

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, predictive analytics algorithms, and edge computing solutions, collectively comprising the NexusCore™ Industrial AI Platform;

WHEREAS, Company desires to establish and memorialize comprehensive intellectual property protection mechanisms for its proprietary technology stack, software solutions, and related intellectual property assets;

WHEREAS, Company seeks to document ownership rights, usage parameters, and protection protocols for its artificial intelligence models, machine learning algorithms, and associated technological innovations;

NOW, THEREFORE, Company hereby establishes and declares the following terms and conditions governing its intellectual property rights and protection framework:

2.0 DEFINITIONS AND INTERPRETATION

2.1 Defined Terms. The following terms shall have the meanings set forth below:

(a) "Artificial Intelligence Components" means any and all machine learning models, neural networks, deep learning systems, and related algorithmic structures developed by Company, including but not limited to supervised learning algorithms, reinforcement learning systems, computer vision models, natural language processing components, and predictive analytics engines.

(b) "Confidential Information" means all non-public information relating to the Technology Stack, including but not limited to source code, training data, model architectures, algorithmic parameters, technical documentation, performance metrics, optimization strategies, customer-

specific configurations, deployment methodologies, security protocols, and proprietary operational procedures.

(c) "Customer Implementation" means any deployment, integration, or customization of the NexusCore™ Platform for a specific customer's manufacturing environment, including system configurations, custom algorithms, data pipelines, interface adaptations, and operational parameters tailored to customer requirements.

(d) "Derivative Works" means any modification, enhancement, improvement, or derivative work based upon or derived from the Technology Stack or any component thereof, including adaptations, translations, modifications, revisions, new features, extended functionalities, or integrated solutions that incorporate or build upon the original Technology Stack.

(e) "Edge Computing Elements" means all software, firmware, and technical components enabling local processing and analytics at industrial equipment locations, including embedded systems, real-time processing units, sensor interfaces, local data storage, edge-based inference engines, and distributed computing modules.

(f) "Industrial IoT Components" means hardware devices, sensors, actuators, communication protocols, and related infrastructure designed for industrial internet of things applications, including gateway devices, industrial protocols, mesh networks, and sensor arrays.

(g) "Intellectual Property Rights" means all patents, copyrights, trade secrets, trademarks, mask works, and other intellectual property rights, whether registered or unregistered, including all applications and registrations thereof, as well as all associated rights, privileges, and protections under applicable laws worldwide.

(h) "Model Training Data" means any data sets, annotations, labels, or other information used to train, validate, or test the Artificial Intelligence Components, including synthetic data, augmented datasets, and validation benchmarks.

(i) "NexusCore™ Platform" means Company's proprietary industrial artificial intelligence platform, including all Artificial Intelligence Components, Edge Computing Elements, Industrial IoT Components, and associated software modules, together with all updates, upgrades, and improvements thereto.

(j) "Security Protocols" means all cybersecurity measures, encryption standards, access controls, and security procedures implemented within the Technology Stack to protect data and system integrity.

(k) "System Documentation" means all technical specifications, user manuals, architectural diagrams, API documentation, deployment guides, and other written materials describing the Technology Stack's operation and implementation.

(l) "Technology Stack" means the complete collection of software, algorithms, models, and technical components comprising the NexusCore™ Platform, including all subsystems, interfaces, and integrated technologies.

2.2 Interpretation. In this Agreement:

- (a) Section headings are for convenience only and shall not affect interpretation
- (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
- (e) Technical terms shall be interpreted according to their generally accepted meaning within the artificial intelligence and industrial automation industries
- (f) References to any law, regulation, or standard include references to such items as amended, updated, or replaced from time to time
- (g) References to software, algorithms, or technical components include all associated documentation, data structures, and implementation details
- (h) Time periods shall be calculated in calendar days unless otherwise specified
- (i) References to intellectual property rights include both current and future rights, claims, and protections
- (j) Any reference to written consent, approval, or notification includes electronic communications
- (k) Technical standards and protocols referenced herein shall be interpreted according to their most current published versions
- (l) Undefined technical terms shall have the meanings commonly attributed to them in the industrial artificial intelligence sector

3.0 INTELLECTUAL PROPERTY OWNERSHIP

3.1 Company Ownership. Company exclusively owns all right, title, and interest in and to:

- (a) The entire Technology Stack, including all Artificial Intelligence Components and Edge Computing Elements, encompassing but not limited to neural network architectures, inference engines, distributed computing frameworks, and edge deployment configurations;
- (b) All Intellectual Property Rights in the NexusCore™ Platform, including patents, copyrights, trade secrets, trademarks, and any other forms of intellectual property protection available worldwide;
- (c) All training data, model architectures, and algorithmic implementations, including dataset compositions, feature engineering methodologies, hyperparameter configurations, and optimization techniques;

(d) All Derivative Works created by or for Company, including modifications, improvements, adaptations, translations, or other transformations of the Technology Stack;

(e) All technical documentation, specifications, related materials, and associated know-how.

3.2 Pre-Existing IP.

(a) Company retains all rights in any pre-existing intellectual property incorporated into the Technology Stack, including proprietary algorithms, software libraries, and development frameworks;

(b) No rights in pre-existing intellectual property are transferred or licensed except as expressly stated herein;

(c) Customer acknowledges that any pre-existing intellectual property remains the exclusive property of Company, regardless of its integration into Customer-specific implementations;

(d) Pre-existing IP includes, but is not limited to, software architecture designs, proprietary algorithms, development methodologies, and technical processes developed prior to this Agreement.

3.3 Newly Developed IP.

(a) All improvements, enhancements, and modifications to the Technology Stack shall be owned exclusively by Company, including: (i) Algorithm optimizations and performance improvements; (ii) Feature additions and functionality extensions; (iii) User interface enhancements and customizations; (iv) Integration mechanisms and APIs; (v) Security improvements and vulnerability remediation measures;

(b) Any algorithmic refinements or model improvements derived from Customer Implementations shall be owned by Company, including: (i) Model training optimizations; (ii) Inference performance enhancements; (iii) Accuracy improvements and error reduction methods; (iv) Resource utilization optimizations; (v) Deployment efficiency improvements;

(c) Customer-specific configurations, while implemented for individual customers, shall not transfer ownership of the underlying intellectual property to the Customer;

(d) All intellectual property created during the term of this Agreement related to the Technology Stack shall automatically vest in Company upon creation.

3.4 Third-Party Components.

(a) Company represents that it has all necessary rights to any third-party components incorporated into the Technology Stack, including: (i) Licensed software libraries and frameworks; (ii) Third-party APIs and integration components; (iii) External data processing tools; (iv) Development and deployment utilities;

(b) Open source components are used in compliance with applicable license terms as documented in Exhibit A, with specific attention to: (i) Attribution requirements; (ii) Share-

alike provisions; (iii) Distribution restrictions; (iv) Modification declarations; (v) Patent grant implications.

3.5 Intellectual Property Protection.

(a) Company shall maintain appropriate measures to protect its intellectual property, including: (i) Patent applications and maintenance; (ii) Copyright registrations; (iii) Trade secret protection protocols; (iv) Trademark registrations and monitoring;

(b) Customer shall assist in protecting Company's intellectual property by: (i) Promptly reporting any known infringement; (ii) Maintaining confidentiality of proprietary information; (iii) Implementing required security measures; (iv) Complying with marking and notice requirements.

3.6 Assignment and Recognition.

(a) Customer hereby assigns to Company all right, title, and interest in any feedback, suggestions, or contributions related to the Technology Stack;

(b) Customer shall ensure all employees, contractors, and agents acknowledge Company's intellectual property rights and execute necessary assignments;

(c) Customer shall not contest, challenge, or assist others in challenging Company's intellectual property rights;

(d) Customer shall promptly disclose to Company any improvements or modifications developed during the use of the Technology Stack.

3.7 Reservation of Rights.

(a) All rights not expressly granted to Customer are reserved by Company;

(b) No implied licenses are granted under this Agreement;

(c) Company reserves the right to pursue all available remedies for intellectual property infringement;

(d) The use of Company's intellectual property does not confer any ownership rights to Customer.

3.8 Survival.

(a) All intellectual property provisions shall survive the termination or expiration of this Agreement;

(b) Customer's obligations regarding Company's intellectual property shall continue indefinitely;

(c) Any assignments of intellectual property rights shall remain in effect after Agreement termination;

(d) Confidentiality obligations related to intellectual property shall persist according to Section 7.0 of this Agreement.

4.0 IP PROTECTION AND ENFORCEMENT

4.1 Trade Secret Protection.

(a) Company shall maintain strict confidentiality of all trade secrets within the Technology Stack, including but not limited to algorithms, methodologies, architectural designs, and proprietary processes.

(b) Access to Confidential Information shall be limited to authorized personnel under written confidentiality obligations, with such obligations surviving employment termination for a period of five (5) years.

(c) Company shall implement and maintain: (i) Digital access controls with multi-factor authentication; (ii) Activity logging and monitoring systems; (iii) Data encryption protocols for storage and transmission; (iv) Physical security measures for on-premises assets; (v) Regular security audits and compliance assessments.

(d) All trade secret materials shall be clearly marked as "CONFIDENTIAL AND PROPRIETARY" and maintained in secure repositories with access tracking.

4.2 Patent Rights.

(a) Company shall pursue patent protection for eligible innovations within the Technology Stack, including: (i) Core algorithmic processes; (ii) System architectures; (iii) Novel technical implementations; (iv) Unique hardware configurations.

(b) Company shall maintain and enforce all patent rights against unauthorized use through: (i) Regular patent portfolio reviews; (ii) Competitive landscape monitoring; (iii) Documentation of potential infringement; (iv) Engagement with patent counsel.

(c) Company shall maintain a patent prosecution strategy that includes: (i) Regular invention disclosure reviews; (ii) Priority assessment protocols; (iii) International filing strategies; (iv) Continuation application planning.

4.3 Copyright Protection.

(a) All software code and technical documentation shall bear appropriate copyright notices in the following format: "© [Year] NexusCore Technologies, Inc. All Rights Reserved."

(b) Company shall register copyrights for material components of the Technology Stack, including: (i) Source code repositories; (ii) Technical documentation; (iii) User interfaces; (iv) Training materials; (v) Marketing collateral.

(c) Software development practices shall include: (i) Code ownership documentation; (ii) Third-party license compliance; (iii) Open-source usage tracking; (iv) Attribution requirements.

4.4 Trademark Usage.

(a) "NexusCore™" and related marks shall be used with proper trademark designations according to the following guidelines: (i) First use: NexusCore™ (ii) Subsequent uses: NexusCore (iii) Registered marks: NexusCore® (iv) Product names: NexusCore™ [Product Name]

(b) Company shall monitor and enforce trademark rights against unauthorized use through: (i) Regular market surveillance; (ii) Domain name monitoring; (iii) Social media tracking; (iv) Competitor analysis.

(c) Brand usage guidelines shall be maintained and distributed to: (i) Employees; (ii) Contractors; (iii) Partners; (iv) Licensees.

4.5 Infringement Procedures.

(a) Company shall actively monitor for potential infringement of its Intellectual Property Rights through: (i) Automated monitoring systems; (ii) Market surveillance; (iii) Customer reporting; (iv) Competitor analysis.

(b) Upon discovery of potential infringement, Company shall: (i) Document the infringement with evidence; (ii) Assess business impact; (iii) Consult with legal counsel; (iv) Determine appropriate enforcement strategy.

(c) Enforcement actions may include: (i) Cease and desist notifications; (ii) Settlement negotiations; (iii) License agreements; (iv) Legal proceedings.

4.6 AI Model Protection.

(a) Company shall implement specific protection measures for AI models including: (i) Model architecture confidentiality; (ii) Training data security; (iii) Access control protocols; (iv) Usage monitoring systems.

(b) AI model deployment shall include: (i) Encryption at rest and in transit; (ii) Secure API implementations; (iii) Authentication protocols; (iv) Usage logging requirements.

4.7 Data Security Requirements.

(a) Company shall maintain comprehensive data security measures including: (i) Data classification protocols; (ii) Access control matrices; (iii) Encryption standards; (iv) Retention policies.

(b) Regular security assessments shall include: (i) Vulnerability scanning; (ii) Penetration testing; (iii) Compliance audits; (iv) Risk assessments.

4.8 Enforcement Documentation.

(a) Company shall maintain records of all IP enforcement activities including: (i) Infringement incidents; (ii) Enforcement actions; (iii) Resolution outcomes; (iv) Associated costs.

(b) Annual reviews shall assess: (i) Enforcement effectiveness; (ii) Resource allocation; (iii) Strategy adjustments; (iv) Future requirements.

5.0 LICENSE GRANTS AND RESTRICTIONS

5.1 Software License Terms.

(a) Company may grant 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 or instances; (iii) Permitted deployment environments; (iv) Applicable fees and payment terms; and (v) Service level commitments.

(b) All licenses shall be non-exclusive and non-transferable unless explicitly stated otherwise in writing and shall be subject to: (i) Annual compliance reviews; (ii) Usage monitoring and reporting requirements; (iii) Periodic security assessments; and (iv) Technical certification requirements.

5.2 API Access Rights.

(a) API access shall be granted solely for authorized integration with the NexusCore™ Platform, subject to: (i) Authentication protocols specified in Exhibit C; (ii) Rate limiting and bandwidth restrictions; (iii) Data encryption requirements; and (iv) Access token management procedures.

(b) API usage shall be subject to Company's technical documentation and security requirements, including: (i) Regular security audits; (ii) Compliance with industry standards; (iii) Implementation of specified security controls; and (iv) Maintenance of access logs.

5.3 Usage Restrictions.

(a) No reverse engineering, decompilation, or disassembly of the Technology Stack is permitted, including: (i) Attempts to derive source code; (ii) Analysis of internal algorithms; (iii) Modification of compiled code; or (iv) Creation of derivative works.

(b) No unauthorized copying, modification, or distribution of any components is allowed, specifically prohibiting: (i) Sharing of access credentials; (ii) Unauthorized backups; (iii) Code repository duplication; and (iv) Third-party transfers.

5.4 Deployment Requirements.

(a) Edge Computing Elements shall be deployed only in authorized customer environments, subject to: (i) Pre-deployment security assessment; (ii) Network architecture approval; (iii) Hardware compatibility verification; and (iv) Environmental controls certification.

(b) All deployments must comply with Company's security and integration standards, including: (i) Regular vulnerability scanning; (ii) Patch management procedures; (iii) Backup and recovery protocols; and (iv) Incident response planning.

5.5 Territory and Jurisdiction Limitations.

(a) License grants are restricted to approved geographical territories and jurisdictions, subject to: (i) Local regulatory compliance; (ii) Data sovereignty requirements; (iii) Export control regulations; and (iv) Regional certification standards.

5.6 Sublicensing and Assignment.

(a) Sublicensing rights are expressly prohibited unless specifically authorized in writing, requiring: (i) Prior written approval from Company; (ii) Sublicensee qualification assessment; (iii) Additional security controls; and (iv) Supplemental agreement execution.

5.7 Monitoring and Compliance.

(a) Company reserves the right to monitor license compliance through: (i) Automated usage tracking; (ii) Periodic audits; (iii) System access reviews; and (iv) Performance metrics analysis.

5.8 License Modification and Termination.

(a) Company may modify or terminate licenses upon: (i) Material breach of terms; (ii) Security violations; (iii) Non-payment of fees; or (iv) Unauthorized use or access.

5.9 Support and Maintenance.

(a) License grants include standard support and maintenance as specified in Exhibit D, covering: (i) Technical support channels; (ii) Update procedures; (iii) Bug fix protocols; and (iv) Enhancement requests.

5.10 Intellectual Property Rights.

(a) All intellectual property rights in the Technology Stack remain with Company, including: (i) Patents and patent applications; (ii) Copyrights and moral rights; (iii) Trade secrets and know-how; and (iv) Trademarks and service marks.

5.11 Compliance with Laws.

(a) Licensee shall comply with all applicable laws and regulations, including: (i) Data protection and privacy laws; (ii) Industry-specific regulations; (iii) International trade restrictions; and (iv) Local licensing requirements.

5.12 Documentation and Training.

(a) License grants include access to documentation and training materials, subject to: (i) Confidentiality obligations; (ii) Usage restrictions; (iii) Distribution limitations; and (iv) Update requirements.

The provisions of this Section 5.0 shall survive any termination or expiration of this Agreement to the extent necessary to protect Company's intellectual property rights and enforce usage restrictions.