

Magnet-Schultz of America, Inc.  
SUPPLIER Mutual Non-Disclosure and Confidentiality Agreement

This Mutual Nondisclosure Agreement, dated as of \_\_\_\_\_, is made between Magnet-Schultz of America, Inc. ("MSA") and \_\_\_\_\_ ("SUPPLIER"). MSA and SUPPLIER (herein after to be referred to as the PARTY or PARTIES) would like to protect the confidentiality of, maintain their respective rights in and prevent the unauthorized use and disclosure of their valuable confidential information and that confidential information of its customers.

WHEREAS, in connection with the consideration of a possible business transaction involving the design and/or manufacturing of a custom electro-mechanical device(s) (see ATTACHMENT A for list of items), (hereinafter called "PRODUCT") by SUPPLIER for MSA (herein after to be referred to as the "STATED PURPOSE") each of MSA and SUPPLIER may disclose certain of its proprietary and confidential information concerning its business and affairs to the other PARTY.

Accordingly, MSA and SUPPLIER hereby agree as follows:

**1. Confidential Information:**

As used in this Agreement, "Confidential Information" means all nonpublic information disclosed by one party or its agents (the "Disclosing Party") to the other party (the "Receiving Party") that is designated as confidential or that, given the nature of the information or the circumstances surrounding its disclosure, reasonably should be considered as confidential. Confidential Information includes, without limitation (i) nonpublic information relating to the Disclosing Party's technology, customers, business plans, promotional and marketing activities, finances and other business affairs, and (ii) third-party information that the Disclosing Party is obligated to keep confidential.

**2. Exclusions:**

Confidential Information does not include any information that (i) is or becomes publicly available without breach of this Agreement, (ii) can be shown by documentation to have been known to the Receiving Party at the time of its receipt from the Disclosing Party, (iii) is received from a third party who did not acquire or disclose such information by a wrongful or tortuous act, or (iv) can be shown by documentation to have been independently developed by the Receiving Party without reference to any Confidential Information.

**3. Use of Confidential Information:**

The Receiving Party may use Confidential Information only in pursuance of its business relationship with the Disclosing Party. Except as expressly provided in this Agreement, the Receiving Party will not disclose Confidential Information to anyone without the Disclosing Party's prior written consent. The Receiving Party will take all reasonable measures to avoid disclosure, dissemination or unauthorized use of Confidential Information, including, at a minimum, those measures it takes to protect its own confidential information of a similar nature. The Receiving Party will not export any Confidential Information in any manner contrary to the export regulations of the United States.

SUPPLIER agrees not to manufacture PRODUCT, or enlist other manufacturers to produce PRODUCT, for use by SUPPLIER, or for sale to third parties (a) by using information obtained by means of reverse engineering or (b) using information, irrespective of SUPPLIER's source or time of receipt of such information, or the fact that such information may be available without restriction to third parties.

Should SUPPLIER be approached by a third party to manufacture goods using INFORMATION, SUPPLIER will immediately inform MSA of such contact and provide copies to MSA of all communications received from such third party.

SUPPLIER shall make no copies of INFORMATION without the prior consent of MSA.

**4. Receiving Party Personnel:**

The Receiving Party will restrict the possession, knowledge and use of Confidential Information to its employees, contractors and entities controlled by it (collectively, "Personnel") who (i) have a need to know Confidential Information in connection with the parties' business relationship, and (ii) when requested by the Disclosing Party on a case by case basis, have executed written agreements obligating them to protect the Confidential Information.

**5. Disclosures to Governmental Entities:**

The Receiving Party may disclose Confidential Information as required to comply with binding orders of governmental entities that have jurisdiction over it, provided that the Receiving Party (i) gives the Disclosing Party reasonable written notice to allow the Disclosing Party to seek a protective order or other appropriate remedy, (ii) discloses only such information as is required by the governmental entity, and (iii) and uses commercially reasonable efforts to obtain confidential treatment for any Confidential Information so disclosed.

**6. Ownership of Confidential Information:**

All Confidential Information will remain the exclusive property of the Disclosing Party. The Disclosing Party's disclosure of Confidential Information will not constitute an express or implied grant to the Receiving Party of any rights to or under the Disclosing Party's patents, copyrights, trade secrets, trademarks or other intellectual property rights.

**7. Notice of Unauthorized Use:**

The Receiving Party will notify the Disclosing Party immediately upon discovery of any unauthorized use or disclosure of Confidential Information or any other breach of this Agreement by Receiving Party. The Receiving Party will cooperate with the Disclosing Party in every reasonable way to help the Disclosing Party regain possession of such Confidential Information and prevent its further unauthorized use.

**8. Return of Confidential Information:**

The Receiving Party will return or destroy all tangible materials embodying Confidential Information (in any form and including, without limitation, all summaries, copies and excerpts of Confidential Information) promptly following the Disclosing Party's written request. At the Disclosing Party's option, the Receiving Party will provide written certification of its compliance with this Section.

**9. Injunctive Relief:**

The Receiving Party acknowledges that disclosure or use of Confidential Information in violation of this Agreement could cause irreparable harm to the Disclosing Party for which monetary damages may be difficult to ascertain or an inadequate remedy. The Receiving Party therefore agrees that the Disclosing Party will have the right, in addition to its other rights and remedies, to seek injunctive relief for any violation of this Agreement.

**10. Termination:**

This Agreement is intended to cover Confidential Information disclosed by each

party both prior and subsequent to the date hereof. This Agreement automatically will terminate upon the completion or termination of the parties' business relationship; provided, however, that each party's obligations with respect to the other party's Confidential Information will survive for 5 years following such completion or termination.

**11. Miscellaneous**

**11.1** This Agreement will not create a joint venture, partnership or other formal business relationship or entity of any kind, or an obligation to form any such relationship or entity. Each party will act as an independent contractor and not as an agent of the other party for any purpose, and neither will have the authority to bind the other.

**11.2** This Agreement constitutes the entire agreement between the parties relating to the matters discussed herein and may be amended or modified only with the mutual written consent of the parties. Each party's obligations hereunder are in addition to, and not exclusive of, any and all of its other obligations and duties to the other party, whether express, implied, in fact or in law. Subject to the limitations set forth in this Agreement, this Agreement will inure to the benefit of and be binding upon the parties and their respective successors and assigns.

**11.3** Any failure by either party to enforce the other party's strict performance of any provision of this Agreement will not constitute a waiver of its right to subsequently enforce such provision or any other provision of this Agreement.

**11.4** If a provision of this Agreement is held invalid under any applicable law, such invalidity will not affect any other provision of this Agreement that can be given effect without the invalid provision. Further, all terms and conditions of this Agreement will be deemed enforceable to the fullest extent permissible under applicable law, and, when necessary, the court is requested to reform any and all terms or conditions to give them such effect.

**11.5** This Agreement will be governed by internal laws of the State of Illinois, without reference to its choice of law rules. This Agreement may be executed by facsimile and in counterpart copies.

The parties have executed this Agreement as of the date first written above.

**This agreement becomes valid when signed by both parties, and returned to MSA by (insert a reasonable date, not to exceed 1 week from the date above).**

**Company:** \_\_\_\_\_

**Magnet-Schultz of America, Inc.**

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

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_