

# INTELLECTUAL PROPERTY DOCUMENTATION AND RIGHTS AGREEMENT

THIS INTELLECTUAL PROPERTY DOCUMENTATION AND RIGHTS 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 Stack");

WHEREAS, Company's Technology Stack is embodied in its NexusCore™ Industrial AI Platform and related software solutions for manufacturing operations;

WHEREAS, Company desires to document and establish clear ownership rights, protection mechanisms, and usage parameters for its intellectual property assets;

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

## 2.0 DEFINITIONS AND INTERPRETATION

2.1 "AI Technology" means any artificial intelligence, machine learning, or deep learning algorithms, models, or systems developed by Company, including but not limited to neural networks, decision trees, statistical models, reinforcement learning systems, and natural language processing components, whether deployed independently or as integrated solutions.

2.2 "Computer Vision System" means Company's proprietary technology for visual data processing, object detection, and image analysis in industrial environments, encompassing: (a) real-time video analytics; (b) pattern recognition algorithms; (c) dimensional measurement systems; (d) defect detection capabilities; and (e) motion tracking and analysis tools.

2.3 "Edge Computing Solutions" means Company's distributed computing architecture and software designed to process data near the source of data generation in industrial settings,

including: (a) local processing units; (b) embedded systems; (c) gateway devices; (d) data preprocessing modules; and (e) real-time analytics engines.

2.4 "Intellectual Property Rights" means all rights in and to: (a) patents, patent applications, and patent rights; (b) trademarks, trademark applications, trade names, and service marks; (c) copyrights, copyright registrations, and copyright applications; (d) trade secrets and confidential information; (e) software, source code, and object code; (f) machine learning models and training data; (g) industrial process optimization methodologies; (h) algorithms and mathematical formulations; (i) technical documentation and specifications; and (j) all other intellectual property rights.

2.5 "NexusCore™ Platform" means Company's enterprise software suite that integrates Computer Vision Systems, Edge Computing Solutions, and AI Technology for industrial process optimization and automation, including: (a) user interface components; (b) data visualization tools; (c) system administration modules; (d) API interfaces and integrations; (e) security frameworks; and (f) monitoring and reporting capabilities.

2.6 "Proprietary Information" means all non-public information relating to Company's Technology Stack, including but not limited to: (a) algorithms and mathematical models; (b) software architecture and design patterns; (c) training data and datasets; (d) technical specifications and documentation; (e) research and development materials; (f) trade secrets and know-how; (g) performance metrics and benchmarks; (h) system optimization parameters; and (i) deployment configurations.

2.7 "Technology Stack" means the complete set of technological components, frameworks, and methodologies utilized in Company's solutions, including: (a) hardware specifications; (b) software components; (c) network architectures; (d) data storage systems; (e) security protocols; and (f) integration frameworks.

2.8 For the purposes of interpretation in this Agreement: (a) headings are for convenience only; (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"; and (e) technical terms shall be interpreted according to their generally accepted industry meaning.

### **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 Stack existing as of the Effective Date. (b) Such ownership includes all components of the NexusCore™ Platform, including AI Technology, Computer Vision Systems, and Edge Computing Solutions. (c) Pre-existing Intellectual Property encompasses, without limitation: (i) All proprietary algorithms, methodologies, and computational processes (ii) Software architecture, source code, and object code (iii) User interface designs and system workflows (iv) Technical documentation,

specifications, and diagrams (d) Company's pre-existing trade secrets, including operational methods, customer insights, and optimization strategies, remain exclusively owned by Company.

3.2 Newly Developed Intellectual Property (a) All Intellectual Property Rights in any improvements, modifications, or enhancements to the Technology Stack shall automatically vest in Company. (b) Any derivative works, extensions, or applications of the AI Technology shall be owned exclusively by Company. (c) All machine learning models trained using Company's systems or data shall be Company's exclusive property. (d) Newly developed Intellectual Property includes: (i) Algorithm improvements and optimizations (ii) Enhanced data processing methodologies (iii) Novel feature implementations (iv) System integration protocols (e) Performance metrics, usage analytics, and operational insights derived from the Technology Stack deployment shall be owned by Company. (f) Any customizations, configurations, or adaptations created during implementation remain Company property.

3.3 Third-Party Components (a) Company acknowledges the use of certain third-party software components as listed in Exhibit A. (b) Such third-party components are used under valid licenses that do not impair Company's ownership of its proprietary technology. (c) Third-party component usage is subject to: (i) Regular license compliance audits (ii) Documentation of all integration points (iii) Maintenance of current license agreements (iv) Version control and update management (d) Company maintains separate repositories for third-party components to ensure clear delineation of ownership. (e) Integration methods and wrapper code developed by Company for third-party components remain Company property.

3.4 Open Source Software (a) Company maintains compliance with all open source license obligations. (b) A complete list of open source components and their respective licenses is maintained in Exhibit B. (c) No open source software is used in a manner that would require Company to disclose its proprietary source code. (d) Open source compliance includes: (i) Regular audits of all software dependencies (ii) License compatibility verification (iii) Attribution maintenance (iv) Distribution requirement adherence (e) Company maintains documentation of all open source component modifications.

3.5 Intellectual Property Protection (a) Company implements the following measures to protect its Intellectual Property: (i) Regular patent filings for novel technological innovations (ii) Copyright registrations for software and documentation (iii) Trade secret protection protocols (iv) Confidentiality agreements with all parties accessing the Technology Stack (b) Company maintains an active monitoring program for potential infringement. (c) All employees and contractors must acknowledge Company's IP ownership rights.

3.6 License Grants and Restrictions (a) Any license granted to use the Technology Stack does not transfer ownership rights. (b) Licensees are prohibited from: (i) Reverse engineering any component of the Technology Stack (ii) Attempting to derive source code (iii) Creating competitive products using Company's Intellectual Property (iv) Removing or altering any

proprietary notices (c) All licenses are subject to the terms and conditions specified in the Master License Agreement.

3.7 Intellectual Property Indemnification (a) Company shall defend and indemnify against third-party claims alleging infringement of valid intellectual property rights. (b) Indemnification is contingent upon: (i) Prompt notification of any claims (ii) Company's control of defense and settlement (iii) Reasonable cooperation from indemnified parties (c) Company reserves the right to modify or replace components to avoid infringement claims.

## **4.0 IP PROTECTION AND CONFIDENTIALITY**

4.1 Trade Secret Protection (a) Company shall maintain reasonable security measures to protect Proprietary Information, including but not limited to: (i) Physical security controls for premises containing sensitive information (ii) Digital access management systems with multi-factor authentication (iii) Regular security audits and vulnerability assessments (iv) Employee training programs on information security protocols (b) Access to AI Technology source code and training methodologies shall be strictly controlled through: (i) Segmented access levels based on role necessity (ii) Documented approval processes for access requests (iii) Regular access rights review and revocation procedures (c) Company shall require appropriate confidentiality agreements from all personnel and contractors, which must: (i) Define scope of protected information (ii) Specify duration of confidentiality obligations (iii) Include non-disclosure and non-use provisions (iv) Establish return or destruction protocols for confidential materials

4.2 Patent Protection (a) Company shall pursue patent protection for eligible innovations within the Technology Stack, including: (i) Novel AI algorithms and architectural improvements (ii) Unique training methodologies and optimization techniques (iii) Industry-specific applications and implementations (b) A schedule of current patent applications and grants is maintained in Exhibit C and shall be: (i) Updated quarterly with new filings and status changes (ii) Reviewed annually for strategic alignment (iii) Monitored for potential infringement by third parties (c) Company shall maintain a patent strategy that includes: (i) Regular invention disclosure reviews (ii) Geographic coverage assessment (iii) Competitive landscape analysis

4.3 Copyright Protection (a) All software code shall include appropriate copyright notices containing: (i) Year of creation and publication (ii) Company name and ownership declaration (iii) Reserved rights statement (b) Company shall register copyrights for key software components, including: (i) Core AI/ML algorithms (ii) User interface elements (iii) Documentation and training materials (c) Copyright management procedures shall include: (i) Version control and attribution tracking (ii) Third-party code usage documentation (iii) License compliance monitoring

4.4 Data Security Requirements (a) Company shall implement industry-standard security measures to protect: (i) AI model architectures and parameters through: - Encrypted storage systems - Secure development environments - Version control access restrictions (ii) Training data and datasets via: - Data classification protocols - Anonymization procedures - Secure transmission methods (iii) Customer-specific implementations including: - Isolated deployment environments - Customer-specific access controls - Regular security assessments (b) Security measures shall include encryption, access controls, and audit logging, specifically: (i) AES-256 encryption or higher for data at rest (ii) TLS 1.3 or higher for data in transit (iii) Role-based access control (RBAC) implementation (iv) Comprehensive audit trails retention (c) Regular security assessments shall be conducted, including: (i) Quarterly internal security audits (ii) Annual third-party penetration testing (iii) Continuous monitoring and threat detection (iv) Incident response plan testing and updates

4.5 Compliance and Reporting (a) Company shall maintain documentation of all IP protection measures (b) Quarterly compliance reports shall be generated and reviewed (c) Annual assessment of protection effectiveness shall be conducted (d) Updates to security measures shall be implemented as needed to address emerging threats

## **5.0 LICENSE GRANTS AND RESTRICTIONS**

5.1 Software License Terms (a) Company grants limited licenses to the NexusCore™ Platform pursuant to separate license agreements, which shall specify: (i) Duration of the license term (ii) Number of authorized users and access points (iii) Geographic restrictions, if applicable (iv) Permitted use cases and deployment environments (b) No implied licenses are granted to any Intellectual Property Rights. (c) Licenses are non-exclusive, non-transferable, and revocable upon breach. (d) License fees and payment terms shall be specified in applicable Order Forms.

5.2 API Access Rights (a) API access shall be governed by Company's API Terms of Service, including: (i) Authentication requirements and security protocols (ii) Rate limiting and throughput restrictions (iii) Data retention and processing parameters (iv) Service level commitments (b) Company reserves the right to modify or restrict API access with: (i) Thirty (30) days' prior written notice for material changes (ii) Immediate effect for security-related modifications (iii) Reasonable transition periods for deprecated features (c) API documentation and technical specifications remain Company property.

5.3 Usage Limitations (a) Licensees shall not: (i) Reverse engineer, decompile, or disassemble the Technology Stack (ii) Attempt to extract, replicate, or train derivative AI models (iii) Modify, adapt, or create derivative works (iv) Remove or alter proprietary notices or branding (v) Exceed authorized usage thresholds or quotas (vi) Share access credentials or circumvent security measures (vii) Use the Platform for competitive analysis or benchmarking (viii) Process regulated data without proper authorization (b) Time-based and usage-based

restrictions may apply per license terms, including: (i) Maximum concurrent user sessions (ii) API call volumes and frequency (iii) Data storage limitations (iv) Computing resource allocation (c) Compliance monitoring and reporting requirements: (i) Regular usage audits and verification (ii) Cooperation with compliance investigations (iii) Maintenance of usage logs and records

5.4 Sublicensing Restrictions (a) No sublicensing rights are granted without express written authorization from Company. (b) Authorized sublicensing shall be subject to Company's standard terms, including: (i) Mandatory flow-down provisions (ii) End-user agreement requirements (iii) Revenue sharing arrangements (iv) Quality control measures (c) Sublicense administration and oversight: (i) Regular reporting of sublicensee activities (ii) Maintenance of sublicensee records (iii) Right to audit sublicensee compliance

5.5 Compliance and Enforcement (a) Company reserves the right to monitor and enforce license compliance through: (i) Automated usage tracking and analytics (ii) Periodic compliance reviews (iii) Technical enforcement measures (b) Violation remedies and consequences: (i) Temporary service suspension (ii) License termination (iii) Legal action for damages (iv) Injunctive relief (c) Cooperation requirements: (i) Prompt response to compliance inquiries (ii) Access to relevant records and systems (iii) Implementation of corrective measures

5.6 License Modifications (a) Company may modify license terms with: (i) Sixty (60) days' advance notice for material changes (ii) Immediate effect for legal compliance requirements (b) Licensee rights upon modification: (i) Right to terminate if modifications are materially adverse (ii) Reasonable transition period for implementation (c) Version control and documentation: (i) Maintenance of license term history (ii) Communication of changes through designated channels (iii) Archive of superseded terms