

NONDISCLOSURE AGREEMENT

This MUTUAL NONDISCLOSURE AGREEMENT (this "Agreement") is made and entered into as of _____ (the "Effective Date") by and between **XSquare Communications Corporation**, a Taiwan corporation, having its place of business at 2F., No. 363, Sec. 2, Gongdao 5th Rd., East Dist., Hsinchu City 300, Taiwan, R.O.C. ("XSquare") and _____, a _____ corporation, having its principal place of business at _____ ("Company").

The Parties wish to explore a business opportunity of mutual interest (Purpose), one Party (Disclosing Party) may disclose to the Other Party (Receiving Party) certain confidential technical and business information which shall be treated as confidential. In order to protect certain confidential information, the parties agree as follows:

ARTICLE 1 – DEFINITIONS

"Confidential Information" as used in this Agreement means any information related to [info category], which are disclosed by Disclosing Party to Receiving Party, either directly or indirectly, in writing, orally or by inspection of tangible objects (including without limitation documents, prototypes, samples, plant and equipment), which is designated as "Confidential," "Proprietary" or some similar designation. Information communicated orally shall be considered Confidential Information if Disclosing Party disclosing the same indicates within five business days after the time of the oral disclosure that the information is Confidential. Confidential Information may also include information disclosed to Disclosing Party by third parties.

ARTICLE 2 – NON-USE AND NON-DISCLOSURE OBLIGATIONS

Receiving Party agrees that it will not make use of any Confidential Information of Disclosing Party except for the Purpose of this Agreement and to the extent necessary to evaluate and engage in negotiations, discussions, and consultations with personnel or authorized representatives between the parties. Receiving Party agrees not to disclose any Confidential Information of Disclosing Party to any third parties or to such party's employees, except to those employees of Receiving Party who are required to have the information in order to evaluate or engage in negotiations, discussions, and consultations with personnel or authorized representatives of the parties. Receiving Party agrees that it will not reverse engineer, disassemble or decompile any prototypes, software or other tangible objects which embody Disclosing Party's Confidential Information and which are provided to Receiving Party hereunder.

ARTICLE 3 – MAINTENANCE OF CONFIDENTIALITY

Receiving Party agrees that it shall take at least those measures to protect the secrecy of and avoid disclosure of the Confidential Information of Disclosing Party that it employs to protect its own most highly confidential information. Without limiting the foregoing, Receiving Party represents that it exercises at least reasonable care to protect its own confidential information. Receiving Party shall do its best to ensure that its directors, officers, employees, consultants and agents, if any, who have access to the Confidential Information of Disclosing Party will not disclose the Confidential Information for its own benefit except for the Purpose hereof. Receiving Party shall appoint personnel to be in charge of the maintenance of confidentiality. In the event of disclosing to its employee, Receiving Party shall also impose equivalent confidentiality obligation as provided herein to its employee. If the employee of Receiving Party in any case breach the confidentiality obligation of this Agreement, Receiving Party shall together be held jointly and severally liable to its employee.

ARTICLE 4 – EXCLUSIONS

Receiving Party respective obligations under Sections 2 and 3 hereof with respect to any portion of the Confidential Information of Disclosing Party shall terminate when Company can establish that such information (i) was publicly known and available in the public domain prior to the time of disclosure by Disclosing Party; (ii) becomes publicly known and available in the public domain at or after disclosure by Disclosing Party to Receiving Party through no action or inaction of Receiving Party; (iii) is already in the possession of Receiving Party without any confidentiality restrictions at the time of disclosure by Disclosing Party, as shown by Receiving Party's files and records immediately prior to the time of disclosure; (iv) is independently developed by Receiving Party without use of or reference to Disclosing Party's

Confidential Information, as shown by documents and other competent evidence in Receiving Party's possession; (v) is received by Receiving Party from a third party without an accompanying duty of confidentiality and without a breach of such third party's obligations of confidentiality; (vi) is required by law to be disclosed by Receiving Party, provided that Receiving Party gives Disclosing Party prompt written notice of such requirement prior to such disclosure and take all possible measures to limit such disclosure while provides assistance in obtaining an order attempting to protect such information from public disclosure; or (vii) has been approved for disclosure by Disclosing Party.

ARTICLE 5 - NO OBLIGATION

Nothing in this Agreement shall obligate either party to proceed with any negotiations, discussions, consultations or transaction contemplated by this Agreement and each party reserve the right, in its sole discretion, to terminate the discussions contemplated by this Agreement concerning the business opportunity. Nothing in this Agreement shall be interpreted to create between both parties a distributorship or any other cooperative relationship.

ARTICLE 6 – NO LICENSE

Nothing in this Agreement is intended to grant any rights to either party under any patent, mask work right or copyright of Disclosing Party, nor shall this Agreement grant the Receiving Party any rights in or to Confidential Information of Disclosing Party except as expressly set forth herein.

ARTICLE 7 – NO WARRANTY

ALL CONFIDENTIAL INFORMATION IS PROVIDED "AS IS" AND EITHER PARTY MAKES NO WARRANTIES, EXPRESS, IMPLIED OR OTHERWISE, REGARDING ITS ACCURACY, COMPLETENESS OR PERFORMANCE.

ARTICLE 8 – RETURN OF MATERIALS

All documents and other tangible objects containing or representing Confidential Information which have been disclosed by Disclosing Party, and all copies thereof which are in the possession of Receiving Party, shall be and remain the property of Disclosing Party and upon Disclosing Party's written request, shall be promptly returned to it within 7 days after receiving said written request.

ARTICLE 9 – TERM

This Agreement shall automatically terminate three (3) years from its Effective Date. It may be terminated with respect to further disclosures upon thirty (30) days prior notice in writing. The obligations accruing prior to termination as set forth herein, shall, however, survive the termination of this Agreement for a period of three (3) years after the termination of this Agreement. This Agreement shall govern all communications between the parties during the term of this Agreement.

ARTICLE 10- REMEDIES

Receiving Party agrees that any violation or threatened violation of this Agreement will cause irreparable injury to Disclosing Party, entitling Disclosing Party to obtain injunctive relief in addition to all legal remedies.

ARTICLE 11- NO ASSIGNMENT

This Agreement, including all rights and obligations in whole or in part, shall not be assigned by either party without the prior written consent of the other party.

ARTICLE 12- GOVERNING LAW

This Agreement: (a) is the complete agreement of the parties concerning the subject matter hereof and supersedes any prior such agreements; (b) may not be amended or in any manner modified except in writing signed by the parties; and (c) shall be governed by and construed in accordance with the laws of the Republic of China (ROC), Taiwan without regard to its conflicts of law provisions. If any provision of this Agreement is found to be unenforceable, the remainder shall be enforced as fully as possible and the unenforceable provision shall be deemed modified to the limited extent required to permit its enforcement in a manner most closely approximating the intention of the parties as expressed herein.

ARTICLE 13—DISPUTE RESOLUTION

In the event that any claims, differences or disputes arising with respect to any of the provisions hereof and the parties are unable to resolve such dispute amicably, it shall be subject to the District Court of Hsin-Chu, Taiwan.

Signed by

XSquare Communications Corporation

Signature: _____
Name: _____
Title: _____
Date: _____ / _____

Signature: _____
Name: _____
Title: _____
Date: _____ / _____