

# INTELLECTUAL PROPERTY RIGHTS AND PROTECTION AGREEMENT

THIS INTELLECTUAL PROPERTY RIGHTS 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, including computer vision systems, edge computing solutions, and industrial process optimization algorithms (collectively, the "Technology");

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

WHEREAS, Company's Technology includes the NexusCore™ Industrial AI Platform and associated software components, algorithms, and systems; and

WHEREAS, Company seeks to protect its valuable intellectual property rights while enabling appropriate commercial deployment of the Technology.

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

## 2.0 DEFINITIONS AND INTERPRETATION

2.1 "Artificial Intelligence Components" means any and all artificial intelligence algorithms, machine learning models, neural networks, and related computational systems developed by Company, including but not limited to deep learning architectures, reinforcement learning systems, natural language processing modules, and automated decision-making frameworks.

2.2 "Computer Vision System" means Company's proprietary computer vision technology, including image processing algorithms, object detection systems, visual analytics capabilities, pattern recognition modules, real-time video analysis tools, dimensional measurement systems, and quality inspection frameworks deployed across industrial environments.

2.3 "Edge Computing Solutions" means Company's distributed computing architecture and associated software enabling local processing of data at industrial deployment sites, including edge servers, gateway devices, local processing units, and associated middleware that facilitates real-time data processing and analysis at the point of origin.

2.4 "Intellectual Property Rights" means all patents, patent applications, copyrights, trade secrets, trademarks, service marks, trade names, domain names, mask works, know-how, and other intellectual property or proprietary rights, including all rights to sue for past, present and future infringement or misappropriation of any of the foregoing, whether registered or unregistered, and all related goodwill.

2.5 "Machine Learning Models" means Company's trained algorithmic models, including predictive maintenance models, quality control systems, process optimization engines, anomaly detection algorithms, and performance forecasting systems, along with their associated training datasets, model parameters, and deployment configurations.

2.6 "NexusCore™ Platform" means Company's flagship software platform that integrates the Artificial Intelligence Components, Computer Vision System, Edge Computing Solutions, and Machine Learning Models into a unified industrial automation solution.

2.7 "Proprietary Information" means all non-public technical and business information relating to the Technology, including source code, training data, model architectures, deployment configurations, system specifications, research methodologies, and development processes.

2.8 "Technology Stack" means the complete set of software components, hardware interfaces, and technological infrastructure that comprises the NexusCore™ Platform and its associated systems.

2.9 "User Interface Components" means all graphical interfaces, dashboards, control panels, and visualization tools that enable human interaction with the NexusCore™ Platform.

2.10 For the purposes of interpretation in this Agreement: (a) Words importing the singular include the plural and vice versa; (b) References to sections, clauses, and schedules are references to sections, clauses, and schedules of this Agreement; (c) Technical terms shall be interpreted according to their generally accepted meaning within the artificial intelligence and industrial automation industries; (d) References to any statute or statutory provision include references to that statute or statutory provision as amended, extended, or re-enacted; (e) References to "including" or similar terms shall be construed as illustrative and shall not limit the generality of any preceding words; (f) The headings in this Agreement are for convenience only and shall not affect its interpretation; and (g) Any ambiguity or uncertainty in interpretation shall not be construed against the drafting party.

### **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.

(b) Such pre-existing rights include, without limitation, all Intellectual Property Rights in: (i) The NexusCore™ Platform architecture and components (ii) All Artificial Intelligence Components (iii) The Computer Vision System (iv) All Machine Learning Models (v) Edge Computing Solutions (vi) Associated documentation and materials

(c) Pre-existing Intellectual Property Rights extend to: (i) All source code, object code, and binary files (ii) Algorithms, methodologies, and computational techniques (iii) Data structures and database schemas (iv) User interface designs and workflows (v) Training data and datasets (vi) Configuration files and parameters (vii) Technical specifications and architecture diagrams

### 3.2 Newly Developed Intellectual Property

(a) Company shall own all right, title, and interest in any modifications, improvements, or derivatives of the Technology developed after the Effective Date.

(b) All new features, functionalities, or capabilities added to the Technology shall automatically become part of Company's Intellectual Property Rights.

(c) Newly developed Intellectual Property includes, but is not limited to: (i) Enhancements to existing algorithms and models (ii) Additional training data and refined datasets (iii) Performance optimizations and efficiency improvements (iv) Integration interfaces and APIs (v) Security enhancements and protocols (vi) User experience improvements (vii) Documentation updates and technical specifications

(d) The Company retains exclusive rights to: (i) License, sublicense, or transfer any newly developed components (ii) Patent any novel technological innovations (iii) Register copyrights for new creative works (iv) Protect trade secrets related to developments (v) Commercialize any derivative works

### 3.3 Third-Party Components

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

(b) Such third-party components are identified in Exhibit A, along with their associated license terms.

(c) Third-party component usage is subject to: (i) Strict compliance with respective license agreements (ii) Regular audit and review of license terms (iii) Proper attribution and notice requirements (iv) Usage limitations and restrictions (v) Payment of applicable royalties or fees

(d) Company maintains documentation of: (i) All third-party component versions (ii) License compliance measures (iii) Usage tracking and monitoring (iv) Risk assessment and mitigation strategies

### 3.4 Open Source Software

- (a) Company maintains compliance with all applicable open source software licenses.
- (b) A complete list of open source components and their respective licenses is provided in Exhibit B.
- (c) Open source compliance measures include: (i) Regular code audits and license reviews (ii) Maintenance of attribution notices (iii) Source code availability requirements (iv) Modification tracking and documentation (v) Distribution compliance procedures

### 3.5 Intellectual Property Protection

- (a) Company implements comprehensive measures to protect all Intellectual Property, including: (i) Regular patent filings for novel innovations (ii) Copyright registrations for original works (iii) Trade secret protection protocols (iv) Confidentiality agreements and NDAs (v) Access control and security measures
- (b) Protection strategies encompass: (i) Regular IP portfolio reviews (ii) Enforcement of rights against infringement (iii) Monitoring of competitive developments (iv) Documentation of invention records (v) Employee training on IP protection

### 3.6 License Grants and Restrictions

- (a) Any license grants related to the Technology: (i) Must be explicitly authorized in writing (ii) Are subject to Company's ongoing ownership rights (iii) May be revoked upon breach of terms (iv) Are non-transferable unless specified (v) Must maintain all proprietary notices
- (b) Restrictions on Technology usage include: (i) Prohibition of reverse engineering (ii) Restrictions on modification without consent (iii) Limitations on sublicensing rights (iv) Confidentiality requirements (v) Usage boundary definitions

## **4.0 IP PROTECTION AND CONFIDENTIALITY**

### 4.1 Trade Secret Protection

- (a) Company shall maintain strict confidentiality of all Proprietary Information, including but not limited to: (i) Machine learning algorithms and model architectures (ii) Training methodologies and optimization techniques (iii) Industrial process parameters and configurations (iv) Performance metrics and benchmarking data (v) Customer-specific adaptations and implementations
- (b) Access to source code, training data, and model architectures shall be strictly limited to authorized personnel who: (i) Have demonstrated a legitimate business need (ii) Received appropriate security clearance (iii) Completed required training protocols (iv) Are bound by specific confidentiality provisions

### 4.2 Security Measures

(a) Company shall implement and maintain comprehensive security protocols including: (i) Encryption of source code repositories using industry-standard algorithms (ii) Secure development environments with isolated networks (iii) Multi-factor authentication access control systems (iv) Real-time monitoring and logging capabilities (v) Regular security audits and penetration testing (vi) Version control systems with detailed change tracking (vii) Secure code review processes (viii) Automated vulnerability scanning

(b) Physical security measures shall include: (i) Restricted access to development facilities (ii) Biometric authentication systems (iii) Video surveillance of sensitive areas (iv) Secure disposal of physical media (v) Clean desk policies

#### 4.3 Data Protection

(a) All training data and model parameters shall be protected through: (i) End-to-end data encryption at rest and in transit (ii) Redundant secure backup systems with geographical distribution (iii) Comprehensive access logging and auditing (iv) Data retention controls and destruction protocols (v) Regular backup verification and recovery testing

(b) Data handling procedures shall include: (i) Data classification and labeling systems (ii) Access control matrices (iii) Data anonymization protocols (iv) Secure data transfer mechanisms (v) Incident response procedures

#### 4.4 Personnel Obligations

(a) All employees and contractors shall: (i) Execute comprehensive confidentiality agreements prior to access (ii) Comply with all security policies and procedures (iii) Complete mandatory IP protection training annually (iv) Report security incidents within 24 hours (v) Return all confidential materials upon termination

(b) Additional personnel requirements include: (i) Background checks prior to access authorization (ii) Regular security awareness training (iii) Acknowledgment of monitoring policies (iv) Compliance with clean desk policies (v) Participation in security drills

#### 4.5 Compliance and Enforcement

(a) Company shall maintain: (i) Regular compliance audits (ii) Documentation of security measures (iii) Incident response plans (iv) Security breach notification procedures

(b) Enforcement measures shall include: (i) Regular security assessments (ii) Disciplinary procedures for violations (iii) Continuous monitoring of compliance (iv) Update of security protocols as needed (v) Investigation of suspected breaches

#### 4.6 Third-Party Obligations

(a) All third-party vendors and contractors shall: (i) Execute separate confidentiality agreements (ii) Demonstrate adequate security measures (iii) Submit to security audits (iv) Maintain incident reporting procedures (v) Comply with all applicable data protection requirements

## **5.0 IP USAGE RIGHTS AND RESTRICTIONS**

### **5.1 License Grants**

(a) Company may grant limited licenses to use the Technology pursuant to separate written agreements, subject to the following conditions: (i) Each license must be explicitly documented and executed by authorized representatives (ii) License terms shall specify permitted use cases, duration, and termination conditions (iii) Licensees must maintain current maintenance and support agreements (iv) Usage metrics and compliance reporting requirements shall be defined

(b) All licenses shall be non-exclusive and non-transferable unless explicitly stated otherwise in writing, with the following stipulations: (i) Any transfer requests must undergo formal Company review (ii) Additional fees may apply to license transfers (iii) Successor entities must satisfy Company's qualification criteria (iv) Original licensee remains liable until transfer completion

### **5.2 Usage Restrictions**

(a) No licensee shall: (i) Modify or create derivative works of the Technology (ii) Reverse engineer, decompile, or disassemble the Technology (iii) Remove, alter, or obscure any proprietary notices (iv) Transfer or sublicense rights to third parties (v) Attempt to circumvent security measures or access controls (vi) Use the Technology for competitive analysis or benchmarking (vii) Integrate the Technology with unauthorized systems (viii) Share access credentials or authentication tokens

### **5.3 Deployment Limitations**

(a) The Technology shall only be deployed: (i) In approved industrial environments meeting Company specifications (ii) With authorized hardware configurations and system architectures (iii) Under Company's technical oversight and monitoring (iv) Following prescribed security protocols and safeguards (v) Within designated network segments and security zones (vi) Using Company-approved deployment methodologies

(b) Deployment requirements include: (i) Pre-deployment security assessment (ii) Environmental compatibility verification (iii) Network infrastructure validation (iv) Backup and recovery procedures (v) Emergency shutdown protocols (vi) Performance monitoring systems

### **5.4 Territory Restrictions**

(a) Usage rights may be limited by geography or jurisdiction as specified in individual license agreements, considering: (i) Local regulatory requirements (ii) Export control regulations (iii) Data privacy laws (iv) Industry-specific compliance standards

(b) Cross-border deployments require: (i) Prior written authorization (ii) Compliance documentation (iii) Local legal representation (iv) Jurisdiction-specific modifications

### 5.5 Compliance and Reporting

(a) Licensees must maintain: (i) Usage logs and audit trails (ii) Security incident reports (iii) Compliance documentation (iv) User access records

(b) Regular reporting requirements include: (i) Monthly usage statistics (ii) Security status updates (iii) Compliance certifications (iv) Integration status reports

### 5.6 Remedial Actions

(a) Company reserves the right to: (i) Suspend access for violations (ii) Require immediate corrective actions (iii) Conduct compliance audits (iv) Terminate licenses for material breaches (v) Seek injunctive relief (vi) Recover damages and legal costs