

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

October 8, 2024

(Date of earliest event reported)

APPLIED DIGITAL CORPORATION

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation)

001-31968
(Commission
File Number)

95-4863690
(IRS Employer
Identification No.)

3811 Turtle Creek Boulevard, Suite 2100, Dallas, Texas
(Address of principal executive offices)

75219
(Zip Code)

214-427-1704

(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	APLD	Nasdaq Global Select Market

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers

Management Updates

On October 8, 2024, the Board of Directors (the "Board") of Applied Digital Corporation, a Nevada corporation (the "Company"), approved a change in management, as previously announced on October 9, 2024. Effective October 15, 2024, David Rench, the Company's current Chief Financial Officer since March 2021, is transitioning from his role as Chief Financial Officer to Chief Administrative Officer of the Company. Also effective October 15, 2024, Saidal Mohmand, the Company's current Executive Vice President of Finance, will succeed Mr. Rench as the Company's Chief Financial Officer. Mr. Mohmand's appointment as Chief Financial Officer was contingent on satisfactory completion of independence and conflict checks, which were satisfactorily completed on October 15, 2024.

Mr. Mohmand, age 34, has served as the Company's Executive Vice President of Finance since September 2021, where he led the Company's financial strategy and capital market initiatives. In addition to Mr. Mohmand's role as Chief Financial Officer of the Company, since July 2020 he has served as the Director of Research at 272 Capital LP ("272 Capital"), an investment advisory firm (founded by Wes Cummins, the Company's Chairman and Chief Executive Officer) specializing in technology hardware, software, and service companies. Following the acquisition of 272 Capital by B. Riley Financial (Nasdaq: RILY) in August 2021, Mr. Mohmand served as Director of Research at B. Riley Asset Management from August 2021 to February 2024. Prior to such positions, Mr. Mohmand served as Director of Research at GrizzlyRock Capital, a value-oriented long/short fund based in Chicago, from December 2013 to June 2020. Mr. Mohmand earned his B.B.A. in Finance and Accountancy from Western Michigan University.

In connection with the transition of Mr. Mohmand's role to Chief Financial Officer, the Company and Mr. Mohmand entered into an Offer Letter, dated October 11, 2024, as well as a Non-Disclosure, Invention Assignment and Restrictive Covenants Agreement, attached as Exhibit A to the Offer Letter (together, the "Mohmand Offer Letter"). Pursuant to the terms of the Mohmand Offer Letter, Mr. Mohmand will serve as the Chief Financial Officer of the Company and is entitled to receive an annual base

salary of \$475,000 per annum, subject to review from time to time by the Company, and is also eligible for an annual performance bonus with a target amount of 75% of his annual base salary. Mr. Mohmand is also eligible for grants of equity awards, including an award of 490,000 restricted stock units that are expected to be subject to time-based vesting conditions, as set forth in the Mohmand Offer Letter, and an additional 490,000 performance stock units that are expected to be subject to time- and performance-based vesting conditions, as well as additional equity awards that may be granted from time to time. If Mr. Mohmand's employment is terminated without Cause (as defined in the Mohmand Offer Letter), Mr. Mohmand will receive, subject to execution, delivery, and non-revocation of a general release of claims against the Company, (i) an amount equal to twelve months' annual base salary (or in the event of a termination without Cause within eighteen months following a change in control, twenty-four months' annual base salary), payable in equal installments as salary continuation payments, and (ii) an amount equal to 100% of Mr. Mohmand's target annual bonus for the fiscal year in which termination occurs.

Mr. Mohmand is also bound by an indefinite confidentiality obligation, a non-competition covenant during employment and for 12 months post-termination, a non-solicitation covenant with respect to Company personnel and business partners during employment and for 12 months post-termination, assignment of intellectual property, and indefinite non-disparagement obligations.

The foregoing description of the Mohmand Offer Letter is not complete and is subject to the full text of the Mohmand Offer Letter, a copy of which is included as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated by reference herein.

There are no arrangements or understandings between Mr. Mohmand and any other person pursuant to which he was appointed as an officer and Mr. Mohmand does not have a direct or indirect material interest in any "related party" transaction required to be separately disclosed pursuant to Item 404(a) of Regulation S-K. Mr. Mohmand does not have any family relationships with any of the Company's directors or executive officers.

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Employment Agreements

David Rench

On October 15, 2024, in connection with the management updates disclosed above, the Company and Mr. Rench entered into Amendment No. 2 ("Amendment No. 2") to Mr. Rench's current Executive Employment Agreement, effective November 1, 2021 (as amended, the "Rench Employment Agreement"). Amendment No. 2 updates Mr. Rench's title from Chief Financial Officer to Chief Administrative Officer. Amendment No. 2 does not otherwise amend the terms of the Rench Employment Agreement, a copy of which is filed as Exhibit 10.16 to the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2024, filed with the Securities and Exchange Commission (the "SEC") on August 30, 2024.

Wes Cummins

On October 10, 2024, the Company and Wes Cummins, the Chief Executive Officer of the Company and Chairman of the Board, entered into an Employment Agreement (the "Cummins Employment Agreement"), which supersedes and replaces in its entirety Mr. Cummins' prior employment agreement with the Company, dated November 1, 2021, as amended. Under the Cummins Employment Agreement, Mr. Cummins will continue to serve as the Chief Executive Officer of the Company and will be entitled to receive an annual base salary of \$750,000 per annum, with retroactive effect to June 1, 2024, subject to annual review for increase, and shall also be eligible for an annual performance bonus with a target amount of 100% of his annual base salary (with a maximum payout of 200% of his annual base salary). The term of the Cummins Employment Agreement ends on October 10, 2027, with automatic one (1) year extensions thereafter, unless notice not to renew is given by either party at least 90 days prior to the relevant end date. Mr. Cummins will also be eligible for grants of annual equity awards.

If Mr. Cummins' employment is terminated without Cause or he resigns with Good Reason (as such terms are defined in the Cummins Employment Agreement), or the employment term is not renewed by the Company, Mr. Cummins will receive, subject to execution and non-revocation of a general release of claims against the Company, (i) an amount equal to eighteen months' annual base salary (or in the event of a Change in Control Termination (as defined in the Cummins Employment Agreement), thirty months' annual base salary) payable in equal installments as salary continuation payments, or, in the event of a Change in Control Termination, payable in a lump sum; (ii) an amount equal to 100% of Mr. Cummins' annual bonus (or 250% of his annual bonus, in the event of a Change in Control Termination) for the fiscal year in which termination occurs, calculated based on actual performance for the entire fiscal year, if that amount is reasonably determinable as of the date payment would otherwise be made, and if that amount is not reasonably determinable when payment would otherwise be made (or, in the event of a Change in Control Termination, it is reasonably determinable but is less than Mr. Cummins' target bonus), an amount equal to one-hundred percent of his target bonus or, in the event of a Change In Control Termination, 200% of his target bonus; (iii) accelerated vesting of 50% of all unvested equity awards (or 100% in the event of a Change in Control Termination), with accelerated vesting of equity awards that vest based on achievement of performance metrics based on achievement of 100% of target (or, in the event of a Change in Control Termination, if achievement of the applicable performance metrics is reasonably determinable as of the date of termination, based on the achievement of the greater of (1) 100% of target, and (2) actual achievement of the performance metrics); (iv) extension of the post-termination exercise period for any stock options or stock appreciation rights until the latest date such awards would have expired pursuant to their terms; and (v) continued coverage under COBRA at active employee rates for up to 18 months.

Mr. Cummins is also bound by (i) an indefinite confidentiality obligation, (ii) a non-competition covenant during employment, (iii) for 18 months post-termination, a non-solicitation covenant with respect to Company personnel and customers during employment, and (iv) for 18 months post-termination, assignment of intellectual property, and indefinite non-disparagement obligations.

The foregoing descriptions of Amendment No. 2 and the Cummins Employment Agreement are not complete and are subject to the full text of Amendment No. 2 and the Cummins Employment Agreement, copies of which are included as Exhibits 10.2 and 10.3, respectively, to this Current Report on Form 8-K and are incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits

EXHIBIT INDEX

Exhibit No.	Description
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10.1	Mohmand Offer Letter, dated October 11, 2024, by and between Applied Digital Corporation and Saidal Mohmand.
10.2	Amendment No. 2 to Executive Employment Agreement, dated October 15, 2024, by and between Applied Digital Corporation and David Rench.
10.3	Executive Employment Agreement, dated October 10, 2024, by and between Applied Digital Corporation and Wes Cummins.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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SIGNATURE

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: October 15, 2024

By: /s/ Wes Cummins
Name: Wes Cummins
Title: Chief Executive Officer

Applied Digital Corporation

October 11, 2024

Saidal Mohmand
Via Email**Re: Offer of Continued Employment**

Dear Saidal:

We are pleased to offer you continued employment with Applied Digital Corporation, a Nevada corporation (the "Company") on the terms set forth in this letter agreement (together with Exhibit A hereto, the "Letter Agreement"), effective as of the later of (i) October 14, 2024, or such other date as mutually agreed in writing, and (ii) the date the Other Contingencies are satisfied (the later of (i) and (ii), the "Effective Date").

Position: You will have the position of Chief Financial Officer of the Company, reporting to the Chief Executive Officer of the Company ("CEO") or such other person as designated from time to time by the CEO. Your duties and responsibilities may be modified from time to time by the CEO or other individual to whom you report. You are an exempt employee and are not entitled to overtime pay regardless of the number of hours worked.

You will at all times perform your duties and responsibilities honestly, diligently, in good faith and to the best of your ability and you will observe and comply with all of the policies and procedures established by the Company that are applicable to the Company's employees, and with all applicable laws, rules and regulations imposed by any governmental or regulatory authorities. You will exercise your best efforts in furtherance of, and devote all of your business time and efforts to, the operation of the business and affairs of the Company and its subsidiaries and shall not provide any services to any other person, company, entity or firm during your employment unless approved by the Company in writing.

Travel: You acknowledge that you may be expected to travel in furtherance of the performance of your duties and agree to do so as needed.

Base Salary: Your base salary shall be at the annualized rate of \$475,000 (the "Base Salary"). The Base Salary shall be payable in accordance with the Company's normal payroll practices, subject to applicable withholdings and deductions and shall be subject to review by the Company from time to time.

Annual Bonus Opportunity: For each fiscal year during your employment, you will also be eligible for an annual bonus with a target of 75% of your Base Salary (the "Annual Bonus"), subject to applicable withholdings and deductions. The actual amount of your Annual Bonus, if any, shall be based upon Company performance and your individual performance for such fiscal year, as determined by the Board of Directors of the Company (the "Board") or the Compensation Committee thereof (the "Committee"), and may be more or less than such target amount. Except as otherwise provided in this Letter Agreement, each Annual Bonus, if any, will be subject to your continued employment with the Company through the date of payment, irrespective of any reason for your termination.

Initial Equity Awards: Subject to approval of the Board or the Committee, you shall receive 490,000 restricted stock units (the "RSUs") subject to the terms and conditions of the Company's 2022 Incentive Plan, as amended (the "Plan") and an award agreement provided by the Company thereunder. The RSUs are expected to vest as follows: (i) one-sixth (1/6th) of the RSUs shall vest on April 4, 2025 (the "First Vesting Date"); and (ii) one-sixth (1/6th) of the RSUs shall vest on each six (6) month anniversary of the First Vesting Date thereafter (such that the RSUs shall be fully vested on October 4, 2027), in each case, subject to your continued employment with the Company through the applicable vesting date. Additionally, in the event of a Change of Control (as defined in the Plan), the RSUs are expected to be subject to accelerated vesting as follows: (x) in the event such Change of Control is consummated prior to the one (1) year anniversary of the Effective Date, vesting of fifty percent (50%) of the then-unvested RSUs shall accelerate upon consummation of such Change in Control (or, in the event a "Replacement Award" is not issued with respect to any RSUs that would not otherwise vest, vesting of one-hundred percent (100%) of the then-unvested RSUs shall accelerate upon consummation of such Change in Control), and (y) in the event such Change of Control is consummated on or after the one (1) year anniversary of the Effective Date, vesting of one hundred percent (100%) of the then-unvested RSUs shall accelerate upon consummation of such Change in Control.

Without limitation of the foregoing, subject to approval of the Board or the Committee, you shall receive 490,000 performance stock units (the "PSUs"), subject to the terms and conditions of the Plan, and an award agreement provided by the Company thereunder. Such award agreement would set forth time- and performance-based vesting conditions applicable to the PSUs.

Other Equity Awards: You will be eligible for grants of equity awards from time to time, subject to approval by the Board or the Committee. Any such equity award shall be subject to terms and conditions determined by the Board or the Committee, as applicable.

Paid Time Off: You will be eligible for paid time off and other leave time in accordance with the Company's policies as may be in effect from time to time.

Other Benefits: You shall be eligible for participation in welfare and other benefit plans, practices, policies and programs established by the Company or any of its subsidiaries, on such terms as may be generally available to employees of the Company, and your participation in such plans is subject to the terms and conditions of the Company's (or its subsidiaries') benefit plan documents, policies and procedures, from time to time established and in effect. The Company reserves the right to change, replace or terminate any or all of the foregoing benefits from time to time, including contribution levels.

Expenses: The Company will reimburse you for all reasonable, documented business expenses you incur in accordance with the performance of your duties to the Company, subject to the Company's policies with respect to expense reimbursement as in effect from time to time.

Employee Covenants Agreement: You are required, as a condition of your continued employment with the Company, to execute the Employee Non-Disclosure, Invention Assignment and Restrictive Covenants Agreement attached hereto as Exhibit A (the "Employee Covenants Agreement") simultaneously herewith and to comply with all its terms.

Termination: Employment with the Company is for no specific period of time. Your employment with the Company will be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason or for no reason, with or without advance notice. If your employment is terminated for any reason, you will receive only (i) payment of any accrued and unpaid Base Salary as of such termination date, and (ii) reimbursement of business expenses incurred but not paid prior to such termination date, to the extent eligible for reimbursement in accordance with the terms of this Letter Agreement (together, the "Accrued Obligations"). Notwithstanding the foregoing, in the event your employment is terminated by the Company without "Cause" (as defined below) then, subject to your execution and delivery to the Company, and non-revocation (if applicable), of an executed waiver and release of claims in a form provided by the Company (the "Release") that becomes effective and irrevocable within

sixty (60) days of your date of termination (or such shorter time period set forth in the Release), and your continued compliance with the terms and conditions of this Letter Agreement, the Employee Covenants Agreement, and the Release, you shall receive, in addition to the Accrued Obligations, the following: (i) an amount in cash equal to twelve (12) months of your Base Salary (or, in the event of your termination without Cause within eighteen (18) months following consummation of a Change in Control (as defined in the Applied Digital Corporation 2024 Incentive Plan, as amended, restated, or otherwise modified from time to time), twenty-four (24) months of your Base Salary), at the rate in effect as of your date of termination, payable, less applicable withholdings and deductions in the form of salary continuation in regular installments over twelve (12) or twenty-four (24) months, as applicable, with the first of such installments to commence on the first regular payroll date following the date the Release becomes effective and irrevocable (the “Cash Severance Payments”); and (ii) an amount equal to one hundred percent of your target Annual Bonus for the fiscal year in which your termination of employment occurs, payable in a lump sum within ten (10) days following the later of the date that the Annual Bonus would otherwise have been paid, had employment not terminated, and the effectiveness of the Release, but in no event later than August 15th following the fiscal year in which the date of termination occurs. Notwithstanding the foregoing, in the event the period to consider and, if applicable, revoke the Release plus the first regular payroll date thereafter spans two calendar years, the Cash Severance Payments shall commence on the later of the first regular payroll date of such second calendar year or the first payroll date following the effectiveness of the Release.

For purposes of this Letter Agreement, “Cause” means your (i) indictment for or conviction of, or the entry of a plea of guilty or no contest to, a felony or any other crime involving dishonesty or moral turpitude or that causes the Company or its affiliates disgrace or disrepute, or adversely affects the Company’s or its affiliates’ operations or financial performance or the relationship the Company or its affiliates have with their respective customers, (ii) gross negligence or willful misconduct with respect to the Company or any of its affiliates, including, without limitation fraud, embezzlement, misappropriation, theft or dishonesty (A) in the course of your employment or other service or (B) otherwise which is injurious to the Company or any of its affiliates; (iii) failure to perform at a level of effort or results commensurate with your role or responsibilities; (iv) refusal to perform any obligation or fulfill any duty (other than any duty or obligation of the type described in clause (vi) below) to the Company or its affiliates (other than due to a disability); (v) breach of any agreement with or duty owed to the Company or any of its affiliates; (vi) any breach of any obligation or duty to the Company or any of its affiliates (whether arising by statute, common law or agreement) relating to confidentiality, noncompetition, nonsolicitation or proprietary rights; (vii) any breach of any policy of the Company or its affiliates or any action that the Board determines is reasonably likely to cause the Company or its affiliates disgrace or disrepute; (viii) repeatedly (i.e., on more than one occasion) being under the influence of drugs or alcohol (other than over-the-counter or prescription medicine or other medically-related drugs to the extent they are taken in accordance with their directions or under the supervision of a physician) which interferes with the performance of your duties to the Company or any of its affiliates, or, while under the influence of such drugs or alcohol, engaging in inappropriate conduct during the performance of your duties to the Company or any of its affiliates; or (ix) engaging in any act or discrimination or harassment or any unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature.

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Section 280G: Notwithstanding any other provisions of this Letter Agreement or any other agreement between the Company and you, in the event that any payment or benefit by the Company or otherwise to or for your benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Letter Agreement or otherwise (all such payments and benefits, being hereinafter referred to as the “Total Payments”), would be subject (in whole or in part) to the excise tax (the “Excise Tax”) imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the “Code”) or would not be deductible by the Company or any of its subsidiaries or affiliates pursuant to Section 280G of the Code (the “Deduction Loss”), then the Total Payments shall be reduced (in the order provided in the immediately following paragraph) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments and the Deduction Loss, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which you would be subject in respect of such unreduced Total Payments). You shall execute any waiver or other documentation and take all other actions requested by the Company to acknowledge the reduction pursuant to this paragraph.

The Total Payments shall be reduced in the following order: (i) reduction on a pro-rata basis of any cash severance payments that are exempt from Section 409A of the Code (“Section 409A”), (ii) reduction on a pro-rata basis of any non-cash severance payments or benefits that are exempt from Section 409A, (iii) reduction on a pro-rata basis of any other payments or benefits that are exempt from Section 409A, and (iv) reduction of any payments or benefits otherwise payable to you on a pro-rata basis or such other manner that complies with Section 409A; *provided*, in case of subclauses (ii), (iii) and (iv), that reduction of any payments attributable to the acceleration of vesting of Company equity awards shall be first applied to Company equity awards that would otherwise vest last in time.

The Company will make all determinations regarding the application of the foregoing, which determinations shall be final, binding and conclusive the Company, you, and all other interested persons.

In the event it is later determined that to implement the objective and intent of the foregoing, (i) a greater reduction in the Total Payments should have been made, the excess amount shall be returned promptly by you to the Company or (ii) a lesser reduction in the Total Payments should have been made, the excess amount shall be paid or provided promptly by the Company to you, except to the extent the Company reasonably determines would result in imposition of a penalty tax under Section 409A.

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Recoupment of Erroneously Awarded Compensation: In accordance with the Nasdaq Stock Exchange listing standards and the requirements thereunder, the Company has adopted a clawback policy (the “Clawback Policy”). You acknowledge and agree that: (i) you shall be bound by and abide by the terms of the Clawback Policy as it currently exists; (ii) the Clawback Policy may be amended or restated from time to time, and you shall be bound by and abide by the terms of the Clawback Policy as it may change over time; (iii) you shall cooperate and shall promptly return any incentive-based compensation that the Company determines is subject to recoupment under the Clawback Policy; and (iv) any incentive-based or other compensation paid to you under any agreement or arrangement with the Company which is subject to recovery under any law, government regulation or stock exchange listing requirement will be subject to such deductions and clawback as may be required by such law, government regulation or stock exchange listing requirement.

Other Contingencies: This offer is contingent upon satisfactory completion of any independence and conflict checks as the Company may deem necessary (the “Other Contingencies”).

Section 409A: The intent of the parties is that the payments and benefits under this Letter Agreement comply with or be exempt from Section 409A and, accordingly, to the maximum extent permitted, this Letter Agreement shall be interpreted to be exempt from or in compliance therewith. Notwithstanding anything in this Letter Agreement to the contrary, any compensation or benefits payable under this Letter Agreement that is considered nonqualified deferred compensation under Section 409A and is designated under this Letter Agreement as payable upon your termination of employment shall be payable only upon your “separation from service” with the Company within the meaning of Section 409A (a “Separation from Service”). Notwithstanding anything in this Letter Agreement to the contrary, if you are deemed by the Company at the time of your Separation from Service to be a “specified employee” for purposes of Section 409A, to the extent delayed commencement of any portion of the benefits to which you are entitled under this Letter Agreement is required in order to avoid a prohibited distribution under Section 409A, such portion of your benefits shall not be provided to you prior to the earlier of (A) the expiration of the six (6)-month period measured from the date of your Separation from Service with the Company or (B) the date of your death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to you (or your estate or beneficiaries), and any remaining payments due to you under this Letter Agreement shall be paid as otherwise provided herein. Your right to receive any installment payments under this Letter Agreement, including without limitation any continuation salary payments that are payable on Company payroll dates, shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Section 409A.

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Miscellaneous:

By signing this Letter Agreement below, you acknowledge and agree that no one at the Company has made any representation to you which differs from the terms set forth in this Letter Agreement. The terms of this Letter Agreement, together with the Employee Covenants Agreement entered into on or about the date hereof, supersede any and all prior agreements, understandings and representations (whether written or oral) relating to the terms of your employment; provided, however, any equity award that you have previously received shall continue in effect in accordance with its terms. No modification, amendment, supplement or waiver of the terms set forth in this Letter Agreement (or Exhibit A hereto) shall be binding unless made in writing and signed by you and the Company. The Company may assign this Letter Agreement to any of its affiliates, and successors and assigns, and you shall not be entitled to any additional compensation. All determinations, interpretations, exercises of authority or other actions by the Company or the Board hereunder shall be made or taken by the Company, the Board, or the Committee, as applicable, in their sole and absolute discretion. This Letter Agreement may be executed in two or more counterparts, each of which will be an original and all of which together will constitute one and the same instrument.

This Letter Agreement shall be governed, construed, interpreted and enforced in accordance with the substantive laws of the State of Texas without reference to the principles of conflicts of law of the State of Texas or any other jurisdiction that would result in application of the laws of a jurisdiction other than the State of Texas, and where applicable, the laws of the United States. Any controversy, claim or dispute arising out of or relating to this Letter Agreement or the Employee Covenants Agreement, shall be settled solely and exclusively by a binding arbitration process administered by JAMS in Dallas County, Texas. Such arbitration shall be conducted in accordance with the then-existing Employment Arbitration Rules before a sole arbitrator. The Company and you will each be responsible for their own attorneys' fees and expenses incurred in connection with any such arbitration. The decision arrived at by the arbitrator shall be binding upon all parties to the arbitration and no appeal shall lie therefrom, except as provided by the Federal Arbitration Act. These arbitration procedures are intended to be the exclusive method of resolving any claim or dispute arising out of or related to this Letter Agreement, including the applicability of this paragraph; provided, however, that any party seeking injunctive relief in connection with a breach or anticipated breach of the Letter Agreement will do so in a state or federal court of competent jurisdiction within Dallas, Texas. Neither an application for temporary emergency relief, nor a court's consideration of granting such relief shall (i) constitute a waiver of the right to pursue arbitration under this provision or (ii) delay the appointment of the arbitrator(s) or the progress of arbitration proceedings. You knowingly, voluntarily and expressly waive any and all rights to initiate, participate in, or receive money or any other form of relief from any class, collective or representative proceeding and agrees each arbitration proceeding shall proceed on an individualized basis. THE PARTIES ACKNOWLEDGE AND AGREE THAT THEY ARE WAIVING THEIR RIGHT TO A TRIAL BY JURY IN CONNECTION WITH ANY DISPUTE ARISING OUT OF THIS LETTER AGREEMENT OR RELATED TO YOUR EMPLOYMENT OR THE TERMINATION THEREOF.

[Signature Page Follows]

To accept this offer, please countersign this Letter Agreement below and the Employee Covenants Agreement by October 14, 2024.

Sincerely,

Applied Digital Corporation

Print Name: Wes Cummins

Signature: /s/ Wes Cummins

Title: Chief Executive Officer

Dated: 10/15/2024

Accepted:

/s/Mohammad Saidal LaVanway Mohmand

Name: Mohammad Saidal LaVanway Mohmand

Dated: 10/14/2024

Exhibit A

Employee Covenants Agreement

Attached.

**EMPLOYEE NON-DISCLOSURE, INVENTION ASSIGNMENT AND
RESTRICTIVE COVENANTS AGREEMENT**

As a condition of my continued employment with Applied Digital Corporation, a Nevada corporation, its subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my continued employment and the compensation and benefits afforded to me in connection with that continued employment, I am entering into this Employee Non-Disclosure, Invention Assignment and Restrictive Covenants Agreement (this "Agreement").

Representations and Warranties; Covenants.

No Conflict with any Other Agreement or Obligation. I represent and warrant that I am not bound by any agreement or arrangement with or duty to any other person that would conflict with this Agreement. Except for any obligation described on Exhibit A attached to this Agreement (if none listed, I represent there are none), I do not have any non-disclosure, confidentiality, non-competition or other similar obligations to any other person concerning proprietary, secret or confidential information that I learned of during any previous engagement, employment or association nor have I had any obligation to assign contributions or inventions of any kind to any other person. I shall not disclose to the Company or induce the Company to use any proprietary, trade secret or confidential information or material belonging to others.

No Infringement of Third-Party Intellectual Property Rights. I represent and warrant that the Inventions (as defined in Section 3 below) will not infringe any patent, copyright, trade secret or other proprietary right of any third party.

Confidential Information.

Definition of Confidential Information. “Confidential Information” includes, whether or not expressly labeled as confidential, all confidential non-public or proprietary information or trade secrets disclosed to or learned by me as a consequence of my employment or service with the Company, including without limitation any third-party information that the Company treats as confidential, and any information learned by me as a result of my employment or service with the Company. Confidential Information includes, but is not limited to, the following types of information and other information of a similar nature: (i) the set-up of the Company’s production techniques, designs, concepts, drawings, ideas, intellectual property, inventions, specifications, models, research, development, processes, procedures, trade secrets, know-how, new product or new technology information, designs, product designs, customer names and other information related to customers, employee information, pricing policies, financial information, business plans, computer programs (whether in source code or object code), strategies, methods, systems, inventions, production method and sources, marketing and sales information, information received from others that the Company is obligated to treat as confidential or proprietary, (ii) information related to cloud products and services that provide high-performance computing power for artificial intelligence applications (including, without limitation, large language model training, inference, and graphics rendering, including, without limitation, books and records), statements (financial or otherwise), organizational and governing documents, software programs, applications and data bases, lists of (and agreements, contracts, terms, arrangements and negotiations with) existing or potential counterparties (including, without limitation, lenders, investors, customers, lessors, landlords, employees, sales representatives, independent or other contractors and other commercial partners and service providers), analyses, reports, studies and research (industry, market, product or otherwise), forecasts, projections, pipelines, budgets, memoranda, compilations, (iii) and any other technical, operating, financial and other business information that has commercial value, relating to the Company, its business, potential business, operations or finances, or the business of the Company’s customers, of which I may have acquired or developed knowledge or of which I may in the future acquire or develop knowledge of during my work for the Company, or from my colleagues while working for the Company, and (iv) any other information that is marked or otherwise identified as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used.

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Protection of Confidential Information.

I will use the Confidential Information only in the performance of my duties for the Company.

I will not disclose the Confidential Information, directly or indirectly, at any time during or after my employment with the Company except to persons authorized by the Company to receive this information.

I will not use the Confidential Information, directly or indirectly, at any time during or after my employment with the Company, for my personal benefit, for the benefit of any other person or entity, or in any manner adverse to the interests of the Company.

I will take all action reasonably necessary to protect the Confidential Information from being disclosed to anyone other than persons authorized by the Company.

I acknowledge that my obligation of non-disclosure and non-use of Confidential Information under this Agreement shall continue until I can document that it is or becomes readily generally available to the public without restriction through no fault of mine (including breach of this Agreement) or, if a court requires a shorter duration, then the maximum time allowable by law will control.

Permitted disclosures. Notwithstanding anything to the contrary contained herein, (i) nothing in this Agreement prohibits me from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies), and (ii) this Agreement is not intended to, and shall not, in any way prohibit, limit or otherwise interfere with my protected rights under federal, state or local law to, without notice to the Company: (A) communicate or file a charge with or provide information to a government regulator, such as, by way of example and not limitation, the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), or any other self-regulatory organization; (B) participate in an investigation or proceeding conducted by a government regulator; (C) receive an award paid by a government regulator for providing information; or (D) otherwise engage in activity protected by applicable whistleblower laws. I further acknowledge that pursuant to the Defend Trade Secrets Act, 18 USC Sections 1833(b)(1) and (2): (a) I will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret if (i) I make such disclosure in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and such disclosure is made solely for the purpose of reporting or investigating a suspected violation of law; or (ii) I make such disclosure in a complaint or other document filed in a lawsuit or other proceeding if such filing is made under seal; and (b) if an individual files a lawsuit for retaliation by an employer for reporting suspected violation of law, the individual may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order.

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Return of Confidential Information. When my employment with the Company terminates, for any reason or no reason, or at any time during my employment upon demand, I will immediately, and without the need for request by the Company: (a) provide or return to the Company any and all Company property, including keys, key cards, access cards, identification cards, security devices, Company credit cards, network access devices, computers, cell phones, smartphones, PDAs, pagers, fax machines, equipment, speakers, webcams, manuals, reports, files, books, compilations, work product, email messages, recordings, tapes, disks, thumb drives, or other removable information storage devices, hard drives, and data and all Company documents and materials belonging to the Company and stored in any fashion, including but not limited to those that constitute or contain any Confidential Information, that are in my possession or control, whether they were provided to me by the Company or created by me in connection with my employment by the Company; and (b) delete or destroy all copies of any such documents and materials not returned to the Company that remain in my possession or control, including those stored on any non-Company devices, networks, storage locations, and media in my possession or control. I agree that any social media or other electronic accounts I open, handle or become involved with on the Company’s behalf constitute Company property and I agree I will provide all access codes, passcodes, and administrator rights to the Company at any time during or after my employment on demand. In the event that I leave the employ of the Company, I hereby grant consent for the Company to notify my new employer about my rights and obligations under this Agreement.

Inventions.

Definition of Inventions. The term “Inventions” includes:

contributions and inventions, discoveries, creations, developments, improvements, works of authorship and ideas (whether or not they are patentable or copyrightable) of any kind that are or were, since the date of commencement of my employment with the Company, conceived, created, developed or reduced to practice by me, alone or with others, while employed by the Company that are either: (i) conceived during regular working hours or at my place of work, whether located at Company, affiliate or customer facilities, or at my own facilities; or (ii) regardless of whether they are conceived or made during regular working hours or at my place of work, are directly or indirectly related to the Company’s business or potential business, result from tasks assigned to me by the Company, or are conceived or made with the use of the Company’s resources, facilities or materials; and

any and all patents, patent applications, copyrights, trade secrets, trademarks, domain names and other intellectual property rights, worldwide, with respect to any of the foregoing.

The term “**Inventions**” specifically excludes any invention that: (i) by law (including, without limitation, the applicable statutory provision for my state of employment set forth in Exhibit C, if any) I cannot be required to assign; or (ii) inventions I developed entirely on my own time without using any Company equipment, supplies, facilities or trade secret information, unless (1) the invention related at the time of conception or reduction to practice of the invention to (x) the Company’s business, or (y) the Company’s actual or demonstrably anticipated research or development, or (2) the invention results from any work performed by me for the Company. Nevertheless, if I believe any invention, work of authorship or other matter created by me during the term of my employment is not within the definition of Inventions, I will disclose it to the Company so that the Company may make an assessment of whether it falls within the definition of Invention within this Agreement.

All Inventions are Exclusively the Property of the Company.

I will promptly disclose all Inventions, in full detail, to persons authorized by the Company. I will not disclose any Invention to anyone other than persons authorized by the Company or by law, without the Company’s express prior written instruction to do so.

All Inventions will be deemed “work made for hire” as that term is used in the U.S. Copyright Act and belong solely to the Company from conception. I hereby expressly disclaim all interest in all Inventions. To the extent that title to any Invention or any materials comprising or including any Invention is found not to be a “work made for hire” as a matter of law, I hereby irrevocably assign to the Company all of my right, title and interest to that Invention. At any time during or after my employment with the Company that the Company requests, I will sign whatever written documents of assignment are necessary to formally evidence my irrevocable assignment to the Company of any Invention.

At all times during or after my employment with the Company I will assist the Company in obtaining, perfecting, maintaining and renewing patent, copyright, trademark and other appropriate protection for any Invention, in the United States and in any other country, at the Company’s expense.

In the event that the Company is unable to secure my signature on any such document, I hereby irrevocably designate and appoint the Company and each of its duly authorized officers and agents as my agent and attorney-in-fact, to act for and on my behalf, to sign and file any such document and to do all other lawful acts to further the prosecution, issuance and enforcement of patents, copyrights or other rights or protections with the same force and effect as if I had signed such documents.

To the extent any copyrights are assigned under this Agreement, I hereby irrevocably waive to the extent permitted by applicable law, any and all claims I may now or hereafter have in any jurisdiction to all rights of paternity, integrity, disclosure, and withdrawal and any other rights that may be known as “moral rights” with respect to all Inventions and all intellectual property rights therein.

Prior Inventions. I acknowledge that this Section 3 requiring assignment of Inventions to the Company may not apply to any inventions the applicable statutory provision for my state of employment set forth in Exhibit C, if any, provides I cannot be required to assign. I acknowledge that I reviewed the applicable state statutory provision, if any, in Exhibit C prior to my execution of this Agreement. Nevertheless, I shall comply with the provisions of this Section 3 and disclose any inventions that I believe are not subject to assignment under this Agreement, pursuant to state law or otherwise, so that the Company may make its assessment. On Exhibit B attached to this Agreement I have included a complete list, with nonconfidential descriptions, of any inventions, ideas, reports and other creative works that I made or conceived prior to my employment with the Company, in each case limited to items that are owned by me or by an entity controlled by me, or items that I or an entity controlled by me may license to others (collectively, the “**Prior Inventions**”), or, if no such list is attached I represent and warrant that there are no such Prior Inventions. I intend that the items on that list and only the items on that list shall be excluded from the restrictions set forth in this Agreement. I will not assert any right, title or interest in or to any invention or claim that I made, conceived or acquired any invention before my employment with the Company unless I have specifically identified that invention on the attached Exhibit B. In the event that any Prior Invention is incorporated into or necessary for the use of any Invention, I hereby grant the Company an unrestricted, perpetual, irrevocable, transferable, worldwide, royalty free, paid-up, non-exclusive license, with the right to grant sublicenses through multiple tiers, under all intellectual property and other rights with respect to the Prior Invention, to make, have made, use, sell, offer to sell, import, reproduce, prepare derivative works, distribute, perform, display and otherwise fully exploit, and reproduce the Prior Invention and any products, services, methods, processes, technologies and other items derived from, incorporating or using the Prior Invention, for commercial, internal business and all other purposes.

Restrictive Covenants.

Definitions

“**Business Partner**” means any of the Company’s customers, clients, members, suppliers, or business partners or relations.

“**Competitive Business**” means, directly or indirectly, (i) the business of (A) acquiring, owning, operating, managing and monetizing digital infrastructure solution businesses for high performance computing applications and (B) acquiring real estate and design, developing and operating thereon data centers to provide digital infrastructure solutions for high performance computing applications, and or (ii) a person or division or unit of a larger enterprise engaged in the same, similar, or other additional lines of business in which the Company engages or has taken active steps to engage based on discussions or actions taken by or among senior management or the Board of Directors of the Company during my employment up to the date of termination of my employment hereunder.

“**Prohibited Activity**” is activity in which I contribute my knowledge, directly or indirectly, in whole or in part, as an employee, employer, owner, operator, manager, advisor, consultant, agent, partner, director, stockholder, officer, volunteer, intern or any other similar capacity to (i) a person or entity engaged in the same or similar business as the Company, including those engaged in a Competitive Business, or (ii) any activity that may require or inevitably require disclosure of trade secrets, proprietary information or Confidential Information.

“**Restricted Area**” means any geographic location (i) where I performed direct, substantive services for any of the Company’s customers, (ii) in which I provided services to the Company, or (iii) where my use or disclosure of Confidential Information could disadvantage the Company.

“**Restricted Period**” means the period of employment and twelve (12) months following the termination of employment for any reason.

Obligations During Employment. To protect the legitimate business interests of the Company and in consideration of the Company’s willingness to provide to me access to its Confidential Information, customer relationships and goodwill, I agree that during the term of employment with the Company, I will not directly or indirectly, whether as employee, owner, sole proprietor, partner, shareholder, director, member, consultant, agent, founder, co-venture partner or otherwise, (a) do anything to divert or attempt to divert from the Company any business of any kind, including, without limitation, solicit or interfere with any of the Company’s Business Partners with whom I performed direct, substantive services during my employment or as to whom I had access to Confidential Information where my use or disclosure of Confidential Information could disadvantage the Company, (b) solicit, induce, recruit or encourage any person engaged or employed by the Company to terminate his or her employment or engagement, (c) engage in Prohibited Activity, or (d) become employed by, engage, invest or participate in any Competitive Business, provided, however, that I may own, as a passive

investor, publicly-traded securities of any corporation that competes with the business of the Company so long as such securities do not, in the aggregate, constitute more than two percent (2%) of any class of outstanding securities of such corporations.

Post-Employment Non-Solicitation Obligations. To protect the legitimate business interests of the Company and in consideration of the Company's willingness to provide to me access to its Confidential Information, customer relationships and goodwill, I agree that during the Restricted Period and in the Restricted Area, I will not directly or indirectly, whether as employee, owner, sole proprietor, partner, shareholder, director, member, consultant, agent, founder, co-venture partner or otherwise, (a) do anything to divert or attempt to divert from the Company any business of any kind, including, without limitation, solicit or interfere with any of the Company's Business Partners with whom I performed direct, substantive services during my employment or as to whom I had access to Confidential Information where my use or disclosure of Confidential Information could disadvantage the Company, or (b) solicit, induce, recruit or encourage any person engaged or employed by the Company who had access to Confidential Information to terminate his or her employment or engagement. This restriction in 4.3(a) shall not apply with respect to any Business Partner with whom I can demonstrate I had a pre-existing relationship prior to my employment with the Company. **THIS SECTION 4.3 SHALL NOT APPLY AS SET FORTH IN, AND/OR SHALL BE LIMITED BY ANY APPLICABLE LIMITATION LISTED ON, EXHIBIT D.**

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Post-Employment Non-Competition Obligations. To protect the Company's legitimate protectable interests in, among other things, the Company's Confidential Information, customer relationships and goodwill, I agree that during the Restricted Period and in the Restricted Area, I shall not, directly or indirectly, become employed by, engage with (as a consultant, advisor or otherwise), invest in or otherwise own or participate in any Competitive Business in any capacity in which the Company's Confidential Information would reasonably be considered useful to the competitor or would enable the other third party to become a competitor of the Company, provided, however, that I may own, as a passive investor, publicly-traded securities of any corporation that competes with the business of the Company so long as such securities do not, in the aggregate, constitute more than two percent (2%) of any class of outstanding securities of such corporations. **THIS SECTION 4.4 SHALL NOT APPLY AS SET FORTH IN, AND/OR SHALL BE LIMITED BY ANY APPLICABLE LIMITATIONS LISTED ON, EXHIBIT D.**

Reformation of Prohibited Terms. Any term contained in this Section 4 shall be deemed modified, blue-penciled, and/or stricken from the Agreement to the extent necessary if I work in a state where such restriction is prohibited by applicable law.

Covenant of Non-Disparagement Unless authorized by law, I will not at any time, either during or after my employment with the Company, disparage the reputation of the Company, its customers, and/or its or their respective affiliates or any of its or their respective officers, directors, employees or agents. Nothing in this Agreement shall be deemed to prohibit me from (a) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that I have reason to believe is unlawful or (b) exercising my rights under Section 7 of the National Labor Relations Act.

Miscellaneous.

Interpretation and Scope of this Agreement. Each provision of this Agreement shall be interpreted on its own. If any provision is held to be unenforceable as written, including but not limited to being too broad as to the period of time, territory, and/or scope, then, and in that event, such provision will nonetheless remain valid and fully effective, but will be considered to be amended so that the period of time, territory, and/or scope set forth will be changed to be the maximum period of time, the largest territory, and/or the broadest scope, as the case may be, that would be found enforceable by such court or arbitrator. In the event that one or more of the provisions contained in this Agreement shall for any reason be held unenforceable in any respect under the law of any state of the United States or the United States, then it shall (a) be enforced to the fullest extent permitted under applicable law and (b) such unenforceability shall not affect any other provision of this Agreement, but this Agreement shall then be construed as if such unenforceable portion(s) had never been contained herein.

Remedies. I understand and agree that if I breach or threaten to breach any of the provisions of this Agreement the Company would suffer immediate and irreparable harm and that monetary damages would be an inadequate remedy. I agree that, in the event of my breach or threatened breach of any of the provisions of this Agreement, the Company shall have the right to seek relief from a court to restrain me (on a temporary, preliminary and permanent basis) from using or disclosing Company Confidential Information or Inventions or otherwise violating the provisions of this Agreement, and that any such restraint shall be in addition to (and not instead of) any and all other remedies to which the Company shall be entitled, including money damages. The Company shall not be required to post a bond to secure against an imprudently granted injunction (whether temporary, preliminary or permanent). In addition, and not instead of those rights, I further covenant that I shall be responsible for payment of the fees and expenses of the Company's attorneys and experts, as well as the Company's court costs, pertaining to any suit, arbitration, mediation, action or other proceeding, including the costs of any investigation related thereto, arising directly or indirectly out of my violation or threatened violation of any of the provisions of this Agreement.

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Reasonableness of Covenants. I understand that the nature of my position gives me access to and knowledge of Confidential Information and places me in a position of trust and confidence with the Company. I understand and acknowledge that the services I provide to the Company are unique, special or extraordinary because of my educational background, technical expertise, knowledge of the industry, and relationships with potential clients and vendors related to Company's business. I further understand and acknowledge that the Company's ability to reserve these for the exclusive knowledge and use of the Company is of great competitive importance and commercial value to the Company, and that improper use or disclosure by me is likely to result in unfair or unlawful competitive activity. I acknowledge and agree that the restrictions that are set forth in this Agreement and the location and period of time for which such restrictions apply are reasonable and necessary to protect the Company's legitimate business interests and shall survive the termination of my employment. I further acknowledge that the restrictions contained in this Agreement will not prevent me from earning a livelihood during the applicable period of restriction.

Governing Law; Disputes. This Agreement (together with any and all modifications, extensions and amendments of it) and any and all matters arising directly or indirectly herefrom shall be governed by and construed and enforced in accordance with the internal laws of the State of Texas applicable to agreements made and to be performed entirely in such state, without giving effect to the conflict or choice of law principles thereof. Any controversy, claim or dispute arising out of or relating to this Agreement shall be resolved by arbitration in accordance with the terms and conditions of the Letter Agreement to which this Agreement is attached as Exhibit A.

Entire Agreement; Amendments and Waivers. This Agreement (including the exhibits attached hereto) represents the entire understanding and agreement among the parties hereto with respect to the subject matter hereof and can be amended, supplemented, or changed and any provision hereof can be waived, only by written instrument signed by the party against whom enforcement of any such amendment, supplement, change or waiver is sought. Notwithstanding the foregoing, (i) nothing in this Agreement shall amend, alter, or modify the terms and conditions of any invention (or similar) assignment or agreement I have previously signed or been bound by with respect to the Company, and (ii) without limitation of the immediately preceding clause (i), in the event of any conflict between this Agreement and any other agreement I have signed or hereafter sign containing terms that are more expansive or otherwise more favorable to the Company, including, without limitation, with respect to scope or duration, the more expansive provisions shall control.

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Captions. The captions and section headings in this Agreement are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

Counterparts; Binding Effect. This Agreement may be executed in counterparts, each of which shall be deemed an original agreement, but all of which together shall

relates (i) to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer.

EXHIBIT C-1

If I am employed by the Company in the State of Kansas, the following provision applies:

Chapter 44.—LABOR AND INDUSTRIES

Article 1.—PROTECTION OF EMPLOYEES

44-130. Employment agreements assigning employee rights in inventions to employer; restrictions; certain provisions void; notice and disclosure.

(a) Any provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer shall not apply to an invention for which no equipment, supplies, facilities or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless:

- (1) The invention relates to the business of the employer or to the employer's actual or demonstrably anticipated research or development; or
- (2) the invention results from any work performed by the employee for the employer.

(b) Any provision in an employment agreement which purports to apply to an invention which it is prohibited from applying to under subsection (a), is to that extent against the public policy of this state and is to that extent void and unenforceable. No employer shall require a provision made void and unenforceable by this section as a condition of employment or continuing employment.

(c) If an employment agreement contains a provision requiring the employee to assign any of the employee's rights in any invention to the employer, the employer shall provide, at the time the agreement is made, a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless:

- (1) The invention relates directly to the business of the employer or to the employer's actual or demonstrably anticipated research or development; or
- (2) the invention results from any work performed by the employee for the employer.

(d) Even though the employee meets the burden of proving the conditions specified in this section, the employee shall disclose, at the time of employment or thereafter, all inventions being developed by the employee, for the purpose of determining employer and employee rights in an invention.

If I am employed by the Company in the State of Minnesota, the following provision applies:

Minnesota Statute Section 181.78. Subdivision 1.

Inventions not related to employment. Any provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer shall not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this state and is to that extent void and unenforceable.

If I am employed by the Company in the State of New Jersey, the following provision applies:

New Jersey Statutes Section 34:1B-265.

1.a.(1) Any provision in an employment contract between an employee and employer, which provides that the employee shall assign or offer to assign any of the employee's rights to an invention to that employer, shall not apply to an invention that the employee develops entirely on the employee's own time, and without using the employer's equipment, supplies, facilities or information, including any trade secret information, except for those inventions that: (a) relate to the employer's business or actual or demonstrably anticipated research or development; or (b) result from any work performed by the employee on behalf of the employer.

EXHIBIT C-2

If I am employed by the Company in the State of New York, the following provision applies:

New York Labor Law Section 203-f

1. Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

- (a) relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or
- (b) result from any work performed by the employee for the employer.

2. To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision one of this section, such provision is against the public policy of this state and shall be unenforceable.

If I am employed by the Company in the State of North Carolina, the following provision applies:

North Carolina General Statutes Section 66-57.1.

EMPLOYEE'S RIGHT TO CERTAIN INVENTIONS

Any provision in an employment agreement which provides that the employees shall assign or offer to assign any of his rights in an invention to his employer shall not apply to an invention that the employee developed entirely on his own time without using the employer's equipment, supplies, facility or trade secret information except for those inventions that (i) relate to the employer's business or actual or demonstrably anticipated research or development, or (ii) result from any work performed by the employee for the employer. To the extent a provision in an employment agreement purports to apply to the type of invention described, it is against the public policy of this State and is unenforceable. The employee shall bear the burden of proof in establishing that his invention qualifies under this section.

If I am employed by the Company in the State of Utah, the following provision applies:

Utah Code, §§ 34-39-2 and 34-39-3

34-39-2. Definitions.

As used in this chapter:

(1) "**Employment invention**" means any invention or part thereof conceived, developed, reduced to practice, or created by an employee which is:

- (a) conceived, developed, reduced to practice, or created by the employee:
 - (i) within the scope of his employment;
 - (ii) on his employer's time; or
 - (iii) with the aid, assistance, or use of any of his employer's property, equipment, facilities, supplies, resources, or intellectual property;
- (b) the result of any work, services, or duties performed by an employee for his employer;
- (c) related to the industry or trade of the employer; or
- (d) related to the current or demonstrably anticipated business, research, or development of the employer.

(2) "**Intellectual property**" means any and all patents, trade secrets, know-how, technology, confidential information, ideas, copyrights, trademarks, and service marks and any and all rights, applications, and registrations relating to them.

EXHIBIT C-3

34-39-3. Scope of act — When agreements between an employee and employer are enforceable or unenforceable with respect to employment inventions — Exceptions.

(1) An employment agreement between an employee and his employer is not enforceable against the employee to the extent that the agreement requires the employee to assign or license, or to offer to assign or license, to the employer any right or intellectual property in or to an invention that is:

- (a) created by the employee entirely on his own time; and
- (b) not an employment invention.

(2) An agreement between an employee and his employer may require the employee to assign or license, or to offer to assign or license, to his employer any or all of his rights and intellectual property in or to an employment invention.

(3) Subsection (1) does not apply to:

- (a) any right, intellectual property or invention that is required by law or by contract between the employer and the United States government or a state or local government to be assigned or licensed to the United States; or
- (b) an agreement between an employee and his employer which is not an employment agreement.

(4) Notwithstanding Subsection (1), an agreement is enforceable under Subsection (1) if the employee's employment or continuation of employment is not conditioned on the employee's acceptance of such agreement and the employee receives a consideration under such agreement which is not compensation for employment.

(5) Employment of the employee or the continuation of his employment is sufficient consideration to support the enforceability of an agreement under Subsection (2) whether or not the agreement recites such consideration.

(6) An employer may require his employees to agree to an agreement within the scope of Subsection (2) as a condition of employment or the continuation of employment.

(7) An employer may not require his employees to agree to anything unenforceable under Subsection (1) as a condition of employment or the continuation of employment.

(8) Nothing in this chapter invalidates or renders unenforceable any employment agreement or provisions of an employment agreement unrelated to employment inventions.

If I am employed by the Company in the State of Washington, the following provision applies:

Washington Statute 49:44.140

(1) A provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer does not apply to an invention for which no equipment, supplies, facilities, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) directly to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this state and is to that extent void and unenforceable.

(2) An employer shall not require a provision made void and unenforceable by subsection (1) of this section as a condition of employment or continuing employment.

(3) If an employment agreement entered into after September 1, 1979, contains a provision requiring the employee to assign any of the employee's rights in any invention to the

employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) directly to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer.

If I am employed by the Company in the State of Wisconsin, the following provision applies:

In accordance with Wisconsin law, this Agreement does not obligate me to assign or offer to assign to the Company any of my rights in any invention I have developed entirely on my own time without using Company's equipment, supplies, facilities, trade secret information or Confidential Information. Provided, however, Company shall own inventions that either; (i) relate, at the time of the conception or reduction to practice, to Company's activities or actual or demonstrably anticipated research or development; or (ii) result from any work I performed for Company. I will advise Company promptly in writing of any inventions I believe should be an exception to this Agreement.

EXHIBIT C-4

EXHIBIT D

(This supplements Section 4 of the Agreement)

This Exhibit shall be deemed to be updated as applicable law may change from time to time. The Company intends to comply with all state laws as may be applicable. The capitalized term "Employee" used herein means the employee signatory to the Agreement.

If I am employed by the Company in the State of Alabama, the following provision applies:

If Alabama law controls, the non-solicitation of employees clauses shall be amended to provide that the solicited employee must be in a position uniquely essential to the management, organization, or service of the Company's business, and with whom I had material contact during my employment.

If Alabama law controls, "Competitive Business" means any person or business providing product or service of the type offered or provided by the Company, or under development by the Company with Employee's knowledge, within two (2) years prior to the end of Employee's employment with the Company.

If I am employed by the Company in the State of California, the following provision applies:

If California law controls, then any post-employment noncompete or post-employment non-solicit of clients shall not apply to California employees doing business in California.

If I am employed by the Company in the State of Colorado, the following provision applies:

If Colorado law controls, then the post-employment noncompete shall apply to Employee only if Employee had access to Company trade secrets and if Employee's annualized cash compensation is at least \$123,750 or any threshold amount required by applicable law.

If Colorado law controls, the post-employment non-solicit of clients shall apply to Employee only if Employee's annualized cash compensation is at least \$74,250 or any other threshold amount required by applicable law.

If Colorado law controls, the non-disparagement provisions in Section 4.6 do not apply. Nothing in the Agreement shall be deemed to prohibit Employee from (a) discussing or disclosing, orally or in writing, any alleged discriminatory or unfair employment practice or any other conduct that Employee has reason to believe is unlawful, or (b) exercising Employee's rights under Section 7 of the National Labor Relations Act.

Colorado employees are advised to consult with legal counsel before signing this Agreement.

See attached Colorado supplemental notice for signature.

If I am employed by the Company in the District of Columbia, the following provision applies:

If the law of the District of Columbia controls, then any post-employment noncompete shall not apply to any District of Columbia employee doing business in the District of Columbia if the employee's compensation is \$154,200 or less per year. If the employee's compensation exceeds \$154,200 per year or they are otherwise deemed to be a highly compensated employee under the law, the post-employment noncompete shall apply to the maximum extent permissible.

District of Columbia employees will receive a copy of this Agreement at least 14 days before the first day of employment or, if already employed by the Company, at least 14 days before execution of the Agreement is required.

See attached District of Columbia supplemental notice for signature.

EXHIBIT D-1

If I am employed by the Company in the State of Georgia, the following provision applies:

If Georgia law controls, the post-employment noncompete shall only apply to employees who, in the course of their employment, (1) customarily and regularly solicit for the Company customers or prospective customers; or (2) customarily and regularly engage in making sales or obtaining orders or contracts for products or services to be performed by others; or (3) perform executive duties as set forth in applicable law; or (4) perform the duties of a key employee or of a professional as defined in applicable law.

If Georgia law controls, then the term "solicit" used in Section 4.3(a) means solicit for the purpose of providing any Competitive Product or Service. For purposes of the Agreement, a "Competitive Product or Service" is any product or service of the type offered or provided by the Company within two (2) years prior to the end of Employee's employment with the Company.

If Georgia law controls, then the provisions in Section 4.2 apply in the Restricted Area.

If I am employed by the Company in the State of Hawaii, the following provision applies:

If the law of Hawaii controls, then the post-employment noncompete and post-employment nonsolicit of employees will not apply to employees to the extent they are

employees of a “technology business” as defined by applicable law. A “technology business” means, with certain exclusions for the broadcast industry and telecommunications carriers, a trade or business that derives the majority of its gross income from the sale or license of products or services resulting from its software development or information technology development, or both. “Information technology development” means the design, integration, deployment, or support services for software.

If I am employed by the Company in the State of Idaho, the following provision applies:

If the law of Idaho controls, then any post-employment noncompete shall apply only to key employees as per Idaho state law.

If I am employed by the Company in the State of Illinois, the following provision applies:

If Illinois law controls, then any post-employment noncompete shall only apply to Employee if Employee’s actual or expected annualized rate of earnings exceeds \$75,000.

If Illinois law controls, then any post-employment nonsolicit shall only apply to Employee if Employee’s actual or expected annualized rate of earnings exceeds \$45,000.

Illinois employees will receive a copy of this Agreement at least 14 calendar days before the first day of employment or will have at least 14 calendar days to review this Agreement before signing it (during which time the employee is free to use as much or as little of that period as the employee wishes or considers necessary).

Illinois employees are advised to consult with legal counsel before signing this Agreement.

If I am employed by the Company in the State of Indiana, the following provision applies:

If Indiana law controls, then the employee non-solicit shall be modified to further limit the restriction on solicitation of employees to those who have access to or possess any Confidential Information that would give a competitor an unfair advantage.

If I am employed by the Company in the State of Louisiana, the following provision applies:

If Louisiana law controls, the “Restricted Area” shall be all the parishes and municipalities where the Employee worked or performed services for the Company.

EXHIBIT D-2

If I am employed by the Company in the State of Maine, the following provision applies:

If Maine law controls, Maine employees making less than \$60,240 will not be subject to the post-employment noncompete.

Maine employees will receive a copy of this Agreement at least 3 business days before the Company requires the Agreement to be signed.

If I am employed by the Company in the State of Maryland, the following provision applies:

If Maryland law controls, the post-employment noncompete shall not apply to any employee making equal to or less than (1) \$22.50 per hour or \$46,800 annually or (2) any other threshold amount required by applicable law.

If I am employed by the Company in the State of Massachusetts, the following provision applies:

If the Employee resides in Massachusetts at the time this Agreement is entered into in connection with the start of employment, the Employee acknowledges that he/she received this Agreement by the earlier of a formal offer of employment or at least 10 business days before the first day of employment.

If the Employee resides in Massachusetts at the time this Agreement is entered into after the start of employment, the Employee acknowledges that he/she received this Agreement at least 10 business days before the Agreement is to be effective.

If Massachusetts law controls, the post-employment noncompete will not apply to any employees who are non-exempt.

If Massachusetts law controls, the post-employment noncompete will not apply if Employee has been terminated without cause or laid off. For all other employees, in consideration of the post-employment noncompete, and only if the Company elects to enforce such restriction, the Company will pay Employee, consistent to the extent applicable with the requirements for the payment of wages under Massachusetts General Laws 149 § 148, on a pro-rata basis during the entirety of the post-employment Restricted Period 50 percent of the employee’s highest annualized base salary paid by the Company within the 2 years preceding the Employee’s cessation of employment (less applicable withholdings and deductions).

If Massachusetts law controls, the post-employment noncompete shall be amended as follows:

Post-Employment Non-Competition Obligations. To protect the Company’s legitimate protectable interests in, among other things, the Company’s Confidential Information, customer relationships and goodwill, I agree that during the Restricted Period and in the Restricted Area, I shall not, directly or indirectly, engage in, assist in, or participate in providing any services of the specific type that I provided to the Company at any time during the last two (2) years of employment to any Competitive Business, provided, however, that I may own, as a passive investor, publicly-traded securities of any corporation that competes with the business of the Company so long as such securities do not, in the aggregate, constitute more than two percent (2%) of any class of outstanding securities of such corporations. **THIS SECTION 4.4 SHALL NOT APPLY AS SET FORTH IN, AND/OR SHALL BE LIMITED BY ANY APPLICABLE LIMITATIONS LISTED ON, EXHIBIT D.**

If Massachusetts law controls, the “Restricted Area” means the geographic areas in which the Employee, during any time within the last 2 years of employment, provided services or had a material presence or influence.

Massachusetts employees have the right to consult with legal counsel before signing this Agreement.

Any subsequent change or changes in Employee’s duties, salary, or compensation will not affect the validity or scope of this Agreement.

EXHIBIT D-3

If I am employed by the Company in the State of Minnesota, the following provision applies:

If Minnesota law controls, then any post-employment noncompete shall not apply to Minnesota employees doing business in Minnesota.

If I am employed by the Company in the State of Nevada, the following provision applies:

If Nevada law controls, the post-employment non-solicit of customers shall be modified to confirm that the Employee shall not be restricted from servicing a customer or client after employment if (a) the Employee did not solicit the customer or client; (b) the customer or client voluntarily chose to seek services from Employee; and (c) the Employee otherwise complies with the time, geographical area, and scope of activity to be restrained.

If Nevada law controls, the post-employment noncompete shall not apply to any Nevada employee who is paid solely on an hourly wage basis.

If Nevada law controls, if the Employee's termination of employment is the result of a reduction of force, reorganization or similar restructuring of the Company, the post-employment noncompete will only be enforceable during the period in which the Company pays sufficient consideration under applicable law.

If I am employed by the Company in the State of New Hampshire, the following provision applies:

If New Hampshire law controls, any noncompete shall not apply to any employee making less than or equal to \$14.50 per hour or \$30,160 annually.

New Hampshire employees who are signing the Agreement as a condition of new employment acknowledge they received this Agreement prior to acceptance of the offer of employment.

If I am employed by the Company in the State of North Dakota, the following provision applies:

If North Dakota law controls, the post-employment noncompete shall not apply to North Dakota employees doing business in North Dakota.

If I am employed by the Company in the State of Oklahoma, the following provision applies:

If Oklahoma law controls, the post-employment noncompete shall not apply to Oklahoma employees doing business in Oklahoma, and the post-employment customer nonsolicit shall be amended to provide that the Employee shall be permitted to engage in the same business as that conducted by the Company or in a similar business as long as the Employee does not directly solicit the sale of goods, services or a combination of goods and services from the established customers of the Company.

If I am employed by the Company in the State of Oregon, the following provision applies:

If Oregon law controls, subject to the below paragraph, the post-employment noncompete shall only apply to those employees whose gross salary and commissions exceed \$113,241, calculated on an annual basis, at the time of their termination date. This sum will be "adjusted annually for inflation pursuant to the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the [U.S.] Bureau of Labor Statistics ... immediately preceding the calendar year of the employee's termination." Additionally, if Oregon law controls, subject to the below paragraph, the post-employment noncompete shall only apply to those Employees engaged in administrative, executive or professional work who: (a) perform predominately intellectual, managerial or creative tasks; (b) exercise discretion and independent judgment; and (c) earn a salary and are paid on a salary basis.

EXHIBIT D-4

If Oregon law controls and the above criteria are not met such that the post-employment noncompete would otherwise not be applicable to the Employee, the post-employment noncompete will still be applicable to the Employee if, upon the Employee's termination date, the Company notifies the Employee of the expected Restricted Period (up to 12 months) during which the Company will provide the Employee the greater of compensation equal to at least 50 percent of (a) "the employee's annual gross base salary and commissions at the time of the employee's termination"; or (b) "\$100,533, adjusted annually for inflation pursuant to the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the [U.S.] Bureau of Labor Statistics ... immediately preceding the calendar year of the employee's termination."

Oregon employees starting employment will receive a copy of this Agreement at least two weeks before the first day of employment. The Company will provide Employees with a signed copy of this Agreement within 30 days after their termination date.

If I am employed by the Company in the State of Rhode Island, the following provision applies:

If Rhode Island law controls, the post-employment noncompete will not apply to any employee who is designated as non-exempt, or to any employee making \$37,650 or less annually.

If I am employed by the Company in the State of Virginia, the following provision applies:

If Virginia law controls, the post-employment noncompete shall not apply to any employee making less than \$69,836 annually or on average less than \$1,343 per week, or such other earnings threshold as may be in effect from time to time.

If I am employed by the Company in the State of Washington, the following provision applies:

If Washington state law controls, in consideration of the postemployment noncompete, and only if the Company elects to enforce such restriction, the Company will pay Employee sufficient monetary consideration as appropriate under the circumstances and as required by law.

If Washington state law controls, the post-employment noncompete shall only apply to employees whose earnings exceed \$120,559.99 per year, as adjusted annually in accordance with RCW 49.62.040. If Employee's earnings currently do not meet this threshold, Employee acknowledges that the post-employment noncompete may be enforceable against Employee in the future due to changes in Employee's compensation.

If Washington state law controls, for the avoidance of doubt, Section 4.3(a) does not directly or indirectly prohibit the acceptance or transaction of business with any of the Company's Business Partners.

If Washington state law controls, for the avoidance of doubt, the definition of "Business Partner" in Section 4.1(a) means any of the Company's then-current customers, clients, members, suppliers, or business partners or relations.

Washington employees who are signing the Agreement as a condition of new employment acknowledge they received this Agreement no later than when they accepted the Company's offer of employment (whether orally or in writing).

If I am employed by the Company in the State of Wisconsin, the following provision applies:

If Wisconsin law controls, the employee nonsolicit obligations are amended to provide the solicited employee must also be an employee who is either entrusted with Confidential Information or employed in a position essential to the management, organization or service of the business.

EXHIBIT D-5

NOTICE TO EMPLOYEES IN THE DISTRICT OF COLUMBIA

The District's Ban on Non-Compete Agreements Amendment Act of 2020 limits the use of non-compete agreements. It allows employers to request non-compete agreements from highly compensated employees, as that term is defined in the Ban on Non-Compete Agreements Amendment Act of 2020, under certain conditions.

For more information about the Ban on Non-Compete Agreements Amendment Act of 2020, contact the District of Columbia Department of Employment Services (DOES).

Employee Signature: _____
Print Name: _____
Dated: _____

Supplement to Exhibit D (District of Columbia Employees Only)

NOTICE TO COLORADO EMPLOYEES:

The Employee Non-Disclosure, Invention Assignment and Restrictive Covenants Agreement contains, among other terms, a post-employment noncompete in Section 4. The covenant not to compete could restrict your options for subsequent employment following the separation of your employment from the Company.

You are receiving this notice either before you accept the offer of employment or at least 14 days before the effective date of the Agreement.

You have the right to consult with your own legal counsel before you sign the Agreement.

Kindly sign below to acknowledge your receipt of this notice.

Employee Signature: _____
Print Name: _____
Dated: _____

Supplement to Exhibit D (Colorado Employees Only)

**AMENDMENT NO. 2 TO
EXECUTIVE EMPLOYMENT CONTRACT**

This Amendment to the Executive Employment Contract is made as of October 15, 2024, by and between **Applied Digital Corporation** (the “Employer”) and **David Rench** (the “Employee”), effective as of October 15, 2024 (the “Effective Date”).

WITNESSETH:

WHEREAS, the Employer and the Employee entered into an Executive Employment Contract on November 1, 2021, as amended September 5, 2023 (as amended, the “Agreement”);

WHEREAS, the Employer and the Employee desire to amend the Agreement to reflect a change in the Employee’s title;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and intending to be legally bound hereby, the parties hereby agree as follows:

1. Paragraph 3 of the Agreement is hereby amended and restated to read as follows:

“The Employer agrees to employ the Employee as the Chief Administrative Officer of the Employer for 40 hours per week.”

2. All other terms and conditions of the Agreement shall remain in full force and effect, except as expressly modified herein.

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment as of the date first written above.

APPLIED DIGITAL CORPORATION

DAVID RENCH

By: /s/ Wes Cummins
Name: Wes Cummins
Title: CEO

/s/ David Rench

Applied Digital Corporation

Employment Agreement

This Employment Agreement (this "Agreement"), dated as of October 10, 2024, is made by and between Applied Digital Corporation, a Nevada corporation (the "Company"), and Wes Cummins ("Executive"). The Company and Executive are together referred to herein as the "Parties" or individually referred to as a "Party".

WHEREAS, pursuant to the terms of that certain Executive Employment Contract dated November 1, 2021, as amended September 25, 2023, between the parties (the "Prior Employment Agreement"), Executive currently serves as the Chief Executive Officer of the Company;

WHEREAS, it is the desire of the Company to assure itself of the continued services of Executive following the date hereof (the "Effective Date") on the terms herein provided by entering into this Agreement; and

WHEREAS, it is the desire of Executive to provide continued services to the Company following the Effective Date on the terms herein provided.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, including the respective covenants and agreements set forth below, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Employment.

(a) **General.** Effective on the Effective Date, the Company shall continue to employ Executive pursuant to the terms of this Agreement and Executive shall remain in the continued employ of the Company, for the period and in the positions set forth in this Section 1, and subject to the other terms and conditions herein.

(b) **Employment Term.** The term of employment under this Agreement shall commence on the Effective Date and, unless terminated earlier as provided in Section 3 below, end on the three (3)-year anniversary of the Effective Date (the "Initial Term"). At the expiration of the Initial Term, the Agreement will automatically renew for successive additional terms of one (1) year (each a "Renewal Term" and, together with the Initial Term, the "Term"), unless notice of non-renewal is given in writing by either Party to the other Party at least ninety (90) days prior to the expiration of the Initial Term or any successive Renewal Term (a "Non-Renewal Notice"). Notwithstanding the foregoing, either Party may terminate Executive's employment under this Agreement at any time upon sixty (60) days' prior written notice (other than in the event of (x) a termination of Executive by the Company for Cause, in which case no such notice shall be required, and (y) a resignation from the Company with Good Reason, in which case notice shall be given as set forth in the definition of Good Reason).

(c) **Positions.** During the Term, Executive shall serve as the Chief Executive Officer of the Company with such duties as Executive performed immediately prior to the Effective Date. Executive shall report directly to the Board of Directors of the Company (the "Board"). At the Company's request, Executive shall during the Term serve the Company and its subsidiaries in such other capacities in addition to the foregoing as the Company shall designate, provided that such additional capacities are consistent with Executive's position as the Company's Chief Executive Officer. In the event that Executive serves in any one or more of such additional capacities, Executive's compensation shall not be increased on account of such additional services.

(d) **Duties.** During the Term, Executive shall devote substantially all of Executive's working time, attention and efforts to the business and affairs of the Company except during any paid vacation or other excused absence periods. Executive shall not engage in outside business activities (including serving on outside boards or committees) during the Term without the prior written consent of the Board (which the Board may grant or withhold); *provided* that Executive shall be permitted to (i) manage Executive's personal, financial and legal affairs, and (ii) serve on the board of directors of other corporations or for-profit entities and engage in advisory work or services for non-profit organizations, in each case, subject to compliance with this Agreement and the Policies (as defined below) and provided that such activities do not conflict with or materially interfere with Executive's performance of Executive's duties and responsibilities hereunder. Executive agrees to observe and comply with the rules and policies of the Company as adopted by the Company from time to time, in each case as amended from time to time, as set forth in writing, and as delivered or made available to Executive (each, a "Policy").

(e) **Location.** During the Term, Executive shall perform his duties hereunder in the Company's principal office, which is currently in Dallas, Texas, but from time to time Executive may be required to travel to other locations in the proper conduct of Executive's duties and responsibilities under this Agreement.

2. Compensation and Related Matters.

(a) **Annual Base Salary.** During the Term, Executive shall receive a base salary at a rate of \$750,000 per annum, which shall be paid in accordance with the customary payroll practices of the Company and shall be pro-rated for partial years of employment. Such annual base salary shall be reviewed annually by the Board for increase and, if increased, shall not be decreased (such annual base salary, as it may be adjusted from time to time, the "Annual Base Salary"). Notwithstanding the foregoing, a reduction in Executive's Annual Base Salary of up to ten percent (10%) shall be permitted to the extent (i) such reduction is in connection with a Company-wide cost reduction program, and (ii) the percentage reduction in Executive's Annual Base Salary is no greater than the percentage reduction applicable to other senior executives of the Company (a "Permitted Reduction"); *provided, however*, no Permitted Reduction shall be permitted within the eighteen (18) month period following consummation of a Change in Control (as defined below).

(b) **True-Up.** The Company shall pay Executive a true-up (the "True-Up") in an amount equal to the difference between (i) the amount of base salary that would have been payable to Executive for the period from June 1, 2024 through the Effective Date, had Executive's base salary been increased to the Annual Base Salary effective June 1, 2024, and (ii) the aggregate actual amount of base salary paid to the Executive with respect to such period (disregarding withholdings and deductions). The amount of the True-Up shall be determined by the Company, and the True-Up shall be payable to Executive within thirty (30) days of the Effective Date, subject to Executive's continued employment with the Company through the date of payment.

(c) **Target Annual Performance Bonus.** With respect to each completed fiscal year of the Company during the Term, Executive will be eligible to receive an annual performance bonus (the "Annual Bonus") with a target amount of one hundred percent (100%) of the Annual Base Salary (the "Target Bonus") and a maximum amount of two hundred percent (200%) of the Annual Base Salary. Actual payout of the Annual Bonus shall be based on the achievement of Company annual financial metrics to be determined by the Board or the Compensation Committee thereof (the "Committee"). Any Annual Bonus earned will be paid at the same time annual bonuses are paid to other senior executives of the Company generally, subject to Executive's continuous employment through the last day of the fiscal year with respect to which such Annual Bonus relates, unless otherwise set forth in Section 4 hereof, but in no event later than September 30th following the fiscal year to which the Annual Bonus relates.

(d) Equity Awards. Executive will be eligible for grants of annual equity awards (the “Equity Awards”), subject to approval by the Board or the Committee, and such vesting and other terms and conditions of the Company equity plan under which the applicable Equity Awards are granted and an award agreement to be provided by the Company and entered into with Executive with respect to each Equity Award. The Equity Awards are expected to be subject to fifty percent (50%) time-based vesting and fifty percent (50%) performance-based vesting, as determined by the Board or the Committee, with such performance-based Equity Awards eligible for a maximum payout of two hundred percent (200%) of target.

(e) Benefits. During the Term, Executive shall be eligible to participate in employee benefit plans, programs and arrangements as the Company may from time to time offer to provide to its senior executives, consistent with the terms thereof and as such plans, programs and arrangements may be amended from time to time. Notwithstanding the foregoing, nothing herein is intended, or shall be construed, to require the Company to institute or continue any, or any particular, plan or benefit and the Company reserves the right to change, alter, or terminate any benefit plan or benefit at any time (including, without limitation, contribution levels).

(f) Paid Time Off. During the Term, Executive shall be entitled to paid time off in accordance with the Policies, which Policies currently provide for flexible paid time off.

(g) Business Expenses. During the Term, the Company shall reimburse Executive for reasonable out-of-pocket business expenses incurred by Executive in the performance of Executive’s duties to the Company in accordance with the Company’s expense reimbursement Policy, as in effect from time to time.

3. Termination.

(a) At-Will Employment. Except for the notice requirements set forth in Section 1(b) hereof, the Company and Executive acknowledge that Executive’s employment is and shall continue to be “at-will”, as defined under applicable law. This means that, except as provided in such Section, such employment is not for any specified period of time and can be terminated by Executive or by the Company at any time, with or without advance notice, for any or no particular reason or cause. It also means that Executive’s job duties, title, and responsibility and reporting level, work schedule, compensation, and benefits, as well as the Company’s personnel policies and procedures, may be changed with prospective effect, with or without notice, at any time as determined by the Company (subject to any ramification such changes may have under Section 4 below, or any other governing documents of the Company or its subsidiaries or Affiliates). This “at-will” nature of Executive’s employment shall remain unchanged during Executive’s tenure as an employee and may not be changed, except in an express writing signed by Executive and a representative of the Company duly authorized by the Board. If Executive’s employment terminates for any lawful reason, Executive shall not be entitled to any payments, benefits, damages, awards, or other compensation other than as provided in Section 4 of this Agreement.

(b) Circumstances. Executive’s employment hereunder may be terminated by the Company or Executive, as applicable, under the following circumstances:

(i) Death. Executive’s employment hereunder shall terminate upon Executive’s death.

(ii) Disability. If Executive has incurred a Disability the Company may terminate Executive’s employment for Disability.

(iii) Termination for Cause. The Company may terminate Executive’s employment for Cause.

(iv) Termination without Cause. The Company may terminate Executive’s employment without Cause.

(v) Resignation from the Company with Good Reason. Executive may resign Executive’s employment with the Company with Good Reason.

(vi) Resignation from the Company without Good Reason. Executive may resign Executive’s employment with the Company without Good Reason.

(vii) Company Non-Renewal of the Term. Executive’s employment may terminate as a result of non-renewal of the then-applicable Term by the Company in accordance with Section 1(b).

(viii) Executive Non-Renewal of the Term. Executive’s employment may terminate as a result of non-renewal of the then-applicable Term by Executive in accordance with Section 1(b).

(c) Notice of Termination. Any termination of Executive’s employment by the Company or by Executive under this Section 3 (other than termination pursuant to Section 3(b)(i) above) during the Term shall be communicated by a written notice (a “Notice of Termination”) to the other Party hereto indicating the specific termination provision in this Agreement relied upon and specifying a Date of Termination. The failure by either party to set forth in the Notice of Termination any fact or circumstance shall not waive any right of the party hereunder or preclude the party from asserting such fact or circumstance in enforcing the party’s rights hereunder.

(d) Date of Termination. For purposes of this Agreement, “Date of Termination” shall mean the date of the termination of Executive’s employment with the Company, which, if Executive’s employment is terminated as a result of Executive’s death, will be the date of Executive’s death, and otherwise shall be the date specified in a Notice of Termination.

(e) Deemed Resignation. Unless otherwise determined by the Board and mutually agreed with Executive, upon termination of Executive’s employment for any reason, Executive shall be deemed to have resigned from all director, officer and employee positions, if any, then held with the Company or any of its subsidiaries or Affiliates.

4. Obligations upon a Termination of Employment

(a) Company Obligations upon Termination for any reason. Upon termination of Executive’s employment pursuant to any of the circumstances listed in Section 3(b) above, Executive (or Executive’s estate, as applicable) shall be entitled to receive: (i) Executive’s Annual Base Salary and accrued but unused paid time off, if any, earned through the Date of Termination, but not yet paid to Executive; (ii) any Annual Bonus earned as of the Date of Termination, but not yet paid to Executive, for any preceding fiscal year of the Company, payable at the time such Annual Bonus would have been paid pursuant to Section 2(c) hereof, had employment not terminated; (iii) any expenses owed to Executive pursuant to Section 2(f) above; and (iv) any amounts owed to Executive with respect to periods prior to the Date of Termination but not yet paid to Executive (A) under this Agreement, or (B) with respect to any employee benefit plans, programs, arrangements or policies of the Company or any subsidiary or Affiliate or any other applicable plan, program, arrangement policy or other agreement with the Company or any subsidiary or Affiliate thereof (including, without limitation, pursuant to any indemnification agreement, deferred compensation, retirement, equity and long-term incentive plan, program, policy, arrangement or agreement), in each case, which amounts shall be payable in accordance with the terms and conditions of such plans, programs, arrangements, policies or other agreements (collectively, the “Accrued Obligations”). Except as otherwise expressly required by law or as specifically provided herein, all of Executive’s rights to salary, severance benefits, bonuses and other compensatory amounts or benefits hereunder (if any) shall cease upon the termination of Executive’s employment hereunder.

(b) Executive’s Obligations upon Termination.

(i) Cooperation. At any time following termination of employment for any reason, Executive shall provide Executive’s reasonable cooperation in connection with any action or

proceeding (or any appeal from any action or proceeding) which relates to events occurring during Executive's employment hereunder; *provided* that the Company shall reimburse Executive for Executive's reasonable, pre-approved out of pocket costs and expenses on the same basis as when Executive was the Chief Executive Officer, and shall indemnify Executive in accordance with Section 9(b) below as if Executive provided such cooperation as an officer.

(ii) *Return of Company Property.* Executive hereby acknowledges and agrees that all Company Property and equipment furnished to, or prepared by, Executive in the course of, or incident to, Executive's employment, belongs to the Company and with respect to physical property shall be promptly returned to the Company upon termination of Executive's employment and at such other time(s) as may be determined by the Company (and will not be kept in Executive's possession or delivered to anyone else), and with respect to digital property shall be permanently deleted. For purposes of this Agreement, "Company Property" includes, without limitation, all books, manuals, records, reports, notes, contracts, lists, blueprints, and other documents, or materials, or copies thereof (including computer files), keys, building card keys, company credit cards, computer hardware and software, laptop computers, tablets, docking stations, cellular and portable telephone equipment, and all other proprietary information relating to the business of the Company or its subsidiaries or Affiliates. Following termination of employment, except as may be required by applicable law Executive shall not retain any written or other tangible material containing any proprietary information of the Company or its subsidiaries or Affiliates.

(c) Termination due to Executive's Death or Disability, by the Company for Cause, Resignation by Executive without Good Reason or Non-Renewal of the Term by Executive. If Executive's employment terminates pursuant to Section 3(b)(i), Section 3(b)(ii), Section 3(b)(iii), Section 3(b)(vi), or Section 3(b)(viii) hereof, then Executive shall receive only the Accrued Obligations set forth in Section 4(a) above, subject to Section 9(n) hereof.

(d) Severance Payments upon a Termination without Cause, Resignation with Good Reason or Non-renewal of the Term by the Company If Executive's employment terminates pursuant to Section 3(b)(iv), Section 3(b)(v) or Section 3(b)(vii) hereof, then, subject to Executive's delivery to the Company and non-revocation (if applicable) of an executed waiver and release of claims substantially in the form attached hereto as Exhibit A (the "Release") that becomes effective and irrevocable within sixty (60) days of the Date of Termination in accordance with Section 9(n)(vi) below, and Executive's continued compliance with the terms and conditions of this Agreement (including, without limitation, Section 5 below) and the Release, Executive shall receive, in addition to the payments and benefits set forth in Section 4(a) above, and subject to Section 9(n) below, the following:

(i) an amount in cash equal to eighteen (18) months (the "Cash Severance") (or in the event of a Change in Control Termination, thirty (30) months (the "CIC Cash Severance") of Executive's then-existing Annual Base Salary, payable, less applicable withholdings and deductions in the form of salary continuation in regular installments over the eighteen (18)-month period following the date of Executive's termination of employment in accordance with the Company's normal payroll practices with the first of such installments to commence on the first regular payroll date following the date the Release becomes effective and irrevocable or as otherwise provided in Section 9(n)(vi) below (or in the event of a Change in Control Termination, payment in a lump sum within ten (10) days of the later of (A) the Date of Termination, and (B) the effectiveness of the Release); *provided, however*, that if the Cash Severance payments have commenced prior to the consummation of a Change in Control, then the excess of the CIC Cash Severance over the actual aggregate amount of the Cash Severance previously paid to Executive (disregarding withholdings and deductions) shall be paid to Executive in a lump sum on or within thirty (30) days following the date on which the Change in Control is consummated (and, for clarity, no further Cash Severance or CIC Cash Severance payments shall be made to Executive) (the "Cash Severance Acceleration"). Notwithstanding the foregoing, (A) to the extent the CIC Cash Severance (or any portion thereof) constitutes "nonqualified deferred compensation" for purposes of Section 409A, the Cash Severance Acceleration shall only apply to the CIC Cash Severance (or applicable portion thereof) in the event the applicable Change in Control constitutes a "change in control event" for purposes of Section 409A (using the minimum permissible thresholds thereunder) (the "Acceleration Limit") and (B) if the Date of Termination occurs after the date of a Change in Control, then the CIC Cash Severance (or any portion thereof) that constitutes "nonqualified deferred compensation" for purposes of Section 409A will be paid in a lump-sum only if the applicable Change in Control constituted a "change in control event" for purposes of Section 409A (using the minimum permissible thresholds thereunder). Any CIC Cash Severance that is not subject to the Cash Severance Acceleration or that may not be paid in a lump sum pursuant to clause (B) of the preceding sentence shall, in any case, instead be paid to Executive in installments in accordance with the terms and conditions of this Section 4(d)(i). To the maximum extent permitted by Section 409A, for purposes of the Acceleration Limit, when determining which portion of the CIC Cash Severance is exempt from Section 409A pursuant to Treasury Regulation 1.409A-1(b)(9)(iii), or any successor regulation, such exemption shall apply to the CIC Cash Severance in reverse chronological order, beginning with the CIC Cash Severance Payments scheduled to be paid the furthest in time from the consummation of such Change in Control.

(ii) an amount equal to one hundred percent (100%) of Executive's Annual Bonus (or in the event of a Change in Control Termination, two hundred and fifty percent (250%) of the Annual Bonus) for the fiscal year in which Executive's termination of employment occurs, calculated based on actual performance for the entire fiscal year, in each case, if such amount is reasonably determinable as of the date such payment would otherwise be made in accordance with the terms of this Section 4(d)(ii) (with negative discretion being applied to Executive no less favorably than to other actively employed senior executives of the Company), and if such amount is not reasonably determinable by the Company as of the date such payment would otherwise be made (or, in the event of a Change in Control Termination, is reasonably determinable, but less than the Target Bonus), an amount equal to one hundred percent (100%) of the Target Bonus (or in the event of a Change in Control Termination, two hundred percent (200%) of the Target Bonus), as determined by the Company. Payment pursuant to this clause (ii) shall be made in a lump sum within ten (10) days following the later of the date that the Annual Bonus would have been paid pursuant to Section 2(c) hereof, had employment not terminated, and the effectiveness of the Release;

(iii) accelerated vesting of fifty percent (50%) of all unvested equity awards held by Executive (or in the event of a Change in Control Termination, accelerated vesting of one hundred percent (100%) of such equity awards), with accelerated vesting of any such equity awards that vest based on the achievement of performance metrics measured based on achievement of one hundred percent (100%) of target (or, in the event of a Change in Control Termination, if achievement of the applicable performance metrics is reasonably determinable as of the date of termination, based on achievement of the greater of (1) one hundred percent (100%) of target, and (2) actual achievement of the performance metrics); and

(iv) to the extent Executive holds any stock options or stock appreciation rights with respect to shares of common stock of the Company, par value \$0.001 per share, the post-termination exercise period (if any) with respect to such stock options or stock appreciation rights shall terminate on the latest date on which such stock option or stock appreciation right, as applicable, would have expired by its original terms (but, for avoidance of doubt, such stock options and stock appreciation rights shall be subject to earlier termination in accordance with the terms and conditions thereof and any plan governing such options or stock appreciation rights);

(v) subject to Executive's timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall offer continued coverage under the Company's group health plan at active employee rates until the earlier of eighteen (18) months (the "COBRA Assistance"), which COBRA Assistance shall automatically terminate on the earliest of (A) the date that Executive becomes eligible for coverage under the group health plan of another employer, or (B) the date Employer or its Affiliates could otherwise be subject to a penalty or in violation of any requirement of applicable law due to the COBRA Assistance, as determined by the Company. Employer shall directly pay or reimburse Executive for Employer's portion of the amount COBRA premium pursuant to the COBRA Assistance, as determined by the Company. In the event Employer provides the COBRA Assistance through reimbursement, Executive shall remit to the Company on a monthly basis and within thirty (30) days of the date of payment, paid invoices for each such monthly COBRA premium for which Executive seeks reimbursement and such reimbursement (to the extent required pursuant to this Section 4(d)(iii)) shall be made to Executive within thirty (30) days following Executive's delivery to Employer of each such invoice.

(vi) The severance payments and benefits provided to Executive pursuant to Section 4(d) hereof are in lieu of, and not in addition to, any benefits to which Executive may otherwise be entitled under any Company severance plan, policy or program, and Executive acknowledges and agrees that Executive shall have no rights or entitlements to any benefits or payments under any such plan, policy or program.

(e) No Mitigation. Executive shall have no duty to mitigate the amount of any payment or benefit provided for under Section 4(d) of this Agreement by seeking other employment (including self-employment) or service, and the amount of any payment or benefit provided for under Section 4(d) of this Agreement shall not be reduced by any compensation earned as a result of Executive's other employment or service.

(f) Survival. Notwithstanding anything to the contrary in this Agreement, the provisions of Sections 5 through 9 of this Agreement will survive the termination of Executive's employment and the termination of the Term for any reason.

5. Restrictive Covenants.

(a) Confidentiality. Executive agrees, during Executive's employment with the Company and at all times thereafter, not to, directly or indirectly, use (for Executive's own benefit or another Person) or disclose any Confidential Information, for so long as it shall remain proprietary or protectable as confidential or trade secret information, except as may be necessary for the performance of Executive's Company duties or as expressly authorized in writing by the Company.

(i) For purposes of this Agreement, "Confidential Information" means confidential non-public or proprietary information or trade secrets disclosed to or learned by Executive as a consequence of Executive's employment or service with the Company, including without limitation any third-party information that the Company treats as confidential, and any information learned by Executive as a result of Executive's employment or service with the Company. Confidential Information includes, but is not limited to, the following types of information and other information of a similar nature: (i) the set-up of the Company's production techniques, designs, concepts, drawings, ideas, intellectual property, inventions, specifications, models, research, development, processes, procedures, trade secrets, know-how, new product or new technology information, designs, product designs, customer names and other information related to customers, employee information, pricing policies, financial information, business plans, computer programs (whether in source code or object code), strategies, methods, systems, inventions, production method and sources, marketing and sales information, information received from others that the Company is obligated to treat as confidential or proprietary, (ii) information related to cloud products and services that provide high-performance computing power for artificial intelligence applications (including, without limitation, large language model training, inference, and graphics rendering, including, without limitation, books and records), statements (financial or otherwise), organizational and governing documents, software programs, applications and data bases, lists of (and agreements, contracts, terms, arrangements and negotiations with) existing or potential counterparties (including, without limitation, lenders, investors, customers, lessors, landlords, employees, sales representatives, independent or other contractors and other commercial partners and service providers), analyses, reports, studies and research (industry, market, product or otherwise), forecasts, projections, pipelines, budgets, memoranda, compilations, and (iii) and any other technical, operating, financial and other business information that has commercial value, relating to the Company, its business, potential business, operations or finances, or the business of the Company's customers, of which Executive may have acquired or developed knowledge or of which Executive may in the future acquire or develop knowledge of during Executive's work for the Company, or from Executive's colleagues while working for the Company.

(ii) Confidential Information shall not include information that (i) is now or later becomes publicly available or generally known to the industry (other than as a result of a breach of this Agreement), (ii) is independently developed by Executive outside the scope of Executive's employment and without reference to any Confidential Information; (iii) is lawfully obtained from a third party outside the scope of Executive's employment without restriction on use or disclosure or (iv) information that is otherwise required to be and has been disclosed under applicable laws, regulations or judicial or regulatory process, or upon the request of a regulatory authority. Executive agrees that Executive will maintain at Executive's workstation or other places under Executive's control only such Confidential Information that Executive has a current need to know for Company business purposes, and that Executive will return to the Company or otherwise properly dispose of all Confidential Information once Executive's need to know no longer exists. Executive agrees that Executive will not make copies (electronic or otherwise) of information unless Executive has a need for such copies in connection with Executive's work at the Company.

(b) Non-Competition. During the Restricted Period, Executive will not, directly or indirectly, for Executive's own benefit or for the benefit of any other individual or entity other than the Company: (i) operate, conduct, or engage in, or prepare to operate, conduct, or engage in the Business; (ii) own, finance, or invest in (except as the passive investor in not more than two percent (2%) of the outstanding stock of a publicly-held company) any Business, or (iii) participate in, render services to, or assist any Person that engages in or is preparing to engage in the Business in any capacity (whether as an employee, consultant, contractor, partner, officer, director, advisor or otherwise), in each case of clauses (i), (ii) or (iii), in the Restricted Territory. It shall not be a violation of this paragraph for Executive to be involved with a non-competing division or unit of a larger enterprise, provided that Executive has no involvement with the competing division or unit of such larger enterprise.

(c) Non-Solicitation of Company Personnel. During the Restricted Period, Executive will not, directly or indirectly, for Executive's own benefit or for the benefit of any other individual or entity: (i) employ or hire any Company Personnel in any capacity (whether as an employee, contractor, consultant or otherwise); (ii) solicit or attempt to solicit for employment or hire any Company Personnel in any capacity; (iii) entice or induce any Company Personnel to leave his or her or their employment or service with the Company; or (iv) otherwise negatively interfere with the Company's relationship with any Company Personnel. Notwithstanding the foregoing, a general solicitation or advertisement for job opportunities that Executive may publish without targeting any Company Personnel shall not be considered a violation of this Section 5(c).

(d) Non-Solicitation of Company Customers. During the Restricted Period, Executive will not, directly or indirectly, for Executive's own benefit or for the benefit of any other individual or entity: (i) solicit business from any Company Customer that is, or offer to provide products or services to any Company Customer that are, similar to any product or service provided or that could be provided by the Company or that are otherwise competitive with the Business; (ii) cause or encourage any Company Customer to reduce or cease doing business with the Company, or (iii) otherwise negatively interfere with the Company's relationships with any Company Customer.

(e) Non-Disparagement. Executive agrees that Executive shall not, at any time during or after the Term, disparage the Company, any of its products, services or practices, or any of its directors, officers, employees, customers, agents, representatives, or equity holders and their respective Affiliates, either orally or in writing, at any time; *provided, that* Executive may confer in confidence with Executive's legal representatives and make truthful statements as required by law or upon the request of any regulatory authority.

(f) Invention Assignment. Executive (i) will promptly disclose all Inventions (as defined below), in full detail, to persons authorized by the Company, and (ii) will not disclose any Invention to anyone other than persons authorized by the Company or by law, without the Company's express prior written instruction to do so. All Inventions will be deemed "work made for hire" as that term is used in the U.S. Copyright Act and belong solely to the Company from conception. Executive hereby expressly disclaims all interest in all Inventions. To the extent that title to any Invention or any materials comprising or including any Invention is found not be a "work made for hire" as a matter of law, Executive hereby irrevocably assigns to the Company all of Executive's right, title, and interest to that Invention. At any time during or after the Term that the Company requests, Executive will sign whatever written documents of assignment are necessary to formally evidence Executive's irrevocable assignment to the Company of any Invention. At all times during or after the Term, Executive will assist the Company in obtaining, perfecting, maintaining and renewing patent, copyright, trademark, and other appropriate protection for any Invention, in the United States and in any other country, at the Company's expense. In the event that the Company is unable to secure Executive's signature on any such document, Executive hereby irrevocably designates and appoints the Company and each of its duly authorized officers and agents as Executive's agent and attorney-in-fact, to act for and on Executive's behalf, to sign and file any such document and to do all other lawful acts to further the prosecution, issuance and enforcement of patents, copyrights or other rights or protections with the same force and effect as if Executive had signed such documents. To the extent any copyrights are assigned under this Agreement, Executive hereby irrevocably waives to the extent permitted by applicable law, any and all claims Executive may now or hereafter have in any jurisdiction to all rights of paternity, integrity, disclosure, and withdrawal and any other rights that may be known as "moral rights" with respect to all Inventions and all intellectual property rights therein.

(i) For purposes of this Agreement, "Inventions" means: (A) contributions and inventions, discoveries, creations, developments, improvements, works of authorship and ideas

(whether or not they are patentable or copyrightable) of any kind that are or were, since the date of commencement of Executive's employment with the Company, conceived, created, developed or reduced to practice by Executive, alone or with others, while employed by the Company that are either: (1) conceived during regular working hours or at Executive's place of work, whether located at Company, Affiliate or customer facilities, or at Executive's own facilities; or (2) regardless of whether they are conceived or made during regular working hours or at Executive's place of work, are directly or indirectly related to the Company's Business or potential business, result from tasks assigned to Executive by the Company, or are conceived or made with the use of the Company's resources, facilities or materials; and (B) any and all patents, patent applications, copyrights, trade secrets, trademarks, domain names and other intellectual property rights, worldwide, with respect to any of the foregoing.

(ii) The term "Inventions" specifically excludes any invention that: (i) by law, Executive cannot be required to assign; or (ii) inventions Executive developed entirely on Executive's own time without using any Company equipment, supplies, facilities or trade secret information, unless (A) the invention related at the time of conception or reduction to practice of the invention to (x) the Company's Business, or (y) the Company's actual or demonstrably anticipated research or development, or (B) the invention results from any work performed by Executive for the Company. Nevertheless, if Executive believes any invention, work of authorship or other matter created by Executive during the Term is not within the definition of Inventions, Executive will disclose it to the Company so that the Company may make an assessment of whether it falls within the definition of Invention within this Agreement.

(g) Tolling Period. Without limiting the Company's ability to seek other remedies available at law or in equity, if Executive violated any of the provisions of Sections 5(b) through 5(d), the Restricted Period shall be extended by one day with respect to each covenant for each day that Executive is in violation of the provisions of such covenant, so as to give the Company the full benefit of the bargained-for length of forbearance.

(h) Advance Notice. As soon as reasonably practicable following acceptance of any other employment or service relationship during the Restricted Period following Executive's termination of employment (and in any event at least ten (10) business days prior to commencement of such relationship), Executive shall provide written notice of such relationship to the Company.

(i) Interpretation. In the event the terms of this Section 5 shall be determined by any court of competent jurisdiction to be unenforceable by reason of its extending for too great a period of time or over too great a geographical area or by reason of its being too extensive in any other respect, it will be interpreted to extend only over the maximum period of time for which it may be enforceable, over the maximum geographical area as to which it may be enforceable, or to the maximum extent in all other respects as to which it may be enforceable, all as determined by such court in such action. For purposes of this Section 5 and the defined terms referenced herein, references to the "Company" shall include the Company and its subsidiaries and controlled Affiliates.

(j) Acknowledgements. Executive acknowledges and agrees that the covenants contained in this Section 5: (i) are necessary to protect the Company's legitimate interests, including, without limitation, trade secrets, confidential and proprietary information and goodwill, and are no greater than required to protect such interests, (ii) are not unduly harsh or oppressive and do not impose undue hardship on Executive, and (iii) are reasonable, including, without limitation, in duration and geographic scope, and such geographic scope reflects the territory in which Executive currently has (and will in the future have) contact with Company Customers and other material business relations of the Company. Executive recognizes and acknowledge that a breach of the covenants contained in this Section 5 will cause irreparable damage to the Company and its goodwill, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, Executive agrees that in the event of a breach of any of the covenants contained in this Section 5, in addition to any other remedy which may be available at law or in equity, the Company will be entitled to seek specific performance and injunctive relief (without requirement to post a bond or other security).

6. Assignment and Successors.

The Company may assign its rights and obligations under this Agreement to any of its subsidiaries or Affiliates or to any successor to all or substantially all of the business or the assets of the Company or any subsidiary or Affiliate thereof (by merger or otherwise), provided that such successor expressly agrees to perform each and all obligations of the Company set forth herein. This Agreement shall be binding upon and inure to the benefit of the Company, Executive and their respective permitted successors and assigns. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only by will or operation of law. Notwithstanding the foregoing, Executive shall be entitled, to the extent permitted under applicable law and any applicable employee benefit plan, program, or arrangement, to select and change a beneficiary or beneficiaries to receive compensation hereunder following Executive's death by giving written notice thereof to the Company.

7. Certain Definitions. For purposes of this Agreement:

(a) Affiliate. "Affiliate" shall mean, with respect to any particular Person means (a) any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, by contract or otherwise, (b) any Person that is an officer, partner, member or trustee of, or serves in a similar capacity with respect to, the specified Person and (c) any member of the immediate family of the specified Person (which shall include parents, children and siblings, both by-blood and in-law).

(b) Business. "Business" shall mean, directly or indirectly, (i) the business of (A) acquiring, owning, operating, managing and monetizing digital infrastructure solution businesses for high performance computing applications and (B) acquiring real estate and design, developing and operating thereon data centers to provide digital infrastructure solutions for high performance computing applications, and (ii) a person or division or unit of a larger enterprise engaged in the same, similar, or other additional lines of business in which the Company engages or has taken active steps to engage based on discussions or actions taken by or among senior management or the Board during Executive's employment up to the Date of Termination.

(c) Cause. "Cause" shall mean any of the following events:

(i) (A) Executive's indictment for or conviction of, or plea of guilty or nolo contendere to (1) a felony, or (2) a crime involving dishonesty, fraud or moral turpitude, or (B) or Executive engaging in any embezzlement, financial misappropriation or fraud, related to his employment with, or provision of services to, the Company or any subsidiary or Affiliate;

(ii) Executive's willful and intentional breach of Executive's obligations to the Company or any of its subsidiaries or Affiliates or pursuant to this Agreement (including, but not limited to, Section 5 hereof or any other restrictive covenant obligation);

(iii) Executive's willful misconduct in connection with Executive's performance of his duties for the Company or any subsidiary or Affiliate, which is materially harmful to the Company or any subsidiary or Affiliate;

(iv) Executive's material violation of any U.S. federal securities laws, rules or regulations;

(v) Executive's material violation of any Policy or any other policy or procedure of the Company or subsidiary or Affiliate provided to Executive, including without limitation, a material violation of the Company's Code of Business Conduct and Ethics and the Company's or subsidiary's or Affiliate's policies on harassment, discrimination, or substance abuse;

(vi) Executive's gross negligence which is materially harmful to the Company or any of its subsidiaries or Affiliates;

(vii) Executive's commission of any act of sexual or other harassment or discrimination; or

(viii) Executive's willful refusal to follow the reasonable and lawful directive of the Company or the Board related to performance of Executive's duties, which directive is consistent with normal business practice.

Executive shall be given written notice by the Board of its intention to terminate him for Cause within one hundred and twenty (120) days of the later of (A) the Company learning of such event or events giving rise to such termination for Cause, and (B) the Company completing its investigation of such event or events giving rise to such termination for Cause. With respect to clauses (ii), (iii), (v), (vi) or (viii), Executive must be given fifteen (15) days to cure such event or events giving rise to such termination for Cause (to the extent curable). In addition, termination for Cause requires a vote of a majority of the members of the Board (determined without including Executive), at a meeting of the Board held for such purpose, where Executive and Executive's counsel had an opportunity, on at least fifteen (15) days' notice (other than in the event of a termination pursuant to clause (i)(A) of the definition thereof), to be heard before the Board.

(d) Change in Control Termination. "Change in Control Termination" shall mean Executive's employment is terminated by the Company without Cause, or by Executive for Good Reason: (i) within eighteen (18) months following consummation Change in Control, (ii) at a time when the Company is party to an agreement, the consummation of which would result in the occurrence of a Change in Control (whether or not a Change in Control actually occurs), if such Change in Control has not been terminated or abandoned as of the Date of Termination, or (iii) or within ninety (90) days prior to the Company's entrance into an agreement described in the foregoing clause (ii). A "Change in Control Termination" shall include a termination during any of the foregoing time periods due to Company non-renewal of the then-applicable Term, provided that the Non-Renewal Notice is delivered to Executive by the Company during any of the foregoing time periods, and Executive's Date of Termination also occurs during such time periods.

(e) Change in Control. A "Change in Control" shall be deemed to have occurred if any one of the following events shall occur, in a single transaction or in a series of related transactions:

(i) Any Person becomes the beneficial owner (as defined in Rule 13(d)-3 under the Exchange Act) of shares of Common Stock representing more than 50% of the total number of votes that may be cast for the election of directors of the Company; or

(ii) The consummation of any (a) merger, consolidation, acquisition, reorganization, statutory share exchange or other business combination in which either the Company or any of its subsidiaries is a party, (b) sale or other disposition of all or substantially all of the Company's assets, in one or a series of related transactions, or (c) a combination of the foregoing transactions (each, a "Transaction"), other than a Transaction (A) involving only the Company and one or more of its now or hereafter existing subsidiaries, (B) immediately following which the shareholders of the Company immediately prior to the Transaction continue to hold a majority of the voting power in the resulting or surviving entity, or (C) following which the Incumbent Directors at the time of the execution of the initial agreement or other action of the Board providing for such Transaction continue to constitute a majority of the directors of the resulting or surviving entity; or

(iii) Within any twelve (12)-month period beginning on or after the Effective Date, the persons who were directors of the Company immediately before the beginning of such period (the "Incumbent Directors") shall cease (for any reason other than death) to constitute at least a majority of the Board (or the board of directors of any successor to the Company); provided that any director who was not a director as of the date hereof shall be deemed to be an Incumbent Director if such director was elected to the Board by, or on the recommendation of or with the approval of, at least two-thirds of the directors who then qualified as Incumbent Directors either actually or by prior operation of the foregoing unless such election, recommendation or approval was the result of an actual or threatened election contest of the type contemplated by Rule 14a-11 promulgated under the Exchange Act or any successor provision; or

(iv) The shareholders of the Company approve a plan of complete liquidation or dissolution of the Company; or

(v) Any other transaction or event that the Board determines is a Change in Control in its sole discretion.

Notwithstanding the foregoing, no event or condition shall constitute a Change in Control to the extent that, if it were, a penalty tax would be imposed under Section 409A of the Code; provided that, in such a case, the event or condition shall continue to constitute a Change in Control to the maximum extent possible (e.g., if applicable, in respect of vesting without an acceleration of distribution) without causing the imposition of such penalty tax.

(f) Code. "Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder.

(g) Company Customer. "Company Customer" shall mean, as of any specified date, any individual or entity who, as of such date, (i) is an existing customer, client, supplier, licensor, distributor, vendor or other business relation of the Company of whom Executive learned, with whom Executive had business contact or about whom Executive obtained proprietary information at any time during Executive's employment or engagement with the Company, or (ii) is a prospective customer, client, supplier, licensor, distributor, vendor or other business relation, of the Company of whom Executive learned, with whom Executive had business contact, or about whom Executive obtained proprietary information as part of a solicitation of business on behalf of the Company at any time during the one (1) year period prior to Executive's termination of employment or engagement with the Company.

(h) Company Personnel. "Company Personnel" shall mean means any individual or entity that is or was at any time during the six (6)-month period prior to Executive's solicitation or other activity prohibited by Section 5(c), employed or engaged (whether as an employee, consultant, independent contractor or in any other capacity) by the Company or any of its subsidiaries.

(i) Disability. "Disability" shall mean Executive becomes physically or mentally incapacitated and is therefore unable for a period of six (6) consecutive months or for an aggregate of nine (9) months in any twenty-four (24) consecutive month period to perform Executive's duties.

(j) Good Reason. "Good Reason" shall mean any one of the following, that occurs without Executive's prior written consent:

(i) a material reduction in Executive's authorities, duties, responsibilities, position, or title;

(ii) a material reduction by the Company in Executive's Annual Base Salary or Target Bonus (other than a Permitted Reduction);

(iii) the relocation of Executive's principal place of employment by more than thirty-five (35) miles from its location as of the Effective Date;

(iv) any failure to elect Executive to the Board or removal of Executive from the Board or as Chief Executive Officer of the Company (other than for Cause in accordance with this Agreement);

(v) any change in reporting structure such that Executive reports to someone other than the Board (or following a Change in Control, reorganization, or the Company's shares ceasing to be publicly traded, the board of directors of any successor or acquiring entity (or the ultimate parent entity)); or

(vi) a material breach by the Company of any provision of this Agreement or any written equity award agreement to which Executive and the Company are a party.

Notwithstanding the foregoing, no Good Reason will have occurred unless and until: (A) Executive has provided the Company, within one hundred and twenty (120) days of the date Executive knows or should have known of the Good Reason event, written notice reasonably summarizing the applicable facts and circumstances underlying such finding of Good Reason; (B) the Company or the successor company fails to cure such condition within thirty (30) days after receiving such written notice (the "Cure Period") or, in the event that such grounds cannot be corrected within the Cure Period, the Company has not taken all reasonable steps within the Cure Period to correct such grounds as promptly as practicable thereafter; and (C) Executive's resignation based on such Good Reason is effective within thirty (30) days after the expiration of the Cure Period. Notwithstanding anything herein to the contrary, in no event will Executive have Good Reason as a result of Executive being removed as Chairman of the Board, if Executive is replaced by a non-executive Chairman.

(k) Person. "Person" shall mean an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, association or other entity or a governmental entity.

(l) Restricted Period. "Restricted Period" shall mean the period of Executive's employment and eighteen (18) months following the termination of Executive's employment for any reason.

(m) Restricted Territory. "Restricted Territory" shall mean (i) the United States of America (including each city, county, parish, district, municipality and state therein), or (ii) any other country, state, province, territory, city, county, parish, district, municipality or other locality in which (A) Executive provided services or had a material presence or influence at any time during Executive's employment or engagement with the Company or (B) the Company is engaged in or has plans to engage in (based on discussions or actions taken by or among senior management or the Board) the Business as of the termination of Executive's employment or engagement with the Company.

8. Parachute Payments.

(a) Notwithstanding any other provisions of this Agreement or any other agreement between the Parties, in the event that any payment or benefit by the Company or otherwise to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (all such payments and benefits, including the payments and benefits under Section 4 above, being hereinafter referred to as the "Total Payments"), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the "Excise Tax") or would not be deductible by the Company or any of its subsidiaries or Affiliates pursuant to Section 280G of the Code (the "Deduction Loss"), then the Total Payments shall be reduced (in the order provided in Section 8(b) below) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments and the Deduction Loss, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which Executive would be subject in respect of such unreduced Total Payments). Executive shall execute any waiver or other documentation and take all other actions requested by the Company to acknowledge the reduction pursuant to this Section 8(a).

(b) The Total Payments shall be reduced in the following order: (i) reduction on a pro-rata basis of any cash severance payments that are exempt from Section 409A of the Code ("Section 409A"), (ii) reduction on a pro-rata basis of any non-cash severance payments or benefits that are exempt from Section 409A, (iii) reduction on a pro-rata basis of any other payments or benefits that are exempt from Section 409A, and (iv) reduction of any payments or benefits otherwise payable to Executive on a pro-rata basis or such other manner that complies with Section 409A; *provided*, in case of subclauses (ii), (iii) and (iv), that reduction of any payments attributable to the acceleration of vesting of Company equity awards shall be first applied to Company equity awards that would otherwise vest last in time.

(c) The Company will make all determinations regarding the application of this Section 8, which determinations shall be final, binding and conclusive the Company, Executive, and all other interested Persons.

In the event it is later determined that to implement the objective and intent of this Section 8, (i) a greater reduction in the Total Payments should have been made, the excess amount shall be returned promptly by Executive to the Company or (ii) a lesser reduction in the Total Payments should have been made, the excess amount shall be paid or provided promptly by the Company to Executive, except to the extent the Company reasonably determines would result in imposition of a penalty tax under Section 409A.

9. Miscellaneous Provisions.

(a) Governing Law. This Agreement shall be governed, construed, interpreted and enforced in accordance with its express terms, and otherwise in accordance with the substantive laws of the State of Texas without reference to the principles of conflicts of law of the State of Texas or any other jurisdiction that would result in application of the laws of a jurisdiction other than the State of Texas, and where applicable, the laws of the United States.

(b) Indemnification. The Company agrees that, to the extent permitted by applicable law, if Executive is made a party (or witness) or is threatened to be made a party (or witness) to any claim, investigation, audit, action, suit, arbitration or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that Executive is or was or otherwise in connection with Executive's service as a director, officer or employee of the Company, or its subsidiaries or Affiliates, Executive shall be indemnified and held harmless by the Company, and its subsidiaries or Affiliates, against, and, subject to the delivery by Executive of a customary undertaking with respect to advanced expenses, shall receive expense advancement for, all reasonable costs, charges and expenses incurred or suffered by Executive in connection therewith (including reasonable legal fees). Notwithstanding anything to the contrary in this Section 9(b), no indemnification may be made to Executive or on Executive's behalf hereunder (i) if a court of competent jurisdiction determines in a final, non-appealable order that Executive is not entitled to indemnification under applicable law, or (ii) with respect to any claims in a Proceeding where such claims are brought by (A) the Company or its subsidiaries or Affiliates, or their respective directors or officers in their capacities as such, other than related to a shareholder derivative action, or (B) by Executive (or Executive's successors or assigns). Without limitation of the foregoing, during the Term and for no less than six (6) years following the Date of Termination, the Company shall maintain directors & officers' insurance coverage (and any other insurance policies the Company may maintain generally for the benefit of its directors and officers) for Executive in his roles, and such coverage shall be maintained on terms and conditions no less favorable than such coverage is provided to other senior executives and officers of the Company, as applicable.

(c) Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(d) Notices. Any notice, request, claim, demand, document and other communication hereunder to any Party shall be effective upon receipt (or refusal of receipt) and shall be in writing and delivered personally or sent by email or certified or registered mail, postage prepaid, as follows:

(i) If to the Company, to:

Applied Digital Corporation
3811 Turtle Creek Blvd., Suite 2100
Dallas, TX 75219
Attn: David Rench
Email: david@applieddigital.com

With a copy (which shall not constitute notice) to:

Lowenstein Sandler LLP
1251 Avenue of the Americas, 18th Floor
New York, NY 10020
Attn: Darren Goodman
Email: dgoodman@lowenstein.com

(ii) If to Executive, to the last address that the Company has in its personnel records for Executive;

With a copy (which shall not constitute notice) to:

Sterlington, PLLC
One World Trade Center, 85th Floor
New York, NY 10007
Attn: Jeremy L. Goldstein
Email: Jeremy.Goldstein@sterlingtonlaw.com; notices@sterlingtonlaw.com

or

(iii) At any other address as any Party shall have specified by notice in writing to the other Party.

(e) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement. Signatures delivered by facsimile or PDF shall be deemed effective for all purposes.

(f) Entire Agreement. The terms of this Agreement are intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof and supersede all prior understandings and agreements, whether written or oral, including without limitation, the Prior Employment Agreement; *provided* that nothing in this Agreement shall supersede, modify or otherwise affect any restrictive covenant, invention assignment or confidentiality obligations imposed under any Policy or any other agreement between Executive and the Company or any of its Affiliates, and in the event of any conflict between any such restrictive covenant, invention assignment or confidentiality obligation and this Agreement, the provisions which are broadest (including, without limitation, with respect to scope and duration), or otherwise most favorable to the Company, shall control. The Parties further intend that this Agreement shall constitute the complete and exclusive statement of their terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

(g) Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and a duly authorized representative of Company. By an instrument in writing similarly executed, Executive or a duly authorized representative of the Company may waive compliance by the other Party with any specifically identified provision of this Agreement that such other Party was or is obligated to comply with or perform; *provided, however*, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy, or power hereunder preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

(h) Construction. This Agreement shall be deemed drafted equally by both the Parties. Its language shall be construed as a whole and according to its fair meaning. Any presumption or principle that the language is to be construed against any Party shall not apply. The headings in this Agreement are only for convenience and are not intended to affect construction or interpretation. Any references to paragraphs, subparagraphs, sections, or subsections are to those parts of this Agreement, unless the context clearly indicates to the contrary. Also, unless the context clearly indicates to the contrary, (i) the plural includes the singular and the singular includes the plural; (ii) "and" and "or" are each used both conjunctively and disjunctively; (iii) "any", "all", "each", or "every" means "any and all", and "each and every"; (iv) "includes" and "including" are each "without limitation"; (v) "herein", "hereof", "hereunder" and other similar compounds of the word "here" refer to the entire Agreement and not to any particular paragraph, subparagraph, section or subsection; and (vi) all pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the Persons referred to may require. All determinations, interpretations, exercises of authority, or similar rights or actions by the Board or the Company hereunder shall be made by the Board or the Company, as applicable, in its sole and absolute discretion.

(i) Arbitration. Any controversy, claim or dispute arising out of or relating to this Agreement, shall be settled solely and exclusively by a binding arbitration process administered by JAMS in Dallas County, Texas. Such arbitration shall be conducted in accordance with the then-existing Employment Arbitration Rules before a sole arbitrator. The Company and Executive will each be responsible for their own attorneys' fees and expenses incurred in connection with any such arbitration. The decision arrived at by the arbitrator shall be binding upon all parties to the arbitration and no appeal shall lie therefrom, except as provided by the Federal Arbitration Act. These arbitration procedures are intended to be the exclusive method of resolving any claim or dispute arising out of or related to this Agreement, including the applicability of this Section; provided, however, that any party seeking injunctive relief in connection with a breach or anticipated breach of the Agreement will do so in a state or federal court of competent jurisdiction within Dallas, Texas. Neither an application for temporary emergency relief, nor a court's consideration of granting such relief shall (i) constitute a waiver of the right to pursue arbitration under this provision or (ii) delay the appointment of the arbitrator(s) or the progress of arbitration proceedings. EXECUTIVE KNOWINGLY, VOLUNTARILY AND EXPRESSLY WAIVES ANY AND ALL RIGHTS TO INITIATE, PARTICIPATE IN, OR RECEIVE MONEY OR ANY OTHER FORM OF RELIEF FROM ANY CLASS, COLLECTIVE OR REPRESENTATIVE PROCEEDING AND AGREES EACH ARBITRATION PROCEEDING SHALL PROCEED ON AN INDIVIDUALIZED BASIS. THE PARTIES ACKNOWLEDGE AND AGREE THAT THEY ARE WAIVING THEIR RIGHT TO A TRIAL BY JURY IN CONNECTION WITH ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR RELATED TO EXECUTIVE'S EMPLOYMENT OR THE TERMINATION THEREOF.

(j) Enforcement. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the Term, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a portion of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal invalid or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

(k) Withholding. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges that the Company is required to withhold. The Company shall be entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise.

(l) Whistleblower Protections and Defend Trade Secrets Act Disclosure. Notwithstanding anything to the contrary contained herein, (i) nothing in this Agreement prohibits Executive from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies), and (ii) this Agreement is not intended to, and shall not, in any way prohibit, limit or otherwise interfere with Executive's protected rights under federal, state or local law to, without notice to the Company: (A) communicate or file a charge with or provide information to a government regulator, such as, by way of example and not limitation, the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), or any other self-regulatory organization; (B) participate in an investigation or proceeding conducted by a government regulator; (C) receive an award paid by a government regulator for providing information; or (D) otherwise engage in activity protected by applicable whistleblower laws. Furthermore, in accordance with 18 U.S.C. § 1833, notwithstanding anything to the contrary in this Agreement: (i) Executive shall not be in breach of this Agreement, and shall not be held criminally or civilly liable under any federal or state trade secret law (A) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (B) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (ii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney, and may use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

(m) Recoupment of Erroneously Awarded Compensation. In accordance with the Nasdaq Stock Exchange listing standards and the requirements thereunder, the Company has adopted a clawback policy (the "Clawback Policy"). Executive acknowledges and agrees that as set forth in such Clawback Policy: (i) Executive shall be bound by and abide by the terms of the Clawback Policy as it currently exists; (ii) the Clawback Policy may be amended or restated from time to time, and Executive shall be bound by and abide by the terms of the Clawback Policy as it may change over time; (iii) Executive shall cooperate and shall promptly return any incentive-based compensation that the Company determines is subject to recoupment under the Clawback Policy; and (iv) any incentive-based or other compensation paid to Executive under any agreement or arrangement with the Company which is subject to recovery under any law, government regulation or stock exchange listing requirement will be subject to such deductions and clawback as may be required by such law, government regulation or stock exchange listing requirement.

(n) Section 409A.

(i) *General*. The intent of the Parties is that the payments and benefits under this Agreement comply with or be exempt from Section 409A and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. Except as otherwise permitted under Section 409A, no payment hereunder shall be accelerated or deferred unless such acceleration or deferral would not result in additional tax or interest pursuant to Section 409A. If the Company determines that any provision of this Agreement would cause Executive to incur any additional tax or interest under Section 409A, the Company may (but is not obligated to), take commercially reasonable efforts to reform such provision to try to comply with or be exempt from Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Section 409A.

(ii) *Separation from Service*. Notwithstanding anything in this Agreement to the contrary, any compensation or benefits payable under this Agreement that is considered nonqualified deferred compensation under Section 409A and is designated under this Agreement as payable upon Executive's termination of employment shall be payable only upon Executive's "separation from service" with the Company within the meaning of Section 409A (a "Separation from Service").

(iii) *Specified Employee*. Notwithstanding anything in this Agreement to the contrary, if Executive is deemed by the Company at the time of Executive's Separation from Service to be a "specified employee" for purposes of Section 409A, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (A) the expiration of the six (6)-month period measured from the date of Executive's Separation from Service with the Company or (B) the date of Executive's death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Executive (or Executive's estate or beneficiaries), and any remaining payments due to Executive under this Agreement shall be paid as otherwise provided herein.

(iv) *Expense Reimbursements*. To the extent that any reimbursements under this Agreement are subject to Section 409A, any such reimbursements payable to Executive shall be paid to Executive no later than December 31st of the year following the year in which the expense was incurred; *provided*, that Executive submits Executive's reimbursement request in accordance with applicable Policies (if any), the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, other than medical expenses referred to in Section 105(b) of the Code, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(v) *Installments*. Executive's right to receive any installment payments under this Agreement, including without limitation any continuation salary payments that are payable on Company payroll dates, shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Section 409A.

(vi) *Release*. Notwithstanding anything to the contrary in this Agreement, to the extent that any payments due under this Agreement as a result of Executive's termination of employment are subject to Executive's execution and delivery of a Release: (A) if Executive fails to execute the Release on or prior to the Release Expiration Date or timely revokes Executive's acceptance of the Release thereafter, Executive shall not be entitled to any payments or benefits otherwise conditioned on the Release; and (B) in any case where Executive's Date of Termination and the Release Expiration Date (and any applicable revocation period) plus the first regularly scheduled payroll date thereafter fall in two separate taxable years, any payments required to be made to Executive that are conditioned on the Release and are treated as nonqualified deferred compensation for purposes of Section 409A shall be made in the later taxable year. For purposes hereof, "Release Expiration Date" shall mean the date that is at least twenty-one (21) days following the date upon which the Company timely delivers the Release to Executive or, in the event that Executive's termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967, as amended), the date that is at least forty-five (45) days following such delivery date. To the extent that any payments of nonqualified deferred compensation (within the meaning of Section 409A) due under this Agreement as a result of Executive's termination of employment are delayed pursuant to this Section 9(n)(vi), such amounts shall be paid in a lump sum on the first payroll date following the date that Executive executes and does not revoke the Release (and the applicable revocation period has expired) or, in the case of any payments subject to Section 9(n)(vi)(C), on the first payroll period to occur in the subsequent taxable year, if later.

10. Prior Employment

Executive represents and warrants that Executive's acceptance of continued employment with the Company has not breached, and the continued performance of Executive's duties hereunder will not breach, any duty owed by Executive to any prior employer or other Person. Executive further represents and warrants to the Company that (a) the continued performance of Executive's obligations hereunder will not violate any agreement between Executive and any other Person; (b) Executive is not bound by the terms of any agreement with any previous employer or other Person to refrain from competing, directly or indirectly, with the business of such previous employer or other Person that would be violated by Executive entering into this Agreement or providing continued services to the Company pursuant to the terms of this Agreement; and (c)

Executive's continued performance of Executive's duties under this Agreement will not require Executive to, and Executive shall not, rely on in the continued performance of Executive's duties or disclose to the Company or any other Person or induce the Company in any way to use or rely on any trade secret or other confidential or proprietary information or material belonging to any previous employer of Executive.

11. Expenses. The Company shall reimburse Executive up to \$37,500 for legal fees incurred by Executive in connection with the negotiation, preparation and execution of this Agreement and related agreements, subject to Executive's submission of appropriate documentation of such fees and expenses to the Company.

12. Executive Acknowledgement.

Executive acknowledges that Executive has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the Company other than those contained in writing herein, and has entered into this Agreement freely based on Executive's own judgment.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date and year first above written.

APPLIED DIGITAL CORPORATION

By: /s/ David Rench
Name: David Rench
Title: Chief Financial Officer

EXECUTIVE

/s/ Wes Cummins
Wes Cummins
Wes Cummins

[Signature Page to Wes Cummins Employment Agreement]

Exhibit A

Release

This RELEASE ("Release") is dated this [●] day of [●], by and between Applied Digital Corporation, a Nevada corporation (the "Company"), and Wes Cummins ("Executive").

WHEREAS, the Company and Executive previously entered into an employment agreement dated October 10, 2024 (the "Employment Agreement")

WHEREAS, Executive's employment with the Company has been terminated, effective [●] and

WHEREAS, pursuant to Section 4(d) of the Employment Agreement, Executive is eligible for certain compensation and benefits upon such termination, contingent upon the execution of this Release (collectively, the "Severance Payments and Benefits");

NOW, THEREFORE, in consideration of the premises and mutual agreements contained herein and in the Employment Agreement, the Company and Executive agree as follows:

1. Consideration. In return for Executive's execution, delivery, and non-revocation of this Release according to the timelines and procedures set forth herein, and subject to the terms and conditions set forth herein and in Section 4(d) of the Employment Agreement (including, without limitation, Executive's continued compliance with the terms and conditions of the Employment Agreement and this Release), the Company will pay or provide to Executive the Severance Payments and Benefits in accordance with the terms and conditions set forth in the Employment Agreement.

2. Release. Executive, on Executive's own behalf and on behalf of Executive's heirs, estate, beneficiaries and legal representatives, does hereby irrevocably and unconditionally release, acquit and forever discharges, to the fullest extent permitted by law, the Company, and each of its past, present and future subsidiaries and affiliates, and each of their respective past, present and future officers, directors, agents, employees, consultants, partners, shareholders, trustees, members, managers, fiduciaries, attorneys, heirs, predecessors, successors and representatives, in their personal and representative capacities, as well as all employee benefit plans maintained by the Company or any of its affiliates and all fiduciaries and administrators of any such plans, in their personal and representative capacities (the "Released Parties") from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses (including attorneys' fees and costs incurred) of any nature whatsoever, known or unknown, suspected or unsuspected, including, without limitation, those that arose out of the Employment Agreement or Executive's employment with the Company or any subsidiary or affiliate thereof (or the termination thereof), or arising out of any act committed or omitted at any time, all up through and including the date on which this Release is executed, including, but not limited to, (i) those which were, could have been or could be the subject of an administrative or judicial proceeding filed by Executive or on Executive's behalf under federal, state, local or other law, whether by statute, regulation, in contract or tort, and including, but not limited to, every claim for front pay, back pay, wages, bonus, benefits, any form of discrimination (including but not limited to, every claim of race, color, sex, religion, national origin, sexual preference, disability or age discrimination), wrongful termination, emotional distress, pain and suffering, breach of contract, compensatory or punitive damages, interest, attorney's fees, reinstatement or reemployment, and (ii) under the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act of 1990, National Labor Relations Act, the Civil Rights Act of 1991, the Americans With Disabilities Act of 1990, Title VII of the Civil Rights Act of 1964, the Employee Retirement Income Security Act of 1974, the Family and Medical Leave Act, the Sarbanes-Oxley Act of 2002, Texas Commission on Human Rights/Texas Employment Discrimination Law, Texas Disability Discrimination Law, Texas Minimum Wage Act, Texas Wage Payment Law, Texas Disaster and Emergency Responder Protection Law, Texas Wiretapping Protection Law, each as amended, (iii) any other Federal, state and local laws relating to discrimination on the basis of sex or other protected class, all claims under Federal, state or local laws for express or implied breach of contract, wrongful discharge, defamation, intentional infliction of emotional distress, and any related claims for attorneys' fees and costs, and, (iv) any rights that the Executive might have otherwise had to the grant of equity or equity-based awards from the Company or its subsidiaries or affiliates. The Executive further agrees that this Release may be pleaded as a full defense to any action, suit, arbitration or other proceeding covered by the terms hereof which is or may be initiated, prosecuted or maintained by the Executive, the Executive's descendants, dependents, heirs, executors, administrators or permitted assigns. By signing this Release, the Executive acknowledges and agrees that the Executive intends to waive and release any rights known or unknown that the Executive may have against the Released Parties under these and any other laws; provided that the Executive does not waive or release claims with respect to: (i) any vested rights under any of the Company's employee benefit plans or programs; (ii) any rights to medical benefit continuation coverage, on a self-pay basis, pursuant to federal law (COBRA); (iii) any claims to indemnification or insurance coverage, including but not limited to "D&O coverage," that the Executive may have with

respect to any claims made or threatened against the Executive in the Executive's capacity as director, officer, or employee of the Company, (iv) rights to accrued but unpaid base salary, accrued and vested bonuses or other vested compensation earned in the Executive's capacity as an employee or other service provider of the Company, or (v) any rights that cannot be released as a matter of law and/or waived by private agreement (collectively, the "Unreleased Claims"). ***This general release of claims also does not apply to, waive, affect, limit or interfere with the Executive's preserved rights in Section 8 below.***

Exhibit A – Release

3. Proceedings. The Executive acknowledges and agrees that the Executive has not filed any complaint, charge, claim or proceeding, against any of the Released Parties before any local, state, federal or foreign agency, court, arbitrator, mediator, arbitration or mediation panel, or other body (each individually a "Proceeding"). The Executive represents that the Executive is not aware of any basis on which such a Proceeding could reasonably be instituted, provided that if the Executive is aware of any basis on which such a Proceeding could reasonably be instituted, then the Executive has disclosed such basis to the Company in writing. Except as provided in Section 8 below, the Executive (i) acknowledges and agrees that the Executive will not initiate or cause to be initiated on the Executive's behalf any Proceeding (except with respect to an Unreleased Claim) and will not participate in any Proceeding (except with respect to an Unreleased Claim), in each case, except as required by law; and (ii) to the maximum extent permitted by law, waives any right the Executive may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding, including any Proceeding conducted by the Equal Employment Opportunity Commission. Further, the Executive understands that, by executing this Release, the Executive will be limiting the availability of certain remedies that the Executive may have against the Company and its subsidiaries and affiliates and limiting also the ability of the Executive to pursue certain claims against the Released Parties. Without limitation of the foregoing, this Release Agreement may be pled as a full and complete defense to, and may be used as a basis for an injunction against, any Proceeding that may be prosecuted, instituted or attempted by the Executive in breach hereof.

4. Opportunity for Review. The Executive is hereby advised and encouraged by the Company to consult with the Executive's own independent counsel before signing this Release. The Executive represents and agrees: (i) that the Executive has, to the extent the Executive desires, discussed all aspects of this Release with the Executive's attorney; (ii) that the Executive has carefully read and fully understands all of the provisions of this Release; and (iii) that the Executive is knowingly, intentionally and voluntarily entering into this Release. The Executive represents and acknowledges that in executing this Release the Executive is not relying upon, and has not relied upon, any representation or statement not set forth herein made by any of the agents, representatives or attorneys of the Company or its subsidiaries or affiliates with regard to the subject matter of this Release.

5. No Admission. This Release does not constitute an admission of liability or wrongdoing of any kind by any of the Released Parties.

6. General Provisions. The provisions of this Release will be binding upon the Executive's heirs, executors, administrators, legal representatives and assigns. A failure of any of the Released Parties to insist on strict compliance with any provision of this Release shall not be deemed a waiver of such provision or any other provision hereof. Should any provision hereof be invalid or otherwise unenforceable under any law, such provision affected will be curtailed and limited to the extent necessary to bring it within the requirements of such law, and the remaining provisions of this Release will remain in full force and effect and be fully valid and enforceable.

7. Waiver of Claims under ADEA: Time to Consider/Revoke. Executive acknowledges, understands and agrees that the general release of claims in Section 2 above includes, but is not limited to, **a waiver and release of all claims that Executive may have under the Age Discrimination in Employment Act of 1967, as amended (the "ADEA")** arising up to and including the date that Executive signs and returns this Release. As required by the Older Workers Benefit Protection Act of 1990, Executive is hereby advised that:

- Executive is not waiving any rights or claims under the ADEA that may arise after the date he signs this Release;
- Executive should consult with an attorney of his choice concerning his rights and obligations under this Release before signing this Release;
- Executive should fully consider this Release before signing it;
- nothing in this Release prevents or precludes Executive from challenging (or seeking a determination of) the validity of the waiver under the ADEA;
- Executive has at least [twenty-one (21)][forty-five (45)]¹ days from the date he received this Release to consider whether or not to sign it. Executive also should understand that he may use as much or as little of the review period as he wishes before deciding whether or not to sign this Release;
- if Executive does not sign and return this Release within the required time period, then the Company's offer to provide Executive with any severance payments or benefits in the Employment Release, will automatically terminate;
- at any time within seven (7) days after signing this Release, Executive may change his mind and revoke his acceptance of this Release. To be effective, Executive's revocation must be in writing and either hand-delivered or sent electronically to the Company within the 7-day period;

¹ Exhibit A subject to update to add any additional information that may be required by ADEA and/or the OWBPA in the event of a group layoff.

- this Release is not effective or enforceable until (and if) the revocation period has passed without a revocation;
- if Executive exercises his right to revoke, this Release will not be enforceable; and
- if Executive does not revoke his acceptance of this Release, the eighth (8th) day following the date that Executive signs this Release will be the effective date (the "Effective Date").

8. Preserved Rights. This Release is not intended to, and shall not, in any way prohibit, limit or otherwise interfere with:

(a) The Executive's protected rights under federal, state or local law, without notice to the Company: (i) to communicate or file a charge with, a government regulator, (ii) participate in an investigation or proceeding conducted by a government regulator, or (iii) receive an award paid by a government regulator for providing information; provided, however, if you bring a claim before the Equal Employment Opportunity Commission ("EEOC") or similar state or local agency you shall not be entitled to any relief or recovery (whether monetary or otherwise), and Executive hereby waives any and all rights to relief or recovery, under, or by virtue of, any such filing of a charge with, or investigation, hearing or proceeding conducted by, the EEOC or any other similar state or local government agency relating to any claim that has been released in this Agreement;

(b) Executive's protected right to test, under the Older Workers Benefit Protection Act, or like statute or regulation, the validity of the waiver of rights under ADEA in this Release; or

(c) Executive's protected rights to discuss or disclose information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful; or

(d) Executive's right to disclose any facts necessary to receive unemployment insurance, Medicaid, or other public benefits to which he is entitled; or

(e) Executive's right to enforce the terms of this Release and to exercise his rights relating to any other Unreleased Claims; or

(f) Executive's right, if any, to engage in protected activity under the National Labor Relations Act.

9. Restrictive Covenants. The Executive acknowledges and affirms his obligations pursuant to Section 5 of the Employment Agreement, which Section is herein incorporated by reference.

10. Breach. The Executive acknowledges and agrees that if the Executive breaches any provision of this Release or the Employment Agreement, the Executive shall cease to be eligible for any Severance Payments and Benefits and the Company may, in its sole discretion, discontinue remaining Severance Payments and Benefits, if any, and may require the Executive to reimburse the Company the value of any Severance Payments and Benefits previously received.

11. Amendments. This Release may not be modified or amended or any term or provision hereof waived or discharged, except in a writing, signed by the Company and the Executive.

12. Governing Law. The validity, interpretations, construction and performance of this Release shall be governed by the laws of Texas without giving effect to conflict of laws principles.

13. Arbitration. Any dispute or controversy arising under or in connection with this Release shall be resolved in accordance with the provisions of Section 9(i) of the Employment Agreement, which Section is herein incorporated by reference.

14. Headings. The headings in this Release are for convenience of identification only and are not intended to describe, interpret, define or limit the scope, extent or intent of this Release or any provision hereof. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

15. Counterparts. This Release may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Release. Signatures delivered by facsimile or PDF shall be deemed effective for all purposes.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Release on the date first above written.

APPLIED DIGITAL CORPORATION

By: _____
Name:
Title:

EXECUTIVE

Wes Cummins

[Signature Page - Exhibit A - Release]
