

## **Mutual Nondisclosure Agreement**

This Mutual Nondisclosure Agreement ("Agreement") is dated and effective as of \_\_\_\_\_ (the "Effective Date"), between ENCO Electronic Systems, LLC and its affiliates and subsidiaries ("ENCO"), whose principal business address is 165 Hostdale Dr, Dothan, AL 36303, and \_\_\_\_\_, whose principal business address is \_\_\_\_\_.

1. **Definitions.** Each party hereto acknowledges that, in anticipation of a potential commercial transaction between the parties, it may necessary for it, as "Discloser", to provide to the receiving party, as "Recipient", "Confidential Information" that the Recipient will be under a duty to safeguard from further unauthorized disclosure. Such Confidential Information means Discloser's information (without regard to its tangibility or form) including, but not limited to, technical or nontechnical data or metadata, formulas, patterns, compilations, programs, devices, methods, techniques, know-how, drawings, processes, financial data, financial plans, product plans, and lists of or information concerning actual or potential customers or suppliers that (a) derives economic value, actual or potential, from not being generally known to, or ascertainable by, the public; and (b) is the subject of reasonable efforts by Discloser to maintain its secrecy. The parties also intend this Agreement to apply to previously disclosed information if such information meets the definition of Confidential Information hereunder and relates to the purpose of this Agreement. Confidential Information does not include information that (a) Discloser expressly authorizes Recipient to disclose without restriction; (b) Recipient lawfully obtains from a source other than Discloser, provided that such source, to the best of Recipient's knowledge, lawfully obtained such information free of any nondisclosure obligation; or (c) Recipient independently develops without use of, or reference to, Discloser's Confidential Information.
2. **Use of Confidential Information.** Compliance with Laws. Recipient will exercise no less than a reasonable standard of care in safeguarding Confidential Information and will use it solely in furtherance of the purposes of this Agreement. Recipient may further disclose Confidential Information only to such of its employees, affiliates, subsidiaries, and its legal, financial, and technical advisors who have a need to know such information and are themselves legally, contractually, or professionally bound to protect it. Publicity relating to this Agreement or any transaction contemplated under it requires the consent of all parties hereto. Recipient must comply with all applicable domestic and international laws and regulations including, without limitation, rules of the U.S. Securities and Exchange Commission governing insider trading and end-user, end-use, destination restrictions, or other export controls imposed by the U.S. government.
3. **Nonsolicitation.** Recipient will not use Confidential Information to advantage Discloser's competitors in any way.
4. **Reverse Engineering; Metadata.** Recipient will not reverse engineer, disassemble, or decompile Confidential Information. Recipient will promptly inform Discloser if it believes

that any "metadata" contained in Discloser's Confidential Information, products, or services has been unintentionally disclosed and will dispose of it as reasonably instructed by Discloser.

5. **No Licenses or Warranties.** Except as expressly stated, no licenses to, or other rights in, Confidential Information or any patent, trademark, copyright, trade secret, or other intellectual property right of Discloser are granted hereunder. All information provided hereunder including, without limitation, Confidential Information, is provided strictly "as-is" without representation or warranty of any kind. This Agreement is not a commitment to complete a transaction or expend funds.
6. **Disclosure Pursuant to Processes of Law.** Before providing Confidential Information to a court, governmental agency, or other third party pursuant to a court order, subpoena, or other process of law, Recipient must if practicable first notify Discloser and cooperate with Discloser to appropriately limit the scope of the requested disclosure.
7. **Term and Termination.** This Agreement will remain in effect for three years following the Effective Date. This Agreement may be terminated by any party hereto at any time upon not less than ten days prior written notice to the other parties hereto. Recipient's obligations with respect to Confidential Information disclosed to it hereunder shall, in any event, survive for three years following the date of final disclosure of such information. Upon Discloser's request, all or any requested portion of Confidential Information provided by Discloser hereunder must be promptly returned to Discloser or, if directed by Discloser, destroyed. If required to do so by law Recipient may, with notice to Discloser, arrange for the secure sequestration of copies or extracts of Confidential Information.
8. **Trade Secrets.** Notwithstanding any other provision herein to the contrary, Recipient's obligations hereunder will survive and continue in effect with respect to Confidential Information statutorily protected as a trade secret.
9. **Miscellaneous.** As an unauthorized disclosure of Confidential Information could cause immediate and irreparable harm to Discloser, Discloser shall be entitled to injunctive relief against Recipient in the event of Recipient's breach or threatened breach of this Agreement. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California in the United States of America without regard to the conflicts of law rules thereof. All remedies hereunder are in addition to all other legal and equitable remedies available to the aggrieved party. The provisions of this Agreement are severable, and the unenforceability of any provision of this Agreement shall not affect the enforceability of the remainder of this Agreement so long as it can be interpreted and enforced in a manner that reasonably balances the interests of all parties hereto. A party's failure to enforce any provision of this Agreement shall not constitute a waiver of the right of such party thereafter to enforce such provision. No party hereto may assign, effect a novation or change of control with respect to, or otherwise transfer this Agreement or its rights or obligations hereunder, except to an affiliate or subsidiary of such party (provided such affiliate or subsidiary is not a competitor of another party hereto), without the prior written consent of all other parties hereto, which consent shall not be unreasonably

withheld. Any such transfer shall be void. Each and all of the agreements, covenants, terms, and provisions contained herein shall be binding upon, and inure to the benefit of, the permitted assigns, successors, representatives, and administrators of the parties. This Agreement constitutes the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes, except as stated herein, all prior and contemporaneous agreements, express or implied, between the parties with respect to the subject matter hereof, and may not be amended or modified without specific written provision to that effect, signed by all parties hereto. By the signatures of their duly authorized representatives below, the parties have executed this Agreement in one or more counterparts, each of which constitutes an original but all of which together constitute one document. Transmission of signature pages by facsimile or other electronic means is acceptable.

ENCO Electronic Systems, LLC

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_