

# **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, including computer vision systems, predictive analytics algorithms, and edge computing solutions for industrial process optimization (collectively, the "Technology");

WHEREAS, Company's Technology is embodied in its NexusCore™ Industrial AI Platform and related software products, which enable intelligent automation and operational excellence in manufacturing environments;

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

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

## **2.0 DEFINITIONS AND INTERPRETATION**

2.1 "Artificial Intelligence Components" means any and all machine learning algorithms, neural networks, deep learning models, and related artificial intelligence technologies developed by Company, including training methodologies, model architectures, inference engines, data preprocessing systems, feature extraction mechanisms, and model optimization frameworks.

2.2 "Computer Vision System" means Company's proprietary computer vision technology, including image processing algorithms, object detection and classification systems, visual inspection capabilities, spatial recognition frameworks, motion tracking subsystems, dimensional analysis tools, and real-time video processing components.

2.3 "Edge Computing Solutions" means Company's software and systems designed to process data at or near the source of data generation in industrial environments, including related optimization algorithms, deployment frameworks, local data storage mechanisms, bandwidth management systems, and latency reduction protocols.

2.4 "Intellectual Property Rights" means all rights in and to patents, patent applications, copyrights, trade secrets, know-how, trademarks, service marks, trade names, and all other intellectual property rights, whether registered or unregistered, and all applications and registrations thereof, including all rights to enforce, license, transfer, or assign such rights globally.

2.5 "NexusCore™ Platform" means Company's flagship software platform that integrates the Artificial Intelligence Components, Computer Vision System, and Edge Computing Solutions, including all modules, APIs, user interfaces, documentation, configuration tools, debugging utilities, and deployment management systems.

2.6 "Proprietary Information" means all non-public technical and business information relating to the Technology, including but not limited to source code, algorithms, training data, model weights, system architectures, implementation methodologies, performance metrics, and optimization strategies.

2.7 "System Integration Framework" means the Company's proprietary software infrastructure that enables interoperability between various components, including protocol adapters, data transformation layers, and communication interfaces.

2.8 "Technology Stack" means the complete set of software components, hardware specifications, and technological infrastructure required to implement and operate the NexusCore™ Platform.

2.9 "User Authentication System" means the security and access control mechanisms implemented within the NexusCore™ Platform, including role-based access control, multi-factor authentication, and session management.

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) The headings in this Agreement are for convenience only and do not affect its interpretation; (d) The words "including" and "includes" mean "including but not limited to"; (e) References to any party include their permitted successors and assigns; (f) Any reference to a statute, regulation, or standard includes any modification or re-enactment thereof; (g) Technical terms not specifically defined herein shall have the meanings commonly understood within the artificial intelligence and software development industry.

### **3.0 INTELLECTUAL PROPERTY OWNERSHIP**

#### **3.1 Pre-Existing Intellectual Property**

(a) Company is the sole and exclusive owner of all Intellectual Property Rights in and to the Technology existing as of the Effective Date, including: (i) All Artificial Intelligence Components, including but not limited to machine learning algorithms, neural network architectures, training datasets, model weights, inference engines, and associated computational frameworks (ii) The Computer Vision System, encompassing image processing algorithms, object detection models, pattern recognition systems, and real-time analysis capabilities (iii) All Edge Computing Solutions, including distributed processing frameworks, edge-node architectures, and local data processing implementations (iv) The NexusCore™ Platform and all its constituent components, modules, APIs, and integration frameworks (v) All related documentation, specifications, training materials, user guides, technical manuals, and implementation protocols

(b) Company's ownership includes all improvements, modifications, and derivative works of the Technology developed by or for Company, including: (i) Algorithm refinements and optimizations (ii) Enhanced feature sets and functionality (iii) Performance improvements and efficiency gains (iv) User interface modifications and enhancements (v) Integration capabilities and extensibility features

#### **3.2 Newly Developed Intellectual Property**

(a) All Intellectual Property Rights in any improvements, modifications, or enhancements to the Technology developed after the Effective Date shall automatically vest in Company, including: (i) New algorithmic implementations and computational methods (ii) Additional machine learning models and training methodologies (iii) Enhanced system architectures and deployment configurations (iv) Novel user interfaces and interaction paradigms (v) Expanded integration capabilities and protocols

(b) Company shall have the exclusive right to file patent applications, copyright registrations, and other intellectual property protection for any newly developed aspects of the Technology, including: (i) Provisional and non-provisional patent applications (ii) International patent filings under the Patent Cooperation Treaty (iii) Copyright registrations for software code and documentation (iv) Trademark applications for new brands and product identifiers (v) Trade secret protection measures and confidentiality protocols

#### **3.3 Third-Party Components**

(a) Company acknowledges that the Technology may incorporate certain third-party software components, including open source software, subject to their respective license terms. Such components shall be: (i) Clearly documented and identified in the codebase (ii) Used in compliance with all applicable license requirements (iii) Regularly reviewed for security and

compatibility (iv) Updated as necessary to maintain system integrity (v) Replaced with proprietary solutions when strategically advantageous

(b) A schedule of material third-party components and applicable licenses is maintained in Exhibit A, which shall: (i) Be updated quarterly or upon material changes (ii) Include version numbers and license types (iii) Document any usage restrictions or obligations (iv) Track dependency relationships (v) Note any potential compliance risks

### 3.4 Intellectual Property Protection

(a) Company shall implement reasonable measures to protect its Intellectual Property Rights, including: (i) Technical protection measures and access controls (ii) Confidentiality agreements with employees and contractors (iii) Regular intellectual property audits and assessments (iv) Monitoring for potential infringement (v) Maintenance of proper documentation and records

(b) In the event of any threatened or actual infringement, Company shall have the right to: (i) Pursue all available legal remedies (ii) Seek injunctive relief and damages (iii) Engage in settlement negotiations (iv) License the Technology on appropriate terms (v) Take any other necessary protective actions

### 3.5 Assignment and Transfer

(a) All parties involved in the development of the Technology shall: (i) Execute necessary assignments and transfers (ii) Cooperate in intellectual property registration processes (iii) Assist in enforcement actions when required (iv) Maintain appropriate confidentiality (v) Support the protection of Company's rights

(b) Any transfer or assignment of rights in the Technology shall require: (i) Written authorization from Company (ii) Appropriate documentation and recording (iii) Compliance with applicable laws and regulations (iv) Protection of Company's ongoing interests (v) Maintenance of existing license obligations

## **4.0 IP PROTECTION AND CONFIDENTIALITY**

### 4.1 Trade Secret Protection

(a) Company shall maintain appropriate security measures to protect the confidentiality of the Proprietary Information, including: (i) Access controls and authentication systems, incorporating multi-factor authentication and role-based access control (ii) Encryption of sensitive data, both at rest and in transit, using industry-standard protocols (iii) Employee confidentiality agreements with specific provisions for AI/ML technologies (iv) Secure development and deployment practices, including code versioning and access logging

(b) Company shall implement additional trade secret safeguards: (i) Segmentation of critical algorithmic components (ii) Documentation of all access to proprietary systems (iii) Regular

training on confidentiality obligations (iv) Monitoring of data access patterns and anomaly detection

#### 4.2 Patent Protection

(a) Company shall maintain an active patent portfolio covering key aspects of the Technology, including: (i) Core algorithmic innovations (ii) System architecture components (iii) Novel optimization techniques (iv) Implementation methodologies

(b) Company shall promptly file patent applications for patentable innovations related to the Technology, with specific attention to: (i) Filing within six months of invention disclosure (ii) International patent protection in key markets (iii) Continuation applications for emerging developments (iv) Regular patent portfolio reviews and maintenance

#### 4.3 Copyright Protection

(a) All software code, documentation, and other works of authorship shall bear appropriate copyright notices, including: (i) Source code headers (ii) User interface elements (iii) Technical documentation (iv) Training materials and datasets

(b) Company shall register copyrights for material components of the Technology, specifically: (i) Core software modules (ii) Configuration files and parameters (iii) Documentation and manuals (iv) Original datasets and data structures

#### 4.4 Data Security Requirements

(a) Company shall implement industry-standard security measures to protect the Technology and associated data, including: (i) Regular security audits conducted at least quarterly (ii) Penetration testing by certified third-party providers (iii) Vulnerability assessments using automated and manual methods (iv) Security incident response procedures with defined escalation paths

(b) Company shall maintain specific data protection protocols: (i) Segregation of production and development environments (ii) Regular backup and recovery testing (iii) Data retention and destruction policies (iv) Access logging and monitoring systems

#### 4.5 Confidentiality Obligations

(a) All employees, contractors, and third parties with access to the Technology shall: (i) Execute comprehensive non-disclosure agreements (ii) Undergo security awareness training (iii) Comply with access control policies (iv) Report potential security incidents immediately

(b) Company shall maintain confidentiality through: (i) Classification of information sensitivity levels (ii) Regular review of access privileges (iii) Documentation of information sharing (iv) Enforcement of "need-to-know" principles

#### 4.6 Compliance and Monitoring

(a) Company shall establish oversight mechanisms including: (i) Regular compliance audits (ii) Documentation of security measures (iii) Incident response testing (iv) Update of security protocols

(b) Company shall maintain records of: (i) All security incidents and responses (ii) Access control changes (iii) Training completion (iv) Compliance certifications

## **5.0 LICENSE GRANTS AND RESTRICTIONS**

### **5.1 Software License Terms**

(a) Company may grant limited, non-exclusive licenses to use the NexusCore™ Platform pursuant to separate license agreements, subject to the terms and conditions specified herein and in applicable Order Forms.

(b) All licenses shall be subject to Company's standard terms and conditions, including: (i) Usage limitations based on authorized user counts, concurrent sessions, data processing volumes, and geographic restrictions (ii) Confidentiality obligations regarding platform architecture, algorithms, and operational methodologies (iii) Intellectual property ownership provisions covering derivative works, improvements, and modifications (iv) Technical support terms including response times, severity levels, and escalation procedures

(c) License duration shall be specified in the applicable Order Form and may be: (i) Perpetual with ongoing maintenance fees (ii) Term-based with renewal options (iii) Project-specific with defined completion dates

### **5.2 API Access Rights**

(a) Access to APIs shall be granted solely pursuant to Company's API license terms, including: (i) Authentication requirements and security protocols (ii) Rate limiting and usage quotas (iii) Data retention and processing restrictions (iv) Integration specifications and compatibility requirements

(b) Company reserves the right to modify, limit, or revoke API access at any time, including: (i) Emergency suspension for security concerns (ii) Modification of endpoints or response formats with notice (iii) Deprecation of API versions with reasonable transition periods (iv) Usage monitoring and compliance verification

### **5.3 Usage Restrictions**

(a) No reverse engineering, decompilation, or disassembly of the Technology is permitted, including: (i) Attempts to derive source code or algorithms (ii) Analysis of internal operations or methodologies (iii) Penetration testing without written authorization (iv) Performance benchmarking for competitive purposes

(b) No modification or creation of derivative works is permitted except as expressly authorized by Company, including: (i) Custom interfaces or integrations (ii) Enhanced functionality or features (iii) Localization or customization (iv) Performance optimizations

(c) Licensee shall not: (i) Remove or modify any proprietary notices or markings (ii) Exceed authorized usage limits or metrics (iii) Share access credentials or authentication tokens (iv) Circumvent security measures or access controls

#### 5.4 Sublicensing Restrictions

(a) Sublicensing of the Technology is prohibited without Company's express written consent, which may be: (i) Granted on a case-by-case basis (ii) Subject to additional fees or revenue sharing (iii) Limited to specific use cases or territories (iv) Contingent on sublicensee qualifications

(b) Any authorized sublicenses must incorporate all restrictions and protections contained in this Agreement, including: (i) Flow-down of all usage restrictions (ii) Maintenance of confidentiality obligations (iii) Preservation of intellectual property rights (iv) Compliance with security requirements

#### 5.5 Compliance and Monitoring

(a) Company reserves the right to monitor and audit compliance with license terms through: (i) Automated usage tracking and reporting (ii) On-site inspections with reasonable notice (iii) Documentation and records review (iv) Technical verification measures

(b) Licensee shall maintain accurate records of: (i) Authorized user access and authentication (ii) Usage volumes and patterns (iii) Integration implementations (iv) Security incident reports

#### 5.6 Term and Termination

(a) License rights shall terminate immediately upon: (i) Material breach of Agreement terms (ii) Failure to pay applicable fees (iii) Bankruptcy or insolvency (iv) Unauthorized transfer or assignment

(b) Upon termination, Licensee shall: (i) Cease all use of the Technology (ii) Return or destroy all copies and materials (iii) Certify compliance with termination obligations (iv) Maintain ongoing confidentiality obligations