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 implementations, and industrial process optimization algorithms (collectively, the "Technology");

WHEREAS, Company's Technology is embodied in its NexusCore™ Industrial AI Platform and related software solutions for manufacturing operations;

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 rights:

2.0 DEFINITIONS AND INTERPRETATION

2.1 "AI Technology Stack" means Company's proprietary artificial intelligence technology stack, including but not limited to machine learning algorithms, neural network architectures, training methodologies, model optimization techniques, data preprocessing pipelines, feature extraction systems, and inference engines deployed across computing environments.

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, multi-camera integration systems, real-time video analytics, and associated calibration methodologies.

2.3 "Edge Computing Implementation" means Company's proprietary methods and systems for deploying and executing AI/ML models on edge devices within industrial environments,

including model compression techniques, distributed computing architectures, local data processing protocols, and edge-to-cloud synchronization mechanisms.

2.4 "Industrial Process Optimization" means Company's proprietary methodologies and algorithms for optimizing manufacturing processes, including predictive maintenance, quality control, operational efficiency improvements, resource allocation systems, production scheduling optimization, and real-time process adjustment capabilities.

2.5 "Intellectual Property Rights" means all patents, copyrights, trade secrets, know-how, and other intellectual property rights owned by or licensed to Company, including pending patent applications, registered and unregistered trademarks, industrial designs, database rights, and all other forms of intellectual property protection worldwide.

2.6 "Machine Learning Models" means Company's trained and untrained machine learning models, including model architectures, parameters, weights, training methodologies, hyperparameter configurations, validation datasets, performance metrics, and associated optimization techniques.

2.7 "NexusCore™ Platform" means Company's flagship software platform that integrates the AI Technology Stack, Computer Vision System, Edge Computing Implementation, and Industrial Process Optimization capabilities, including all updates, modifications, improvements, and derivative works thereof.

2.8 "Proprietary Information" means all confidential and proprietary information relating to the Technology, including source code, algorithms, training data, technical documentation, research methodologies, experimental results, and trade secrets.

2.9 "System Integration Protocols" means Company's proprietary methods for integrating the Technology with existing industrial systems, including communication protocols, data exchange standards, and interface specifications.

2.10 For the purposes of interpretation in this Agreement: (a) References to sections, subsections, and clauses are to those contained within this Agreement unless otherwise specified; (b) Headings are for convenience only and do not affect interpretation; (c) Words importing the singular include the plural and vice versa; (d) References to "including" or similar terms shall be construed as illustrative and not limiting; (e) Technical terms shall have the meanings commonly understood within the artificial intelligence and industrial automation industries; (f) Any reference to a statute, regulation, or standard includes any modification or re-enactment thereof; (g) Time periods specified in this Agreement shall be computed according to calendar days unless otherwise stated; (h) In the event of any ambiguity or inconsistency between definitions, the interpretation most favorable to protecting Company's proprietary rights shall prevail.

3.0 INTELLECTUAL PROPERTY OWNERSHIP

3.1 Pre-existing Intellectual Property

(a) Company owns all right, title, and interest in and to all Intellectual Property Rights in the Technology existing as of the Effective Date.

(b) Such pre-existing Intellectual Property Rights include, without limitation: (i) All patents and patent applications relating to the Technology, including pending applications, continuations, divisionals, and foreign counterparts; (ii) All copyrights in software, documentation, user interfaces, APIs, and other works of authorship, whether registered or unregistered; (iii) All trade secrets and know-how embodied in the Technology, including algorithms, methodologies, processes, and technical specifications; (iv) All trademarks, service marks, trade names, logos, and brand identifiers associated with the Technology, including all goodwill therein.

(c) The Company's pre-existing Intellectual Property Rights extend to: (i) All development tools, libraries, and frameworks created by Company; (ii) Proprietary data structures and database schemas; (iii) System architectures and technical designs; (iv) Internal documentation, training materials, and technical specifications.

3.2 Newly Developed Intellectual Property

(a) Company shall own all Intellectual Property Rights in any improvements, modifications, or derivatives of the Technology developed after the Effective Date, including: (i) Enhancements to existing functionality; (ii) New features and capabilities; (iii) Performance optimizations and technical improvements; (iv) Integration components and interfaces.

(b) All Machine Learning Models trained using Company's data or systems shall be owned exclusively by Company, including: (i) Model architectures, parameters, and weights; (ii) Training methodologies, techniques, and protocols; (iii) Optimization algorithms, approaches, and hyperparameters; (iv) Training datasets, including preprocessed and augmented data; (v) Model evaluation metrics and performance benchmarks; (vi) Model deployment configurations and serving infrastructure.

(c) Computer Vision Systems and Components: (i) Image processing algorithms and pipelines; (ii) Object detection and recognition models; (iii) Feature extraction methodologies; (iv) Visual analysis tools and frameworks.

3.3 Third-Party Components

(a) Company acknowledges that the Technology may incorporate certain third-party components under license.

(b) Such third-party components are used pursuant to valid license agreements and do not diminish Company's ownership of its proprietary Technology.

(c) Company maintains documentation of all third-party components, including: (i) License terms and conditions; (ii) Usage restrictions and limitations; (iii) Attribution requirements; (iv) Compatibility assessments.

3.4 Open Source Software

(a) Company maintains compliance with all applicable open source license obligations.

(b) Use of open source software is limited to components that do not require disclosure of Company's proprietary source code.

(c) Open source management procedures include: (i) Regular audits of incorporated components; (ii) License compliance verification; (iii) Risk assessment of dependencies; (iv) Documentation of permitted usage scenarios.

3.5 Intellectual Property Protection

(a) Company implements reasonable measures to protect its Intellectual Property Rights, including: (i) Confidentiality agreements with employees and contractors; (ii) Technical measures to prevent unauthorized access; (iii) Regular IP portfolio reviews and updates; (iv) Monitoring for potential infringement.

(b) Documentation and Record-Keeping: (i) Maintenance of invention records and technical documentation; (ii) Regular updates to IP asset registers; (iii) Tracking of IP-related agreements and licenses; (iv) Documentation of IP development history.

3.6 Assignment and Transfer

(a) All employees, contractors, and consultants shall execute necessary agreements to: (i) Assign all relevant Intellectual Property Rights to Company; (ii) Maintain confidentiality of proprietary information; (iii) Assist in IP protection and enforcement activities; (iv) Acknowledge Company's ownership of developed IP.

(b) Company maintains the right to transfer, license, or assign any of its Intellectual Property Rights at its sole discretion, subject to applicable agreements and obligations.

4.0 IP PROTECTION AND CONFIDENTIALITY

4.1 Trade Secret Protection

(a) Company shall maintain strict confidentiality of all trade secrets embodied in the Technology, including but not limited to: (i) Proprietary algorithms and mathematical models; (ii) Machine learning architectures and parameters; (iii) Optimization methodologies and techniques; (iv) Process control specifications and configurations.

(b) Access to trade secrets shall be limited to authorized personnel who have executed appropriate confidentiality agreements and shall be granted on a need-to-know basis only.

(c) Company shall maintain a comprehensive trade secret registry documenting: (i) Nature and scope of each trade secret; (ii) Date of creation or acquisition; (iii) Access history and authorization levels; (iv) Economic value and competitive advantage assessment.

4.2 Source Code Security

(a) Company shall implement and maintain robust security measures to protect source code, including: (i) Secure source code repositories with multi-factor authentication; (ii) Access controls and granular permission management; (iii) Code signing and verification protocols; (iv) Regular security audits and vulnerability assessments; (v) Version control and change tracking systems; (vi) Encrypted backup and recovery procedures.

(b) Company shall establish a secure development environment incorporating: (i) Isolated development networks; (ii) Secure code review processes; (iii) Automated security scanning tools; (iv) Penetration testing protocols.

4.3 Data Protection Measures

(a) Company shall protect all data used in the Technology, including: (i) Training data for Machine Learning Models, with specific attention to: - Data anonymization and pseudonymization; - Data quality and integrity controls; - Dataset versioning and provenance tracking; - Access logging and monitoring.

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(ii) Customer data processed by the Technology, ensuring:
    - Encryption at rest and in transit;
    - Secure data storage and transmission;
    - Regular backup and disaster recovery;
    - Compliance with applicable data protection regulations.

(iii) System configuration and optimization data, including:
    - Performance parameters;
    - Calibration settings;
    - Historical operational data;
    - System logs and audit trails.
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4.4 Personnel Obligations

(a) All employees and contractors shall: (i) Execute appropriate intellectual property assignment agreements prior to accessing any protected information; (ii) Comply with confidentiality obligations during and after their engagement; (iii) Follow security protocols and procedures without exception; (iv) Participate in regular security awareness training; (v) Report any suspected security breaches or unauthorized access immediately.

(b) Company shall maintain comprehensive records of: (i) Personnel security clearances and access levels; (ii) Training completion and certification; (iii) Signed agreements and acknowledgments; (iv) Security incident reports and resolutions.

4.5 Compliance and Monitoring

(a) Company shall establish a compliance monitoring program including: (i) Regular audits of security measures and controls; (ii) Periodic review of access logs and authorization records; (iii) Assessment of security incident response effectiveness; (iv) Evaluation of emerging security threats and vulnerabilities.

(b) Company shall maintain documentation of: (i) Compliance assessments and findings; (ii) Remediation actions and timelines; (iii) Updated security policies and procedures; (iv) Regulatory compliance certifications.

5.0 IP USAGE RIGHTS AND RESTRICTIONS

5.1 License Grants

(a) Company may grant licenses to the Technology pursuant to separate license agreements, which shall specify the scope, duration, and terms of permitted usage.

(b) All licenses shall be non-exclusive unless explicitly stated otherwise in writing and executed by an authorized Company representative.

(c) Licenses may be granted for specific components of the Technology, including but not limited to: (i) NexusCore™ platform software (ii) Integration APIs and protocols (iii) Associated documentation and technical materials (iv) Hardware interface specifications

5.2 Usage Restrictions

(a) No reverse engineering of the Technology is permitted, including but not limited to: (i) Decompilation of software components (ii) Disassembly of proprietary protocols (iii) Analysis of underlying algorithms (iv) Extraction of source code or proprietary data structures

(b) No modification or creation of derivative works is allowed without authorization, including: (i) Software adaptations or enhancements (ii) Protocol modifications (iii) Interface customizations (iv) Integration with unauthorized third-party systems

(c) Licensee shall not: (i) Remove or alter any proprietary notices (ii) Circumvent security measures (iii) Share access credentials (iv) Exceed authorized user limits

5.3 Sublicensing Rights

(a) Sublicensing of the Technology requires explicit written authorization from Company, subject to: (i) Due diligence review of proposed sublicensees (ii) Compliance with original license terms (iii) Additional fee arrangements (iv) Quality control requirements

(b) Authorized sublicensees must: (i) Execute separate sublicense agreements (ii) Maintain confidentiality obligations (iii) Report usage metrics (iv) Submit to periodic compliance audits

5.4 Territory Limitations

(a) Usage rights may be limited to specified geographic territories or jurisdictions, considering: (i) Local regulatory requirements (ii) Export control restrictions (iii) Regional certification standards (iv) Market-specific adaptations

5.5 Implementation Requirements

(a) Licensee must maintain: (i) Minimum security standards (ii) Compatible hardware environments (iii) Specified software versions (iv) Required certifications

5.6 Monitoring and Reporting

(a) Company reserves the right to: (i) Monitor Technology usage (ii) Conduct compliance audits (iii) Request usage reports (iv) Verify license compliance

5.7 Term and Termination

(a) License rights are subject to: (i) Initial term limitations (ii) Renewal conditions (iii) Termination triggers (iv) Post-termination obligations

5.8 Compliance with Standards

(a) Implementation must adhere to: (i) Industry safety standards (ii) Technical specifications (iii) Integration guidelines (iv) Performance requirements

5.9 Support and Maintenance

(a) License grants may include: (i) Technical support access (ii) Update entitlements (iii) Maintenance services (iv) Documentation access