

CONFIDENTIAL DISCLOSURE AGREEMENT

THIS Confidential Disclosure Agreement (the "Agreement"), made effective as of _____, is by and between **MSI Defense Solutions, LLC**, a North Carolina Limited Liability Company, having a place of business at 136 Knob Hill Road, Mooresville, North Carolina, 28117, USA, including its affiliated companies (hereinafter collectively referred to as "MSI"), and _____, having a place of business at _____ (hereinafter referred to as "_____").

WITNESSETH THAT:

WHEREAS, MSI and _____ desire to further a business relationship and in order to accomplish this objective, MSI and _____ need to discuss and exchange business and technical information pertaining to technology and applications; and,

WHEREAS, in order to facilitate such discussions and evaluations, MSI and _____ may necessarily need to disclose to each other certain proprietary information in any tangible form including, but not limited to inventions, products, research and development projects, papers, businesses, reports, prototypes, patent applications, samples, technical problems, technical analysis, operations, customers, compositions, processes, components, materials, design details, drawings, specifications, performance, and/or related technical and other information and documentation, all of which the disclosing party deems proprietary, as well as all copies, notes, abstracts, summaries, compilations, indexes, photographs, blueprints, drawings, models, or records of any kind regarding any of the foregoing (collectively, the "Proprietary Information").

NOW, THEREFORE, in consideration of the mutual promises and covenants herein stated, the parties agree to the following:

1. The parties hereby agree that Proprietary Information transmitted pursuant to the terms of this Agreement may be transmitted in writing, orally, electronically, visually (through viewing demonstrations, presentations, tours, or receipt of prototypes or drawings) or through any other medium (however, the parties shall endeavor to disclose Proprietary Information in writing, whenever possible) and, except as otherwise provided in Section 2 of this Agreement, all such items and information shall be deemed to be "Confidential" or "Proprietary." Prototype products shall be treated as Proprietary Information of the disclosing party without written confirmation thereof. The parties understand and affirm that neither party makes representation or warranty as to the accuracy or completeness of any of the Proprietary Information or any errors therein or omissions therefrom, and neither party shall have liability resulting from the use of or exposure to any of the Proprietary Information hereunder.

2. From the date of disclosure by the other party of any such Proprietary Information, each party agrees in perpetuity to: (a) hold any and all

Proprietary Information disclosed to it and identified as Confidential or Proprietary by the other in accordance with Paragraph 1 in secrecy and confidence, (b) use such Proprietary Information only for purposes stated in this Agreement, (c) limit access of such Proprietary Information to those of its employees who reasonably require same for the purpose aforesaid and (d) not divulge such Proprietary Information to third parties without the prior express written consent of the other party. Notwithstanding anything to the contrary herein, the obligations of confidentiality shall not apply to any:

- a. information which is already in the public domain;
- b. information which is published or otherwise becomes a part of the public domain through no fault or neglect of the receiving party, as of the date such information was published or otherwise becomes part of the public domain;
- c. information which the receiving party can show was already in its possession and was not acquired, directly or indirectly, from any third person under any obligation of confidence to the disclosing party;
- d. information which the receiving party can show was received from a third party who did not require the receiving party to hold such information in confidence and who did not acquire it, directly or indirectly, from the disclosing party, as of the date such information was received from the third party; or
- e. information which is independently developed by the receiving party without having access to the information received from the disclosing party.

3. In that product samples are Proprietary Information of MSI and _____, respectively, and contain Proprietary Information, MSI and _____ may test and evaluate the other party's samples to determine the physical properties thereof, but agree not to, directly or indirectly, reverse engineer, analyze or in any fashion to ascertain the chemical structure or formulation of the other party's product samples.

4. Neither the execution of this Agreement nor the furnishing of any Proprietary Information hereunder shall be construed as granting expressly or by implication, estoppel or otherwise, any license under any invention or patent now or hereafter owned or controlled by either party. The prior disclosure of any Proprietary Information by a disclosing party shall not constitute prior disclosure to or possession under Paragraph 2 of this Agreement, and the parties intend for any Proprietary information disclosed between or among themselves to be governed by this Agreement.

5. Each party herein agrees that a facsimile or electronically scanned signature on this Agreement shall be treated the same, and have the same legal effect, as if each party had fully executed this Agreement as an original document.

6. This Agreement shall not be construed in any manner to be an obligation of one party to enter into any further agreements with the other party. Neither party is aware of any obligation which would prevent it from complying with any aspect of this Agreement.

7. This Agreement shall commence on the effective date indicated above and shall terminate five (5) years thereafter provided, however, that this Agreement may be terminated earlier by either party at any time by giving thirty (30) days written notice of termination to the other party. The requirements specified in Paragraph 2 above shall survive the termination of this Agreement. Upon termination of this Agreement and upon written request of the disclosing party, the recipient shall either return all copies of Proprietary Information received under this Agreement to the disclosing party or certify that all copies of Proprietary Information have been destroyed.

8. If a receiving party is permitted to disclose Proprietary Information received under this Agreement to the United States Government, the disclosing party shall be given an opportunity to confirm that its Proprietary Information is marked with FAR/DFAR restrictive legends and such Proprietary Information shall be passed on to the United States Government with such FAR/DFAR restrictive legends.

9. This Agreement contains the entire terms of understanding and contractual agreement between the parties relating to Proprietary Information relating to the above-mentioned matter and may not be modified in any manner except by an instrument in writing signed by a duly authorized representative of each of the parties.

10. This Agreement shall be governed, and the legal relations between the parties determined, in accordance with the laws of the State of North Carolina, in the United States of America, as if the Agreement was executed and fully performed there.

11. The parties acknowledge that certain products, software, and technical information provided pursuant to this Agreement may be subject to United States and/or local government export laws and regulations and agree that any use or transfer of such export controlled items must be authorized by the appropriate United States and/or local government agency. Neither party shall directly or indirectly use, distribute, transfer, or transmit any such export controlled item or information (even if incorporated into other products, software, and technical information), except in compliance with the appropriate local government and/or United States export laws and regulations, nor shall either party disclose any such export controlled item or information to any foreign national in violation of such export laws and regulations, including foreign nationals employed by or associated with the receiving party.

IN WITNESS WHEREOF, the parties have caused this instrument to be duly signed by their authorized representatives.

MSI Defense Solutions, LLC

By: _____ By: _____

Print: _____ Print: _____

Title: _____ Title: _____

Date: _____ Date: _____