

## **CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT**

This is the record of a Confidentiality and Non-Disclosure Agreement (the "Agreement") made effective , 2018, (the "Effective Date") between **Gryphon Sensors, LLC** ("Gryphon Sensors"), a New York limited liability company with an office located at 7351 Round Pond Road, North Syracuse, NY 13212, and (" "), a [REDACTED] corporation with an office located at . In this Agreement, Gryphon Sensors and are also individually referred to as a "Party" and collectively referred to as the "Parties."

### **1. Purpose.**

- a. Gryphon Sensors and each have certain valuable trade secrets, inventions, intellectual property, and other proprietary and/or confidential information.
- b. Pursuant to discussions or communications between the Parties regarding business opportunities (the "Purpose"), each Party will from time to time furnish to the other Party, and each Party will become familiar with and obtain knowledge about, the proprietary and/or confidential information of the other Party.
- c. Each Party (the "Disclosing Party") is willing to disclose its proprietary and/or confidential information to the other Party (the "Receiving Party") solely for the Purpose, subject to the terms and conditions set forth in this Agreement.

**2. Proprietary Information.** During the course of discussions or communications between the Parties in connection with the Purpose, the Receiving Party will receive, or become familiar with and obtain knowledge about, certain financial, business, scientific, technical, economic, or engineering information of a confidential and/or proprietary nature of the Disclosing Party (the "Proprietary Information"), all of which shall be kept confidential by the Receiving Party. Proprietary Information of each Party shall include, but not be limited to, financial information or data; financial statements, budgets, forecasts, and projections; pricing and cost information; business development plans, forecasts, and techniques; business information, including operations, planning, business development, and products; product and services information; proprietary design and process concepts; technical information, including research, development, procedures, algorithms, data, designs, specifications, schematics, flow charts, drawings, and know-how; component and material requirements, specifications, and sources of supply; manufacturing processes; assembly and packaging processes; testing quality information; customer lists and information; special requirements of particular customers; computer programs; engineering and testing hardware and software; user's manuals; and trade secrets and other intellectual property.

**3. Use of Proprietary Information.** Each Party acknowledges and agrees that (i) all Proprietary Information of the Disclosing Party will be maintained by the Receiving Party in strict confidence; (ii) the Proprietary Information of the Disclosing party shall not be used for any purpose other than the direct benefit of the Disclosing Party and to evaluate the business relationship the parties are considering; (iii) the Receiving Party shall not reverse engineer, or make or maintain any copies, prototypes, drawings, sketches, writings or other items or documents embodying, any of the Proprietary Information of the

Disclosing Party without the prior written permission of the Disclosing Party; and (iv) the Receiving Party will return all copies of the Proprietary Information to the Disclosing Party and discontinue all use of such Proprietary Information upon the conclusion of its work in connection with the Purpose, or at the request of the Disclosing Party.

4. Limitations on Disclosure.

a. The Receiving Party shall not, for any purpose, disclose the Proprietary Information of the Disclosing Party to any third party without the prior written consent of the Disclosing Party; provided, however, that the Receiving Party may disclose such Proprietary Information (i) where disclosure is mandated by law or by order, decree, or other judicial process issued by a court or governmental agency, body, or tribunal; and (ii) only to those of its employees, officers, and professional advisors as may be reasonably necessary in connection with the Purpose. Before each such disclosure contemplated by 4(a) (ii) above, such persons shall be advised of the Receiving Party's obligations of confidentiality and non-disclosure under this Agreement and each person must specifically agree in writing to be bound individually by this Agreement.

b. In the event that the Receiving Party is requested to disclose any or all of the Disclosing Party's Proprietary Information (by oral question, interrogatory, request for information or documents, subpoena, civil or criminal investigative demand, or similar process), the Receiving Party will provide the Disclosing Party prompt written notice of the request(s) prior to disclosure so that the Disclosing Party may either seek an appropriate remedy to prevent disclosure or waive the Receiving Party's compliance with this Agreement.

c. The Receiving Party shall not disclose to any third party, without the prior written consent of the Disclosing Party, (i) the fact that the Proprietary Information of the Disclosing Party has been made available to the Receiving Party or (ii) that the Receiving Party has inspected or had access to any portion of the Proprietary Information of the Disclosing Party.

d. Unless both Parties agree, neither Party will disclose to any third party the Purpose or fact that the Parties are considering the Purpose.

5. Right to Use Proprietary Information. Except in regard to the Disclosing Party's software or products and anything disclosed in a patent or patent application, Proprietary Information of the Disclosing Party shall not include the following:

a. Information in the public domain at the time of disclosure by the Disclosing Party, or subsequently made available to the general public through no fault or action of the Receiving Party;

b. Information already known to the Receiving Party at the time of disclosure by the Disclosing Party;  
or

c. Information that becomes known to the Receiving Party without similar restrictions as to its disclosure or use from a source other than the Disclosing Party.

The Receiving Party will notify the Disclosing Party in writing within thirty days of having made a determination that use or disclosure of specific Proprietary Information of the Disclosing Party falls within any of the categories of this paragraph 5.

6. Ownership Rights. All Proprietary Information of the Disclosing Party shall remain the property of the Disclosing Party. Nothing contained in this Agreement shall be construed as granting or conferring any rights to the Receiving Party relating to the Proprietary Information of the Disclosing Party or for any invention, discovery or improvement made or conceived, prior to or after the date of this Agreement, which relates to the Proprietary Information of the Disclosing Party. The Disclosing Party shall possess sole ownership in its Proprietary Information and any such invention, discovery, or improvement.

7. No License Granted. Nothing in this Agreement shall be construed as granting any license to the Receiving Party relating to the Disclosing Party's Proprietary Information; or other proprietary interests. Nothing in this Agreement shall be construed in any manner to be an obligation to enter, or indication of intent to enter, into any future contract or agreement.

8. Warranty Disclaimer. THE DISCLOSING PARTY MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, CONCERNING THE ACCURACY, SUITABILITY, OR USEFULNESS OF THE PROPRIETARY INFORMATION DISCLOSED PURSUANT TO THIS AGREEMENT.

9. Termination. Either Party, upon thirty days' written notice to the other, may terminate this Agreement with respect to disclosures made thereafter. Within five (5) days after termination of this Agreement for any reason whatsoever, the Receiving Party shall return or destroy (if requested by the Disclosing Party) any copies of the Disclosing Party's Proprietary Information delivered, disclosed, acquired or created under this Agreement. Termination of this Agreement shall not affect the Parties' obligations with respect to confidentiality and non-disclosure of Proprietary Information disclosed under this Agreement.

10. Export Control. Each Party acknowledges that the Proprietary Information disclosed under this Agreement may be subject to export control, and that compliance with the U.S. Arms Export Control Act, as amended (22 U.S.C. 2751-2799), the International Traffic in Arms Regulations (ITAR), as amended (22 CFR 120-130), the Export Administration Act, as amended (50 U.S.C. 2401-2420), and the U.S. Export Administration Regulations (EAR), as amended (15 CFR 730-774) may be necessary. The Receiving Party agrees to comply with all applicable U.S. export control laws and regulations and shall not release any technical data that is export controlled under the ITAR or EAR to any foreign person(s) as defined in the ITAR (22 CFR 120.16) whether within the U.S. or abroad, without obtaining, in advance, the appropriate U.S. Government export authorization and written approval of the Disclosing Party. **The Parties acknowledge that foreign persons employed by or associated with, or under contract to the Receiving Party may not be in receipt of export controlled information without proper U.S. Government authorization. Each Party further agrees to notify the other Party in the event that they intend to share information disclosed hereunder with any employee who is a foreign person prior to commencement of that person's work under the subject agreement. Furthermore, each Party certifies that if they are engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, each Party represents that it maintains an effective export/import compliance program in accordance with the ITAR and it is registered with the United States Directorate of Defense Trade Controls (unless covered by one of the exemptions set forth in 22 CFR. 122.1) as required by the ITAR.** The Receiving Party shall indemnify, defend, and hold harmless the Disclosing Party and its subsidiaries and affiliates, and their respective directors, officers, employees, representatives, and agents, from all claims, demands, liabilities, damages, costs, fines, penalties, attorneys' fees, and all other costs and expenses, relating to or arising out of, directly or indirectly, the failure of the Receiving Party to comply with this section or any applicable U.S. export control laws or regulations.

11. Miscellaneous.

a. Successors; Assignment. This Agreement shall bind and benefit the Parties and their successors and assigns. Neither Party may assign its rights or delegate its obligations under this Agreement without prior written consent of the other.

b. Injunctive Relief. The Receiving Party acknowledges that damages are not a sufficient remedy for the Disclosing Party for any breach of this Agreement, and that the Disclosing Party is entitled to specific performance or injunctive relief (as appropriate) as a remedy for any breach or threatened breach by the Receiving Party, in addition to any other remedies available to the Disclosing Party at law or in equity.

- c. Classified Information. No Proprietary Information of a classified nature shall be disclosed under this Agreement.
- d. Independent Contractors. The Parties are independent contractors and nothing contained in this Agreement shall be construed to create any agency, partnership, joint venture or other business relationship between them.
- e. No Waiver. Failure on any occasion by either Party to enforce any term of this Agreement shall not prevent enforcement on any other occasion, nor shall it be deemed a waiver of any other rights of such Party under this Agreement.
- f. Validity and Enforceability. If any provision of this Agreement is contrary to any lawful statute, rule or regulation, the remainder of the Agreement will be construed to be modified to conform to the applicable law. The validity and enforceability of the Agreement as a whole shall not be affected by the partial invalidity of one or more provisions.
- g. Entire Agreement. This Agreement contains the entire understanding of the Parties with respect to its subject matter, and supersedes all prior communications and understandings between the Parties.
- h. Modification. This Agreement shall not be modified except by written agreement of the Parties.
- i. Governing Law; Venue. This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York, without regard to its conflicts of laws principles. Venue of any litigation under this Agreement shall be in a court of competent subject matter jurisdiction in Onondaga County, New York.

The Parties' assent to this Agreement as of the Effective Date is established by the following signatures of their authorized representatives.

Gryphon Sensors, LLC.

By: \_\_\_\_\_  
Name Gary Dominicos  
Title Director, Finance  
Date:

By: \_\_\_\_\_  
Name:  
Title:  
Date: