

## **NON-DISCLOSURE AND NON-CIRCUMVENTION AGREEMENT**

This Non-Disclosure Agreement (the “**Agreement**”) is entered into and made effective as of this [ ] day of [ ], \_\_\_\_\_ by and between **MAGOSYS SYSTEMS LTD.**, a corporation organized and existing under the laws of the State of Israel, with principal offices located at 13 Gad Feinstein Street, 2nd floor, Office 225, Rehovot, Israel (“**Magos**”) and \_\_\_\_\_, whose principal offices are located at \_\_\_\_\_ (“**Recipient**”; and together with Magos, the “**Parties**”).

**WHEREAS** the Parties are currently contemplating engaging in discussions for the purpose of evaluating a potential transaction between the Parties (the “**Purpose**”); and

**WHEREAS** the Parties anticipate that, in the course of such discussions, Recipient may be presented with and/or exposed to and/or obtain information concerning Magos, its business, operations, technology and products, which may include, without limitation, commercial, financial or technical information, information regarding technologies, know-how, inventions, developments, intellectual property, processes, methods, specifications, trade secrets, marketing, business plans, activities, business opportunities, names of suppliers, customers, strategic partners, sources, costs and/or any other private, confidential and/or proprietary information with respect to Magos, its affiliates, shareholders, officers, employees, etc. and including information prepared (by Recipient or otherwise) on the basis of, or derived from, such confidential and/or proprietary information, in all cases whether or not such information is explicitly identified as confidential at the time of disclosure (all the above, “**Confidential Information**”).

**NOW, THEREFORE**, Recipient hereby declares, represents and undertakes towards Magos as follows:

1. Recipient shall maintain the Confidential Information in strict confidence at all times, and shall not disclose, expose or make available the Confidential Information, in whole or in part, to any person or entity, except: **(i)** as may be expressly authorized by Magos in writing in advance, or **(ii)** to a minimum number of Recipient’s employees and/or contractors and/or advisors (each of the above “**Authorised Persons**”), as necessary solely for the Purpose, and then strictly on a “need to know” basis, and provided that any such Authorised Persons to whom the Confidential Information is intended to be disclosed, are bound by a confidentiality undertaking that requires the preservation of the confidentiality of the Confidential Information on terms no less stringent than the terms contained herein. For the avoidance of doubt, Recipient shall in any case remain liable for all the obligations hereunder together with and separately from any such Authorised Persons to whom the Confidential Information was provided.
2. Disclosure of any Confidential Information pursuant to and to the extent required by any compelling judicial or administrative order shall not be deemed a breach of Recipient’s undertaking hereunder, provided such disclosure is made only to the minimal extent required and provided Recipient makes its best efforts to provide Magos with adequate prior written notice to this effect and the opportunity to oppose or limit such exposure.
3. The Recipient shall not use the Confidential Information in any way other than solely for the Purpose and pursuant to the terms of this Agreement.
4. The Recipient shall not, nor suffer or permit any third party to, analyze, decompile, disassemble, reverse engineer (or the like), any tangible product or media which constitutes, contains or in any way documents or embodies Confidential Information, and shall not remove, overprint or deface any notice of copyright, trademark, logo or other notices of ownership from any originals or copies of Confidential Information it obtains from Magos.
5. The Recipient undertakes in relation to Magos's Confidential Information that it shall enforce all the obligations with respect to the Confidential Information at its expense whether or not explicitly requested to do so by Magos (and be liable to Magos for any failure to do so as well as any breach of confidentiality by any of the Authorised Persons).

6. The obligations of confidentiality and non-use set forth herein shall not apply to any portion of such information, which Recipient can demonstrate through written evidence:
  - (a) was lawfully and rightfully (and through no breach of any confidentiality obligation) known to Recipient without restrictions as to use or disclosure, prior to disclosure by Magos; or
  - (b) was at the time of disclosure to Recipient, or subsequently became through no fault of Recipient (or any person or party who received such information from Recipient), generally available to the public; or
  - (c) was received by Recipient from a third party having the right to make such disclosure and provided that such information is so provided to Recipient without restrictions as to use or disclosure.
7. The Recipient acknowledges that as a result of this Agreement it will be exposed to certain information pertaining, among others, Magos, Magos's current and/or potential clients, customers, business partners, investors, agents or intermediaries, and/or of current and/or potential business transactions and/or relationships (collectively, "**Magos Clients**"). It is hereby clarified that the Recipient warrants and represents that Recipient shall not, and will take all steps necessary to insure that Authorised Persons will not, without the knowledge and prior written consent of Magos, contract with, deal with or otherwise be involved with Magos Clients for any purpose or any other transactions, and will not use any information relating to Magos Clients in any way to seek to by-pass, compete with, avoid or circumvent Magos's business, during the term of this Agreement and for a period of eighteen (18) months following its termination.
8. Nothing in this Agreement, or in the conveying of any Confidential Information to the Recipient, shall constitute any grant of rights, including without limitation any license, or any basis for a claim to any rights to the Recipient with respect to the Confidential Information, or to any part thereof nor shall it obligate any party to enter into an agreement or any other form of engagement with respect to the Purpose, or otherwise, nor shall it be deemed as a representation or warranty on behalf of the Recipient of any sort and kind, including not with respect to the contents of the Confidential Information.
9. Upon Magos's first request, Recipient shall immediately return any and all documents and other tangible materials containing Confidential Information, and destroy any internal documents, materials or computer files that contain Confidential Information or were derived therefrom or prepared on the basis thereof, or delete to the greatest extent possible any Confidential Information maintained on any digital media, such that no Confidential Information shall remain with Recipient.
10. This Agreement shall commence on the date first written above and it shall apply also to information provided by Magos to Recipient prior to such date. The Recipient's right to use the Confidential Information, in any case only pursuant to the terms of this Agreement, shall continue in effect until the lapse of six (6) months as of the date hereof, or until Magos provides Recipient with a written notice of termination of such right, whichever is earlier. Notwithstanding the foregoing, the Recipient's obligations to protect the Confidential Information shall survive and continue to apply to the Confidential Information notwithstanding any termination or expiration of this Agreement.
11. Recipient acknowledges that Magos makes no express or implied representation or warranty as to the accuracy or completeness of the Confidential Information, which is provided "as is".
12. This Agreement does not create any agency, employment or partnership relationship between the parties, and imposes no obligation on either party to enter any business relationship or transaction whatsoever with each other.
13. The Recipient acknowledges that the Confidential Information is of a highly secret and confidential nature and that any unauthorized disclosure or use thereof may cause serious harm or damage to Magos, and its shareholders and officers and diminish the value of their proprietary interests. Therefore, and without derogating from any other right or remedy which may be available to Magos under law or under this

Agreement, Recipient recognizes and agrees that Magos shall have the immediate right to secure a preliminary and/or permanent order from any competent court in connection with such breach.

14. If any one or more of the terms contained in this Agreement shall for any reason be held to be excessively broad with regard to time, geographic scope or activity, that term shall be construed in a manner to enable it to be enforced to the extent compatible with applicable law. A determination that any term is void or unenforceable shall not affect the validity or enforceability of any other term or condition.
15. This Agreement, its validity, interpretation and performance shall be governed by and construed in accordance with the internal laws of the State of Israel (without reference to conflict of laws principles), and shall be subject to the exclusive jurisdiction of the competent courts of the District of Tel Aviv - Yafo, Israel. Notwithstanding the above, Magos retains the right to institute proceedings, including petitions for interlocutory and/or injunctive relief, in any relevant territory.
16. Limitation of Liability: Neither Party shall, whether as a result of breach of contract, warranty, indemnity, tort (including without limitation negligence), strict liability, or otherwise, be liable to the other Party for any loss of profit, loss of contract, loss of revenues or any consequential, indirect or punitive damages, losses or costs.
17. Ethics: During the term of this Agreement, the Parties agree to respect the anti-corruption law (and its regulation), to act with ethics and refrain from any illegal, coercive or fraudulent commercial practices, or sanctions foreseen in the legislation or in this Agreement may ensue, committing themselves to (i) not promising, offering, giving or receiving, directly or indirectly, financial or non-financial advantages, payments, donations or benefits of any kind that constitute illegal practice or corruption; (ii) not forging, defrauding, manipulating or omitting fact or documents; (iii) ensuring that all officers, employees, subcontractors and suppliers comply with the aforementioned obligations, who shall denounce to the other Party and to the competent authorities the cases which may have come to their knowledge.

**IN WITNESS WHEREOF**, the parties have duly executed this agreement on the date written hereinabove:

**MAGOSYS SYSTEMS LTD.**

By: \_\_\_\_\_

By: \_\_\_\_\_