

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 "AI Technology Stack");

WHEREAS, Company's proprietary NexusCore™ Industrial AI Platform integrates these technologies to provide enterprise-grade manufacturing optimization solutions;

WHEREAS, Company desires to establish and document the ownership, protection, and permitted uses of 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 Stack" means Company's proprietary artificial intelligence and machine learning technologies, including but not limited to: (a) Computer vision algorithms and image processing systems (b) Machine learning models and training methodologies (c) Edge computing frameworks and deployment solutions (d) Industrial process optimization algorithms (e) Predictive maintenance systems (f) Quality control analysis tools (g) Neural network architectures and deep learning systems (h) Natural language processing components (i) Automated decision support frameworks

2.2 "Intellectual Property Rights" means all: (a) Patents, patent applications, and patent rights (b) Trademarks, service marks, trade names, and brand names (c) Copyrights and rights in works of authorship (d) Trade secrets and confidential know-how (e) Software and source code (f) Data rights and database rights (g) All other intellectual property rights, whether registered

or unregistered (h) Improvements, modifications, and derivative works (i) Associated goodwill and reputation rights (j) Rights to pursue infringement claims

2.3 "NexusCore™ Platform" means Company's flagship software platform that: (a) Integrates the AI Technology Stack components (b) Provides industrial automation and optimization capabilities (c) Enables real-time analytics and decision support (d) Interfaces with industrial control systems and IoT sensors (e) Facilitates edge-to-cloud computing operations (f) Implements security protocols and data protection measures (g) Manages distributed computing resources (h) Provides visualization and reporting capabilities

2.4 "Proprietary Information" means all non-public information relating to: (a) Technical specifications and architectures (b) Algorithm designs and implementations (c) Training data and model parameters (d) Customer deployment configurations (e) Research and development activities (f) Business and marketing plans (g) System performance metrics and benchmarks (h) Security protocols and vulnerability assessments

2.5 "Machine Learning Models" means: (a) Trained artificial intelligence systems (b) Statistical and mathematical frameworks (c) Feature engineering methodologies (d) Model optimization techniques (e) Training datasets and parameters

2.6 For the purposes of interpretation: (a) References to one gender include all genders (b) Words in singular include plural and vice versa (c) "Including" means "including without limitation" (d) Section headings are for convenience only (e) References to documents include amendments (f) Technical terms have industry-standard meanings

2.7 Time periods specified in this Agreement: (a) Exclude the day of the event from which time runs (b) Include the last day of the period (c) Extend to the next business day if ending on a non-business day (d) Are calculated using calendar days unless specified otherwise

2.8 In the event of any conflict or inconsistency: (a) The main body of the Agreement prevails over schedules (b) Later amendments prevail over earlier versions (c) Specific provisions prevail over general provisions (d) Written terms prevail over oral agreements

3.0 INTELLECTUAL PROPERTY OWNERSHIP

3.1 Pre-existing Intellectual Property (a) Company owns all right, title, and interest in the AI Technology Stack, including but not limited to source code, object code, APIs, interfaces, architectures, frameworks, and associated documentation (b) Company retains exclusive ownership of all pre-existing algorithms, including proprietary mathematical formulations, computational methods, and processing techniques developed prior to this agreement (c) All prior developed machine learning models remain Company property, encompassing trained models, training datasets, model architectures, weights, parameters, and associated performance metrics (d) Existing computer vision systems are Company's sole property, including image processing algorithms, feature detection systems, pattern recognition

technologies, and related technical implementations (e) Previously created documentation and materials belong to Company, including technical specifications, design documents, user manuals, training materials, and implementation guides (f) Company maintains exclusive rights to all pre-existing data preprocessing methods, data transformation techniques, and data enhancement procedures

3.2 Newly Developed Intellectual Property (a) All improvements to the AI Technology Stack shall be Company property, regardless of whether such improvements were developed independently or in collaboration with Customer (b) Derivative works from the NexusCore™ Platform belong to Company, including customizations, modifications, enhancements, and extensions developed during the service period (c) New algorithms and models developed by Company employees or contractors are Company property, including those created during Customer-specific implementations (d) Customer-specific configurations remain Company intellectual property, while preserving Customer's rights to their input data and business rules (e) Integration methods and deployment tools belong to Company, including deployment scripts, configuration management tools, and monitoring solutions (f) Any improvements to model accuracy, performance optimizations, or efficiency enhancements developed during Customer engagement are Company property (g) Novel features, functionalities, or capabilities added to the platform during the service period remain Company property

3.3 Third-Party Components (a) Company maintains licenses for all third-party software, ensuring compliance with terms and conditions of each license agreement (b) Integration with third-party systems is properly authorized, documented, and maintained in accordance with respective licensing agreements (c) Use of external libraries complies with all license terms, including attribution requirements and usage restrictions (d) Third-party data usage follows applicable agreements, including data privacy regulations and usage limitations (e) Company assumes responsibility for managing and maintaining all third-party component licenses (f) Integration components developed to interface with third-party systems remain Company property (g) Company maintains documentation of all third-party components, including version information, license terms, and compliance requirements

3.4 Open Source Declarations (a) Company complies with all open source license obligations, including GNU General Public License (GPL), MIT License, Apache License, and others (b) Open source components are properly segregated from proprietary code to prevent license contamination (c) Usage does not trigger copyleft requirements that would compromise Company's proprietary intellectual property (d) All attributions and notices are maintained in accordance with open source license requirements (e) Company maintains a comprehensive inventory of open source components and their respective licenses (f) Regular audits are conducted to ensure ongoing compliance with open source obligations

3.5 Intellectual Property Protection (a) Company implements appropriate measures to protect intellectual property, including code obfuscation, access controls, and confidentiality agreements (b) All Company employees and contractors are bound by intellectual property

assignment agreements (c) Company maintains records of intellectual property creation, ownership, and transfer (d) Regular intellectual property audits are conducted to ensure proper protection and compliance (e) Company reserves the right to pursue legal action against unauthorized use or infringement of its intellectual property

3.6 Customer Data Rights (a) Customer retains ownership of all input data provided to the system (b) Customer maintains rights to business rules and processes implemented within the system (c) Output data generated by the system is owned according to the terms specified in the Master Services Agreement (d) Customer-specific training data ownership is governed by separate data agreements (e) Company's use of Customer data for system improvement is subject to confidentiality obligations

4.0 IP PROTECTION AND CONFIDENTIALITY

4.1 Trade Secret Protection (a) Company implements reasonable security measures, including but not limited to physical access controls, digital authentication systems, and monitoring protocols designed to protect proprietary information (b) Access to source code is strictly controlled through multi-factor authentication and time-limited authorization protocols (c) Confidentiality agreements are required for all parties accessing protected information, with specific provisions for AI/ML technologies (d) Security protocols are regularly updated to reflect emerging threats and industry best practices (e) Regular audits are conducted to verify compliance with security measures (f) Incident response procedures are maintained and tested quarterly

4.2 Source Code Security (a) Code repositories have restricted access with granular permission controls and activity logging (b) Version control systems are secured using enterprise-grade encryption and authentication (c) Code review processes are documented and require minimum two-party verification (d) Backup procedures are maintained with geographic redundancy and encryption (e) Development environments are isolated from production systems (f) Secure code signing procedures are implemented for all releases (g) Regular vulnerability scanning and penetration testing are performed (h) Third-party code and dependencies are vetted and monitored

4.3 Data Protection Measures (a) Training data is encrypted at rest and in transit using industry-standard protocols (b) Customer data is segregated and protected through logical and physical isolation (c) Access controls are role-based with principle of least privilege (d) Audit logs are maintained for all data access and modifications (e) Data classification systems are implemented to ensure appropriate handling (f) Data retention and destruction policies are enforced (g) Regular data protection impact assessments are conducted (h) Cross-border data transfer restrictions are observed (i) Privacy-preserving computation techniques are employed where applicable

4.4 Employee and Contractor Obligations (a) IP assignments are required for all work product and innovations (b) Confidentiality agreements are executed prior to access to any protected information (c) Security training is mandatory and must be renewed annually (d) Exit procedures protect IP through formal offboarding processes (e) Non-compete and non-solicitation provisions are included where legally permissible (f) Regular acknowledgment of IP obligations is required (g) Personal device usage policies are enforced (h) Remote work security protocols are maintained

4.5 AI/ML Specific Protections (a) Model architectures and parameters are treated as trade secrets (b) Training methodologies and optimization techniques are protected (c) Model performance metrics and benchmarks are confidential (d) Dataset curation and preprocessing methods are secured (e) Model deployment and serving infrastructure is protected (f) Algorithm improvements and iterations are documented securely

4.6 Compliance and Monitoring (a) Regular compliance assessments are conducted (b) Security metrics are tracked and reported (c) Industry standards and best practices are monitored (d) Regulatory requirements are continuously evaluated (e) Third-party security assessments are performed annually (f) Security incident reporting procedures are maintained (g) Documentation of all security measures is kept current (h) Employee compliance is monitored and enforced

4.7 Breach Response and Remediation (a) Incident response team is maintained and trained (b) Communication protocols are established for security events (c) Legal notification requirements are documented (d) Evidence preservation procedures are defined (e) Business continuity plans are maintained (f) Post-incident analysis and reporting are required

5.0 IP USAGE RIGHTS AND RESTRICTIONS

5.1 License Grants (a) Company may grant limited usage rights to Licensee for the purpose of implementing and operating the licensed technology within Licensee's authorized facilities and operations (b) Licenses are non-exclusive and non-transferable, remaining valid for the duration specified in the applicable Order Form (c) Sublicensing requires explicit written authorization from Company, subject to additional terms and fees as determined by Company (d) Terms are specifically documented in individual license agreements, including scope, duration, and territorial limitations (e) License grants extend only to designated personnel and authorized contractors who have executed confidentiality agreements (f) Usage rights include necessary technical documentation, updates, and maintenance releases

5.2 Usage Restrictions (a) No reverse engineering, decompilation, or disassembly of the licensed technology is permitted (b) No unauthorized modifications, alterations, or derivative works may be created (c) No competitive use, analysis, or benchmarking is permitted without express written consent (d) Geographic restrictions apply as specified in the Order Form and may be subject to export control regulations (e) No public display, demonstration, or disclosure

without prior written approval (f) No removal or modification of proprietary notices or markings (g) No circumvention of security measures or access controls (h) No use in violation of applicable laws or regulations

5.3 Deployment Limitations (a) Only authorized environments permitted as specified in deployment documentation (b) Integration with third-party systems requires prior written approval (c) Security requirements must be met, including: (i) Implementation of specified access controls (ii) Maintenance of security protocols (iii) Regular security audits and assessments (iv) Prompt reporting of security incidents (d) Monitoring is required for: (i) Usage patterns and compliance (ii) Performance metrics (iii) Security events (iv) Access logs

5.4 Compliance and Reporting (a) Licensee shall maintain accurate records of all authorized users (b) Quarterly compliance reports must be submitted to Company (c) Company reserves the right to audit compliance upon reasonable notice (d) Licensee shall cooperate with compliance investigations (e) Violations must be reported within 48 hours of discovery

5.5 Territory and Location Restrictions (a) Usage limited to specified geographic regions (b) Data processing restrictions may apply based on local regulations (c) Cross-border transfers require explicit authorization (d) Local law compliance requirements must be satisfied

5.6 Term and Termination Effects (a) License rights terminate immediately upon agreement breach (b) Post-termination obligations include: (i) Immediate cessation of use (ii) Return or destruction of materials (iii) Certification of compliance (c) Surviving provisions remain in effect (d) Transition assistance available upon request, subject to additional fees

5.7 Reservation of Rights (a) All rights not expressly granted are reserved (b) Company retains ownership of all improvements (c) Feedback and suggestions become Company property (d) No implied licenses are granted