

# **AI Ethics and Governance Consulting Contract**

## **PARTIES**

This AI Ethics and Governance Consulting Contract (the "Agreement") is entered into as of January 22, 2024 (the "Effective Date") by and between:

NEXUS INTELLIGENT SYSTEMS, INC., a Delaware corporation with principal offices at 1200 Technology Park Drive, San Jose, California 95134 ("Client")

AND

ETHICAL AI SOLUTIONS, LLC, a California limited liability company with principal offices at 500 Innovation Way, Palo Alto, California 94304 ("Consultant")

## **RECITALS**

WHEREAS, Client is an advanced technology services firm specializing in AI-driven predictive maintenance and digital transformation solutions;

WHEREAS, Consultant possesses specialized expertise in AI ethics, governance frameworks, and responsible technology development;

WHEREAS, Client desires to engage Consultant to provide comprehensive AI ethics and governance advisory services;

NOW, THEREFORE, the parties agree as follows:

## **1. SCOPE OF SERVICES**

### **1 Consulting Services**

Consultant shall provide the following professional services:

#### **a) Comprehensive AI Ethics Assessment**

- Conduct a detailed review of Client's existing AI development processes
- Identify potential ethical risks and compliance gaps
- Develop tailored ethical guidelines specific to Client's technological ecosystem

#### **b) Governance Framework Development**

- Design a robust AI governance framework aligned with international best practices
- Create policy documentation for responsible AI development
- Establish ethical decision-making protocols

#### c) Regulatory Compliance Analysis

- Evaluate current and anticipated AI regulatory requirements
- Provide strategic guidance on emerging legal landscapes
- Develop compliance mitigation strategies

### 2 Deliverables

Consultant will provide the following specific deliverables:

- Comprehensive AI Ethics Assessment Report
- Proposed Governance Framework Documentation
- Regulatory Compliance Roadmap
- Executive Summary Presentation
- Quarterly Monitoring and Update Reports

## **2. ENGAGEMENT TERMS**

### 1 Duration

The initial engagement period shall be twelve (12) months from the Effective Date, with potential renewal options subject to mutual written agreement.

### 2 Professional Fees

- Initial Engagement Fee: \$175,000
- Quarterly Retainer: \$45,000
- Additional Consulting Rates: \$350 per professional hour

### 3 Payment Terms

Client shall remit payment within thirty (30) days of invoice receipt. Late payments will accrue interest at 1.5% monthly.

## **3. CONFIDENTIALITY**

### 1 Definitions

"Confidential Information" means all proprietary technical, business, and strategic information disclosed during the engagement.

## 2 Obligations

Both parties agree to:

- Maintain strict confidentiality
- Implement reasonable protective measures
- Limit disclosure to authorized personnel
- Return or destroy confidential materials upon engagement completion

## 4. INTELLECTUAL PROPERTY

### 1 Ownership

- Client retains ownership of all pre-existing intellectual property
- Consultant retains ownership of methodological frameworks and general consulting approaches
- Jointly developed materials shall be co-owned with shared usage rights

### 2 Licensing

Consultant grants Client a non-exclusive, perpetual license to utilize developed governance frameworks and assessment methodologies.

## 5. LIABILITY AND INDEMNIFICATION

### 1 Limitation of Liability

Total aggregate liability shall not exceed the total fees paid during the preceding twelve-month period.

### 2 Indemnification

Each party agrees to indemnify and hold harmless the other from third-party claims arising from material breaches of this Agreement.

## 6. TERMINATION

### 1 Termination Rights

Either party may terminate the Agreement with sixty (60) days written notice.

## 2 Termination Consequences

- Outstanding invoices become immediately due
- Confidentiality provisions remain in full effect
- Partial refunds issued for prepaid but undelivered services

## 7. MISCELLANEOUS PROVISIONS

### 1 Governing Law

This Agreement shall be governed by California law, with exclusive jurisdiction in Santa Clara County.

### 2 Dispute Resolution

Any disputes shall first undergo mandatory mediation before potential litigation.

### 3 Force Majeure

Neither party shall be liable for delays caused by unforeseeable circumstances outside reasonable control.

## 8. SIGNATURES

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

NEXUS INTELLIGENT SYSTEMS, INC.

**By:**

Dr. Elena Rodriguez

Chief Executive Officer

ETHICAL AI SOLUTIONS, LLC

**By:**

Dr. Marcus Holbrook

Managing Partner