

# **EMPLOYMENT AND COMPENSATION AGREEMENT**

THIS EMPLOYMENT AND COMPENSATION 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, Cambridge, Massachusetts 02142 (the "Company"), and JENNIFER MARTINEZ, an individual residing at 145 Beacon Street, Unit 7, Boston, Massachusetts 02116 (the "Executive").

## **1.0 PREAMBLE AND RECITALS**

WHEREAS, the Company, Nexus Industrial Intelligence, Inc., a Delaware corporation with its principal place of business at 2500 Innovation Drive, Boston, Massachusetts 02210 (hereinafter referred to as the "Company"), is engaged in the business of developing and commercializing proprietary machine learning and computer vision solutions for industrial process optimization and predictive maintenance (the "Business");

WHEREAS, the Company desires to employ the Executive as Chief Product Officer, and the Executive desires to accept such employment with the Company, with such employment to commence on January 1, 2024 (the "Effective Date");

WHEREAS, the Executive possesses unique skills, knowledge, and experience relating to artificial intelligence and machine learning technologies in industrial applications, including but not limited to expertise in deep learning algorithms, computer vision systems, and industrial automation processes;

WHEREAS, the Company's Board of Directors, during its regularly scheduled meeting on December 15, 2023, has reviewed and unanimously approved the terms of this Agreement pursuant to Section 5.2 of the Company's bylaws;

WHEREAS, the parties acknowledge that the Executive's services are of special, unique, and extraordinary value to the Company's strategic initiatives and competitive position in the industrial artificial intelligence market; and

WHEREAS, the parties desire to set forth the terms and conditions of the Executive's employment with the Company in a comprehensive and legally binding manner.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

## **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) "Cause" means (i) Executive's material breach of this Agreement; (ii) Executive's conviction of, or plea of nolo contendere to, a felony or crime involving moral turpitude; (iii) Executive's act of fraud or dishonesty; (iv) Executive's willful misconduct or gross negligence; (v) Executive's repeated failure to perform assigned duties after written notice; or (vi) Executive's violation of Company policies that materially impacts the Company's operations, reputation, or compliance obligations.

(b) "Change in Control" means (i) acquisition of more than 50% of Company voting securities; (ii) merger, consolidation, or sale of substantially all Company assets; (iii) change in majority Board composition within 12 months; or (iv) liquidation or dissolution of the Company other than for restructuring purposes.

(c) "Confidential Information" means all non-public information relating to the Company's technology, including but not limited to: (i) machine learning algorithms, neural network architectures, training data sets, computer vision systems, source code, research and development; (ii) business plans, customer lists, pricing, and financial information; (iii) technical specifications, engineering designs, hardware configurations, and system architecture; (iv) training methodologies, model optimization techniques, and performance metrics; (v) data preprocessing methods, feature engineering approaches, and validation protocols; and (vi) any other proprietary information that derives independent economic value from not being generally known.

(d) "Good Reason" means, without Executive's consent: (i) material reduction in duties, responsibilities, or compensation; (ii) relocation requirement beyond 50 miles from current workplace; (iii) material breach of this Agreement by Company; or (iv) substantial diminution in reporting relationship or authority.

(e) "Intellectual Property" means all: (i) patents, patent applications, and patent rights; (ii) copyrights, copyright registrations, and copyright applications; (iii) trade secrets and confidential information; (iv) software, algorithms, source code, and documentation; (v) inventions, mask works, and designs; (vi) trademarks, service marks, and brand identities; (vii) artificial intelligence models, training methodologies, and associated data sets; (viii) proprietary processes, frameworks, and methodologies; and (ix) all other intellectual property rights relating to the Business, whether existing now or in the future, registered or unregistered, and in any jurisdiction worldwide.

2.2 Interpretation. The following principles shall govern interpretation of this Agreement:

(a) Words in the singular include the plural and vice versa, and words of one gender include all genders.

- (b) Section headings are for convenience only and shall not affect interpretation.
- (c) The terms "including" and "includes" mean "including but not limited to" and "includes without limitation" respectively.
- (d) References to sections, exhibits, or schedules refer to those within this Agreement unless otherwise specified.
- (e) Any reference to laws or regulations includes all amendments, modifications, and replacements in effect from time to time.
- (f) Time periods in days refer to calendar days unless business days are specified.

2.3 Construction. No rule of construction shall apply to disadvantage one party on the basis that that party prepared or supplied the Agreement or any part of it.

### **3.0 EMPLOYMENT TERMS AND DUTIES**

3.1 Position and Term. The Company hereby employs Executive as Chief Product Officer, reporting to the Chief Executive Officer. Executive's employment shall commence on the Effective Date and continue until terminated pursuant to Section 3.4. The position is classified as a senior executive role with corresponding fiduciary responsibilities and obligations to the Company.

3.2 Duties and Responsibilities. Executive shall:

- (a) Devote full business time and best efforts to Company duties, refraining from engaging in any other business activities that may conflict with Company interests without prior written approval from the Board of Directors;
- (b) Lead product strategy and development for NexusCore™ platform, including strategic planning, market analysis, and product lifecycle management;
- (c) Oversee AI/ML technology roadmap and implementation, ensuring alignment with industry best practices and regulatory compliance;
- (d) Manage product development team and coordinate with engineering, maintaining effective cross-functional collaboration and communication;
- (e) Ensure compliance with Company security protocols and policies, particularly regarding proprietary technology and intellectual property;
- (f) Establish and monitor key performance indicators (KPIs) for product development and market performance;
- (g) Represent the Company in industry events, conferences, and strategic partner meetings as required;
- (h) Participate in Board meetings and prepare regular reports on product strategy and performance.

3.3 Work Location and Arrangements

- (a) Primary office at Company headquarters in Cambridge, MA, with dedicated workspace and necessary resources;
- (b) Remote work permitted up to 2 days per week subject to Company policy, provided that: (i) Executive maintains regular communication and availability during business hours; (ii) Performance and productivity metrics meet or exceed in-office standards;

(iii) Executive attends all required in-person meetings and events; (c) Travel as reasonably required for business purposes, including: (i) Domestic and international client meetings; (ii) Industry conferences and trade shows; (iii) Team off-sites and strategic planning sessions; (d) Maintain secure home office setup meeting Company standards, including: (i) Dedicated workspace with appropriate privacy measures; (ii) Company-approved security software and hardware; (iii) High-speed internet connection meeting minimum specifications; (iv) Regular security audits and compliance checks.

### 3.4 Performance Standards and Review

(a) Executive shall meet or exceed performance objectives established annually; (b) Quarterly performance reviews with CEO to assess progress and adjust objectives; (c) Annual comprehensive review including: (i) Product development milestones; (ii) Team management effectiveness; (iii) Strategic goal achievement; (iv) Leadership competencies.

### 3.5 Termination

(a) By Company for Cause immediately upon notice, including but not limited to: (i) Willful misconduct or gross negligence; (ii) Material breach of this Agreement; (iii) Violation of Company policies; (iv) Criminal conduct or ethical violations; (b) By Company without Cause with 90 days' notice; (c) By Executive for Good Reason with 30 days' cure period; (d) By Executive without Good Reason with 90 days' notice; (e) Due to Executive's death or disability.

### 3.6 Compliance and Governance

(a) Adherence to all Company policies, procedures, and guidelines; (b) Compliance with applicable laws, regulations, and industry standards; (c) Maintenance of all required certifications and credentials; (d) Regular participation in compliance training and updates; (e) Proper documentation and reporting of all material business decisions.

## **4.0 COMPENSATION AND BENEFITS**

4.1 Base Salary. Annual base salary of \$375,000, payable in accordance with Company's normal payroll practices, subject to annual review. Salary reviews shall occur no later than March 31 of each calendar year, with any adjustments becoming effective April 1. Salary increases shall be based on market conditions, individual performance, and Company financial performance. Any salary increase shall become the new base salary for all purposes under this Agreement.

### 4.2 Annual Bonus

(a) Target bonus of 50% of base salary based on Company and individual performance metrics established by Board; (b) Performance metrics shall be communicated in writing within 60 days of the start of each fiscal year; (c) Bonus calculation shall be weighted as follows: 60%

Company performance and 40% individual performance; (d) Board maintains discretion to adjust bonus amount based on extraordinary circumstances; (e) Bonus payment shall be made no later than March 15 following the applicable performance year; (f) Executive must be employed on bonus payment date to receive bonus, except as otherwise provided herein.

#### 4.3 Equity Compensation

(a) Initial grant of 100,000 restricted stock units (RSUs) vesting over 4 years according to the following schedule: (i) 25% shall vest on the first anniversary of the Grant Date; (ii) Remaining 75% shall vest in equal quarterly installments over the following 36 months; (iii) Vesting contingent upon continued employment on each vesting date.

(b) Annual equity refresh grants subject to Board approval: (i) Annual grants typically ranging from 25,000 to 50,000 RSUs; (ii) Grant size determined based on individual performance and market conditions; (iii) Refresh grants subject to same vesting schedule as initial grant.

(c) Accelerated vesting provisions: (i) 100% acceleration upon Change in Control with involuntary termination; (ii) 50% acceleration upon Change in Control without termination; (iii) Pro-rata acceleration upon death or Disability.

(d) Exercise period for vested equity: (i) 90 days following voluntary termination; (ii) 180 days following involuntary termination without Cause; (iii) 12 months following termination due to death or Disability.

#### 4.4 Benefits

(a) Health and Welfare Benefits: (i) Medical insurance with Company covering 90% of premium for employee and 75% for dependents; (ii) Dental and vision insurance with standard Company premium split; (iii) Life insurance providing 2x annual salary death benefit; (iv) Short-term disability coverage at 66.67% of salary; (v) Long-term disability coverage at 60% of salary.

(b) Retirement Benefits: (i) 401(k) plan participation with Company match up to 4% of salary; (ii) Immediate vesting of Company matching contributions; (iii) Option to participate in deferred compensation plan if eligible.

(c) Paid Time Off: (i) 20 days paid vacation annually, accruing ratably per pay period; (ii) Maximum vacation accrual of 1.5x annual allowance; (iii) 10 paid holidays per calendar year; (iv) 5 days paid sick leave annually; (v) Bereavement leave per Company policy.

(d) Business Expense Reimbursement: (i) Reasonable and necessary business expenses reimbursed; (ii) Compliance with Company expense policies required; (iii) Submission of expenses within 60 days of incurrence; (iv) Reimbursement within 30 days of proper submission.

(e) Additional Benefits: (i) Annual executive physical examination; (ii) Mobile phone and service plan reimbursement; (iii) Professional association dues; (iv) Reasonable professional

development expenses; (v) Parking or transit allowance; (vi) Home office equipment allowance up to \$2,500.

4.5 Compensation Review. All compensation and benefits shall be reviewed annually by the Board or its Compensation Committee. Any modifications shall be documented in writing and require Board approval. The Company reserves the right to modify, amend, or terminate any benefit program, provided such changes apply uniformly to similarly situated executives.

## **5.0 INTELLECTUAL PROPERTY AND CONFIDENTIALITY**

### **5.1 Assignment of Intellectual Property**

(a) Executive hereby irrevocably assigns, transfers, and conveys to Company all right, title, and interest in and to any and all Intellectual Property created, conceived, developed, or reduced to practice during the course of employment, whether solely or jointly with others, including but not limited to: (i) inventions, discoveries, improvements, and innovations; (ii) software code, algorithms, and computational methods; (iii) databases, data structures, and data compilations; (iv) technical, business, and research documentation; (v) trademarks, service marks, and trade dress; (vi) copyrightable works and mask works.

(b) Executive shall promptly and fully disclose to Company all Intellectual Property, maintaining detailed records of development activities, including: (i) laboratory notebooks and research documentation; (ii) source code repositories and documentation; (iii) experimental results and test data; (iv) invention disclosures and technical specifications.

(c) Executive shall, at Company's expense, provide all assistance reasonably requested to secure and protect Company's Intellectual Property rights, including: (i) executing documents for patent, copyright, and trademark applications; (ii) providing testimony in legal proceedings; (iii) participating in technical documentation reviews; (iv) supporting technology transfer activities.

(d) Company shall exclusively own all artificial intelligence and machine learning assets, including: (i) training data and datasets; (ii) neural network architectures and weights; (iii) feature engineering methodologies; (iv) model optimization techniques; (v) deployment configurations and parameters.

### **5.2 Confidentiality Obligations**

(a) Executive shall maintain strict confidentiality of all Confidential Information, defined as: (i) technical information, including algorithms, architectures, and designs; (ii) business information, including strategies, forecasts, and analyses; (iii) customer information, including identities, requirements, and contracts; (iv) operational information, including processes, methods, and procedures; (v) research information, including experiments, results, and innovations.

(b) Disclosure restrictions: (i) disclosure permitted only to authorized personnel with legitimate need-to-know; (ii) third-party disclosure requires written authorization from Company; (iii) immediate notification required for unauthorized disclosures; (iv) implementation of reasonable security measures required.

(c) Upon termination or Company request, Executive shall: (i) return all physical Confidential Information; (ii) permanently delete electronic copies; (iii) certify compliance in writing; (iv) surrender all access credentials and authentication tokens.

(d) Confidentiality obligations shall: (i) survive termination indefinitely; (ii) extend to derivative works and modifications; (iii) apply to information learned through authorized access; (iv) include obligation to prevent unauthorized access.

### 5.3 Restrictive Covenants

(a) Non-competition provisions: (i) twelve (12) month restriction from Termination Date; (ii) prohibition on competing business activities; (iii) includes direct and indirect participation; (iv) covers similar products and services.

(b) Non-solicitation restrictions: (i) employees and contractors; (ii) customers and prospects; (iii) suppliers and partners; (iv) twelve (12) month duration from Termination Date.

(c) Geographic scope encompasses: (i) North American territories and jurisdictions; (ii) European Union member states; (iii) United Kingdom; (iv) other territories where Company conducts business.

(d) Consideration and enforcement: (i) specific consideration provided in employment agreement; (ii) independent value acknowledged; (iii) reasonable and necessary for business protection; (iv) judicial modification permitted if necessary.

### 5.4 Remedies

(a) Company entitled to: (i) immediate injunctive relief; (ii) monetary damages; (iii) recovery of attorney fees and costs; (iv) specific performance.

(b) Executive acknowledges: (i) irreparable harm from breach; (ii) adequacy of legal remedies; (iii) reasonableness of restrictions; (iv) enforceability of provisions.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

NEXUS INDUSTRIAL INTELLIGENCE, INC.

By: \_\_\_\_\_ Name: Dr. Sarah Chen Title: Chief Executive Officer

EXECUTIVE:

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Jennifer Martinez

[EXHIBITS AND APPENDICES TO FOLLOW]