

TAX MATTERS AGREEMENT

THIS TAX MATTERS AGREEMENT (this "Agreement") 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 ("Company").

WHEREAS, the Company develops and commercializes proprietary artificial intelligence and machine learning solutions for industrial applications through its NexusCore™ Industrial AI Platform;

WHEREAS, the Company generates revenue through enterprise SaaS licensing and implementation services across multiple tax jurisdictions; and

WHEREAS, the Company desires to establish comprehensive guidelines for the treatment of tax matters related to its technology development, licensing, and service delivery operations.

NOW, THEREFORE, the Company hereby adopts the following tax matters provisions:

1.0 PURPOSE AND SCOPE

1.1 This Agreement establishes the framework for tax-related matters and obligations of the Company with respect to its artificial intelligence and machine learning technology development, licensing, and service delivery operations. The provisions herein govern all tax compliance, reporting, documentation, and administrative requirements applicable to the Company's technological innovations and related revenue streams.

1.2 Jurisdictional Coverage. This Agreement shall apply to all tax matters arising in: (a) United States federal, state, and local jurisdictions; (b) European Union member states where the Company conducts business; (c) Any other jurisdiction where the Company maintains operations or generates revenue; and (d) Emerging markets where the Company deploys its AI/ML solutions through local partnerships or subsidiaries.

1.3 Revenue Recognition Treatment (a) SaaS Revenue. Subscription revenue from the NexusCore™ platform shall be recognized ratably over the subscription term in accordance with ASC 606. This includes both standard and enterprise-level subscriptions, usage-based fees, and platform access charges. (b) Implementation Services. Revenue from implementation services shall be recognized as performed based on milestone completion. Milestone criteria must be clearly documented and validated by project management protocols. (c) Multi-element Arrangements. Revenue allocation between subscription and services shall follow relative standalone selling price methodology, with regular price analysis updates. (d) International

Revenue. Cross-border transactions shall be recognized in accordance with both local jurisdiction requirements and US GAAP standards, applying the more conservative treatment where conflicts exist.

1.4 Technology Development Cost Treatment (a) Research Phase Costs shall be expensed as incurred, including preliminary project activities, conceptual formulation, and evaluation of alternatives. (b) Development Phase Costs meeting capitalization criteria under ASC 350-40 shall be capitalized and amortized, encompassing coding, configuration, and testing activities. (c) Mixed-use Development Resources shall be allocated based on time tracking and function, with detailed documentation requirements. (d) Cloud Computing Arrangements shall be evaluated under ASC 350-40 to determine appropriate classification as internal-use software or service contracts.

1.5 Documentation Requirements (a) The Company shall maintain comprehensive documentation supporting all tax positions, including technical memoranda, transfer pricing studies, and revenue allocation methodologies. (b) All material tax positions must be reviewed quarterly by qualified tax personnel and annually by independent auditors.

2.0 TAX COMPLIANCE AND REPORTING

2.1 R&D Tax Credit Documentation (a) The Company shall maintain contemporaneous documentation of all qualified research expenses including: (i) Personnel time allocation records with detailed hourly tracking of research activities (ii) Contractor agreements and invoices specifying research-related deliverables (iii) Equipment and supplies documentation with clear allocation to qualified projects (iv) Research project plans and technical documentation demonstrating systematic approach (b) Documentation Requirements: (i) Daily/weekly time tracking records with project codes (ii) Detailed description of technical uncertainties addressed (iii) Documentation of alternatives evaluated and testing procedures (iv) Evidence of scientific principles application and hypothesis testing

2.2 State Tax Nexus Considerations (a) Economic Nexus Analysis shall be conducted quarterly for all jurisdictions where: (i) SaaS revenue exceeds state-specific thresholds (ii) Implementation services are performed (iii) Remote employees are located (iv) Server infrastructure is maintained (b) Sales/Use Tax Collection obligations shall be monitored and updated monthly, including: (i) Registration requirements in new jurisdictions (ii) Changes in taxability of SaaS products (iii) Local tax rate modifications (iv) Marketplace facilitator obligations (c) Physical Presence Monitoring: (i) Employee travel and temporary assignments (ii) Third-party contractor activities (iii) Equipment and server locations (iv) Training and support service locations

2.3 International Revenue Allocation (a) Revenue shall be allocated to jurisdictions based on: (i) Location of customer deployment and usage metrics (ii) Location of implementation services delivery (iii) Jurisdiction-specific permanent establishment considerations (iv)

Transfer pricing documentation requirements (b) Documentation Requirements: (i) Contemporaneous transfer pricing studies (ii) Intercompany service agreements (iii) Economic substance documentation (iv) Value chain analysis (c) Digital Services Tax Compliance: (i) Monitoring of jurisdiction-specific DST requirements (ii) User location tracking mechanisms (iii) Revenue attribution methodologies (iv) Registration and reporting obligations

2.4 IP-Related Tax Treatment (a) Development Costs shall be allocated according to the Company's cost sharing arrangement: (i) Documentation of development activities by jurisdiction (ii) Allocation keys for shared development costs (iii) Buy-in payment calculations (iv) Platform contribution transaction analysis (b) License Revenue shall be characterized consistent with applicable tax treaties: (i) Technical service fees vs. royalties (ii) Copyright vs. know-how distinctions (iii) Mixed contract allocation methodologies (iv) Beneficial ownership documentation (c) Technology Export Controls shall be monitored for tax implications: (i) Classification of technology transfers (ii) Impact on withholding tax obligations (iii) Compliance with BEPS Action Items (iv) Documentation of technical service arrangements

2.5 Compliance Reporting Requirements (a) Monthly Reporting: (i) Sales/use tax returns (ii) Digital service tax filings (iii) VAT/GST returns (b) Quarterly Reporting: (i) Economic nexus analysis updates (ii) Transfer pricing monitoring (iii) R&D credit qualification review (c) Annual Reporting: (i) Country-by-country reporting (ii) Master/Local file updates (iii) Treaty benefit certifications (iv) Cost sharing compliance review

3.0 TRANSFER PRICING CONSIDERATIONS

3.1 Intercompany Pricing Methodology (a) Technology Licensing between affiliates shall follow the Comparable Uncontrolled Transaction method, incorporating: (i) Market-based royalty rates for similar technologies (ii) Adjustments for unique features and market conditions (iii) Regular validation against third-party licensing arrangements (b) Service Arrangements shall use the Cost Plus method with appropriate markups: (i) Technical services: 8-15% markup (ii) Administrative services: 5-10% markup (iii) Strategic consulting: 10-20% markup (c) Cost Sharing Arrangements shall allocate development costs based on: (i) Expected benefit analysis (ii) Projected revenue streams (iii) Market size and penetration rates (iv) Development risk factors

3.2 Documentation Requirements (a) The Company shall maintain contemporaneous transfer pricing documentation including: (i) Functional and risk analysis detailing operational roles (ii) Economic analysis and benchmarking studies (iii) Intercompany agreements with detailed terms (iv) Annual transfer pricing reports (v) Value chain analysis (vi) Profit level indicator calculations (b) Documentation must be updated: (i) Annually for routine transactions (ii) Upon material business changes (iii) When new intercompany arrangements commence

3.3 Monitoring and Adjustment (a) Transfer prices shall be reviewed quarterly for compliance through: (i) Financial performance analysis (ii) Margin testing (iii) Comparable company

updates (b) Adjustments shall be made as needed to maintain arm's length pricing: (i) Compensating adjustments within fiscal year (ii) Year-end true-up calculations (iii) Transfer pricing adjustment mechanisms (c) Advanced Pricing Agreement opportunities shall be evaluated annually, considering: (i) Tax jurisdiction requirements (ii) Business stability factors (iii) Cost-benefit analysis

3.4 Special Considerations (a) Intangible Property Transfers: (i) Valuation methodology (ii) Development cost allocation (iii) Ownership rights and economic benefits (b) Digital Service Arrangements: (i) Server location implications (ii) Data value considerations (iii) Digital permanent establishment analysis (c) Emergency Provisions: (i) Force majeure adjustments (ii) Market disruption responses (iii) Temporary pricing modifications

4.0 TAX RECORDS AND DOCUMENTATION

4.1 Record Retention (a) Tax Returns and Supporting Documentation: 7 years (b) Transfer Pricing Documentation: 7 years (c) R&D Tax Credit Support: 7 years (d) Development Cost Documentation: Life of IP plus 3 years (e) International Tax Filings and Correspondence: 10 years (f) State and Local Tax Records: 7 years or jurisdiction requirement, whichever is longer

4.2 Electronic Documentation Standards (a) All tax-related records shall be maintained in electronic format with: (i) Secure backup systems with redundant storage (ii) Comprehensive audit trail capabilities (iii) Role-based access controls and permissions (iv) Encryption protocols meeting industry standards (v) Automated version control systems (b) Documentation shall be indexed, searchable, and cross-referenced (c) System must maintain data integrity through: (i) Regular integrity checks (ii) Change management protocols (iii) Digital signature verification

4.3 Technology Development Documentation (a) Project Plans and Technical Specifications, including: (i) Development methodology documentation (ii) Algorithm training data records (iii) Model validation protocols (b) Time Tracking and Resource Allocation Records, detailing: (i) Developer time allocation (ii) Computing resource utilization (iii) Third-party service integration (c) Testing and Validation Results, comprising: (i) Performance metrics (ii) Quality assurance reports (iii) Compliance verification (d) Patent and IP Documentation, including: (i) Innovation disclosure records (ii) Prior art searches (iii) Patent application materials

4.4 Documentation Review and Compliance (a) Quarterly internal documentation audits (b) Annual external compliance review (c) Documentation gap analysis reporting (d) Remediation tracking and verification

IN WITNESS WHEREOF, the Company has executed this Tax Matters Agreement as of the Effective Date.

[Signature block and exhibits as previously stated]