight distributions, and optimization functions (ii) Training methodologies and datasets, encompassing data preprocessing techniques, augmentation strategies, and validation methodologies (iii) Optimization algorithms, including proprietary performance enhancement methods and custom efficiency improvements (iv) Customer-specific industrial process data, including operational parameters, performance metrics, and process optimization data

(b) Trade secret protection measures shall include: (i) Implementation of digital watermarking and tracking systems (ii) Regular audit trails of access and usage (iii) Segmentation of critical information on a need-to-know basis (iv) Employee training on trade secret handling protocols

4.2 Patent Strategy

(a) Company shall pursue patent protection for novel aspects of: (i) Computer vision processing methods, including innovative object detection algorithms, real-time processing techniques, and automated quality control systems (ii) Edge computing architectures, specifically those enabling distributed processing and local intelligence (iii) Industrial process optimization techniques, particularly those incorporating machine learning and predictive analytics

(b) Patent filing priorities shall be determined based on: (i) Commercial value and market potential (ii) Risk of independent development by competitors (iii) Enforceability in key jurisdictions (iv) Strategic importance to core business objectives

4.3 Copyright Protection

(a) All software code shall bear appropriate copyright notices, including: (i) Year of creation and publication (ii) Company name and ownership declaration (iii) Reserved rights statement (iv) License terms and restrictions

(b) Company shall register copyrights for key software components, including: (i) Core algorithmic implementations (ii) User interface designs (iii) Documentation and technical materials (iv) Custom development tools and utilities

4.4 Confidentiality Requirements

(a) All Proprietary Information shall be: (i) Marked as confidential using standardized classification levels (ii) Stored securely using enterprise-grade encryption systems (iii) Accessed only by authorized personnel with appropriate clearance levels (iv) Subject to appropriate NDAs with specific duration and scope

(b) Confidentiality obligations shall extend to: (i) Employees, contractors, and temporary staff (ii) Third-party service providers and consultants (iii) Strategic partners and collaborators (iv) Customer representatives with access to proprietary systems

4.5 Security Measures

(a) Company shall maintain: (i) Encryption of sensitive data, utilizing industry-standard protocols and minimum key lengths (ii) Access controls and authentication, including multi-factor authentication for critical systems (iii) Security monitoring and logging with automated threat detection (iv) Incident response procedures with defined escalation paths

(b) Additional security requirements include: (i) Regular penetration testing and vulnerability assessments (ii) Backup and disaster recovery procedures (iii) Physical security measures for development facilities (iv) Regular security audits and compliance reviews

4.6 Compliance and Enforcement

(a) Company shall establish: (i) Regular IP portfolio reviews and updates (ii) Monitoring systems for potential infringement (iii) Enforcement procedures for IP violations (iv) Documentation requirements for IP creation and modification

(b) Violation response protocols shall include: (i) Investigation procedures (ii) Legal remedies and actions (iii) Notification requirements (iv) Mitigation strategies

5.0 IP USAGE AND LICENSING

5.1 License Grants

(a) Company may grant licenses to the Technology through: (i) Enterprise software licenses for on-premises deployment (ii) SaaS subscription agreements for cloud-based access (iii) API access agreements for integrated solutions (iv) Hybrid deployment models combining multiple access methods

(b) License scope shall be defined by: (i) Number of authorized users or concurrent connections (ii) Geographic territories and jurisdictions (iii) Specific manufacturing facilities or production lines (iv) Data processing volume limitations (v) Duration of access rights

5.2 Usage Restrictions

(a) Licensees shall not: (i) Reverse engineer, decompile, or disassemble the Technology (ii) Access, modify, or attempt to derive source code (iii) Create derivative works or competitive products (iv) Remove or alter any proprietary notices or markings (v) Share access credentials

or circumvent security measures (vi) Exceed authorized usage limits or quotas (vii) Use the Technology for unauthorized third-party benefit

(b) Permitted customizations limited to: (i) Configuration of authorized parameters (ii) Integration with approved systems (iii) Custom reporting within provided frameworks (iv) Authorized API implementations

5.3 Customer Data Rights

(a) Customers retain ownership of their industrial process data, including: (i) Raw manufacturing data (ii) Process parameters and specifications (iii) Quality control measurements (iv) Production scheduling information (v) Equipment performance metrics

(b) Company has limited rights to use customer data to: (i) Provide contracted services and support (ii) Improve and train algorithmic models (iii) Generate aggregated industry insights (iv) Enhance Technology performance (v) Conduct authorized research and development

(c) Data handling requirements: (i) Segregation of customer data (ii) Encryption during transmission and storage (iii) Regular backup and recovery procedures (iv) Retention period compliance (v) Secure disposal methods

5.4 API Access

(a) API access shall be subject to: (i) Multi-factor authentication requirements (ii) Rate limiting and quota enforcement (iii) Continuous usage monitoring (iv) Terms of service compliance (v) Security audit requirements

(b) API integration standards: (i) Documented endpoints and methods (ii) Version control and deprecation policies (iii) Error handling protocols (iv) Performance requirements (v) Support service levels

5.5 Intellectual Property Protection

(a) Technology protection measures: (i) Digital rights management systems (ii) Access control mechanisms (iii) Audit logging requirements (iv) Security vulnerability monitoring

(b) Breach notification requirements: (i) Immediate reporting of security incidents (ii) Cooperation in investigation (iii) Remediation plan implementation (iv) Documentation of corrective actions

5.6 Model Training Rights

(a) Company maintains rights to: (i) Train models using anonymized data (ii) Implement learning algorithms (iii) Deploy improved models across platform (iv) Share aggregated insights

(b) Customer protections include: (i) Data anonymization requirements (ii) Competitive information safeguards (iii) Opt-out provisions for sensitive data (iv) Transparency in model usage

5.7 Compliance and Reporting

- (a) Licensee obligations: (i) Regular compliance self-assessments (ii) Usage reporting requirements (iii) Security audit cooperation (iv) Incident response procedures
- (b) Documentation requirements: (i) Usage logs maintenance (ii) Access records retention (iii) Security measure implementation (iv) Compliance certification

5.8 Term and Termination

- (a) License duration specifications: (i) Initial term requirements (ii) Renewal conditions (iii) Termination procedures (iv) Post-termination obligations
- (b) Wind-down provisions: (i) Data extraction rights (ii) System decommissioning (iii) Confidentiality obligations (iv) Transition assistance