



Mutual Nondisclosure Agreement

AMERICAN PRECISION PRODUCTS
520 Green Cove Road • Huntsville, AL 35803

This Mutual Nondisclosure Agreement ("NDA") entered into by and between the companies/individual(s) as more fully identified below (hereinafter referred to as "Company 1" or "Company 2" as applicable) is made and entered into as of the Effective Date as indicated below.

In order for Company 1 and Company 2 to evaluate and/or enter into the contemplated business relationship, each party ("Discloser") will disclose to the other party ("Recipient") certain Confidential Information (as defined below).

Therefore, in consideration of its receipt of such Confidential Information from the other party, and of the prospective business relationship, each party agrees as of the Effective Date to the following:

1. **Confidential Information:** "Confidential Information" means any proprietary, confidential and/or trade secret information of the Discloser and/or others possessed by the Discloser relating to, among other things, the Discloser's products, technology, specifications, manufacturing methods, know-how, business or marketing plans, or business relationships. Confidential Information may be disclosed either in documentary form (including without limitation traditional tangible media such as written documents, photographs and drawings, and intangible media such as diskettes and other magnetic or electronic data), or orally or visually or in other non-documentary form (including without limitation presentations, displays or inspections of writings, designs, drawings, photographs, models, prototypes, samples or facilities).

2. Confidential Information disclosed in documentary form shall be stamped "**Confidential Information**"; "**Confidential & Proprietary**" or in some other manner clearly indicating that it is confidential or proprietary. The Discloser must confirm by written notice to the Receiver within thirty (30) calendar days of

disclosure that Confidential Information disclosed orally, visually or in any other non-documentary form is "Confidential Information."

Notwithstanding the foregoing, any information which the Receiver should reasonably believe to be Confidential Information of the Discloser shall be considered Confidential Information if disclosed orally or in writing by either party during discussions concerning the contemplated business relationship or thereafter.

Neither Party shall be liable for the use or disclosure of Confidential Information inadvertently disclosed or used despite the exercise of the same degree of care, but no less than a reasonable degree of care, as such Party normally takes to preserve and safeguard its own proprietary information; or disclosed or furnished pursuant to any law, regulation or requirement of any government or any agency or department thereof, provided the Party so disclosing or furnishing Confidential Information of the other Party promptly notifies the other Party thereof.

3. Exclusions: Confidential Information shall not include information that: (a) was in the public domain when disclosed; (b) becomes public domain after disclosure, other than as a result of the Receiver's violation of this NDA; (c) was in the Receiver's possession when disclosed and was not acquired directly or indirectly from the Discloser or from a third party who did not require it to be held in confidence and who did not acquire it directly or indirectly from the Discloser; (d) is shown by written evidence to have been developed by the Receiver independently after disclosure without benefit of the Confidential Information; or (e) was received after disclosure from a third party who did not require it to be held in confidence and who did not acquire it directly or indirectly from the Discloser. If any portion of a Party's Proprietary Information falls within any of

the above exceptions, the remainder shall continue to be subject to the terms of this Agreement.

4. Disclosures & Care: The Receiver: (i) will not disclose Confidential Information except to its employees or to potential suppliers or subcontractors, and only to persons legally bound comply with the Receiver's obligations under this NDA, in each case only to the extent necessary to achieve the purposes contemplated by this NDA; (ii) will not use Confidential Information except for the purposes contemplated by this NDA; (iii) will use at least the same degree of care to safeguard Confidential Information that it uses to protect its own confidential and proprietary information, and in any event not less than a commercially reasonable degree of care under the circumstances; and (iv) will make copies of Confidential Information only as needed for such purpose, all of which shall include any existing markings indicating that they are Confidential Information of the Discloser, or shall have markings supplied by the Receiver.

5. Term & Termination: The obligations under this NDA will continue in effect for three (3) years from the date of last disclosure. Upon termination of discussions concerning the possible business relationship or upon the Discloser's request, the Receiver will return or, upon requesting and receiving the written authorization of the Discloser, upon the Discloser's election either (i) return to Discloser, within five (5) business days, all Confidential Information; or (ii) certify to Discloser, within five (5) business days, destruction of all Confidential Materials provided by Discloser.

6. Notification: The Receiver will notify the Discloser immediately of any breach of this NDA of which it becomes aware, and will assist and cooperate with the Discloser in minimizing the consequences of such breach. If the Receiver is required by order of any court of competent jurisdiction, by any governmental agency, by any applicable law, rule or regulation, or by any applicable stock exchange or stock association rule, to disclose Confidential Information, the Receiver shall notify the Discloser of the requirement prior to disclosure and as soon as possible, but in no event later than two business days after learning of such requirement, provide to the Discloser a

reasonable opportunity to protect its Confidential Information by protective order or other means.

7. Non-Export of Technical Data: Each Party acknowledges that Confidential Information disclosed hereunder may be subject to export control, and that compliance with appropriate Government regulations (e.g. International Traffic in Arms Regulations (ITAR), etc.) may be necessary to obtain required approvals before disclosing Confidential Information to foreign persons, businesses or governments. The receiving Party agrees to comply with all applicable U.S. export control laws and regulations, specifically the requirements of ITAR, 22 CFR 120 et seq.; and the Export Administration Act, 50 U.S.C. Appx. 2401 et seq.; including the requirement for obtaining any export license, if applicable. Without limiting the foregoing, the receiving Party agrees that it will not transfer any Confidential Information, export controlled item, data, or services, to include transfer to foreign persons employed by or associated with, or under contract to the receiving Party, without the authority of any export license or applicable license exemption. The receiving Party shall obtain the written consent of the disclosing Party prior to submitting any request for authority to export any Confidential Information. The receiving Party shall indemnify and hold the disclosing Party harmless from all claims, demands, damages, costs, fines, penalties, attorneys' fees, and all other expenses arising from failure of the receiving Party to comply with this clause or applicable U.S. export control laws and regulations.

8. No Licenses or Warranties: No license to any Party under any trade secrets, patents or copyrights is granted or implied by conveying Proprietary Information or other information to such Party, and none of the information which may be transmitted or exchanged by the Parties shall constitute any representation, warranty, assurance, guaranty or inducement by any Party to the other with respect to the infringement of patents or copyrights or other rights of others. Nothing in this Agreement shall be construed as a warranty, representation, assurance, guarantee or inducement by any party to the other with respect to the content or accuracy of documents and information transmitted or exchanged by the Parties

under this Agreement. Each Party shall use and rely upon Proprietary Information received from the other at its sole risk and expense.

9. Relationship of the Parties: This Agreement shall not be construed as creating any joint venture, pooling arrangement, team, partnership or other joint relationship nor as an obligation to enter into such relationship or any contractual agreement, nor as an obligation to supply Proprietary Information. Neither Party is restricted by this Agreement from doing anything it could do in the absence of this Agreement, so long as the obligation under Section 2 above to protect the Confidential Information of the other Party is observed. Neither Party is authorized to make any commitment for or on behalf of the other Party. Each Party shall bear its own costs in connection herewith.

10. Irreparable Harm & Indemnification: Either party will sustain irreparable harm by a breach of this NDA for which money damages would not be an adequate remedy. Each party therefore agrees that, in the event of a threatened or continuing breach of this NDA, the Discloser shall be entitled, without prejudice to any other available remedies, to immediate injunctive or other equitable relief. The Receiver shall indemnify and hold the Discloser harmless from any damages, losses, costs and expenses, including reasonable attorney fees, arising from any breach of this NDA.

11. Acknowledgment: Nothing herein shall hinder and/or otherwise restrict either party's ability to pursue business activities or enter into commercial relationships with any third parties, of any nature, in any way whatsoever.

12. Governing Law: The governing law in any dispute shall be the substantive laws of Alabama without regard to conflicts of laws.

13. Counterpart & Integration: This NDA is the complete and exclusive agreement of the parties with respect to this subject matter, supersedes all prior and contemporaneous written or oral understandings relating thereto, and shall survive the expiration or termination of any other NDA. This Agreement may be executed in counterparts, each of which shall be enforceable against the parties actually executing such

counterparts, and all of which together shall constitute one instrument.

IN WITNESS WHEREOF each party has executed this NDA by its duly authorized representative as of the effective date.

January 19, 2015 “Effective Date”

Agreed and Accepted:

Company 1:

American Precision Products

520 Green Cove Road
Huntsville, AL 35803

Signature

Date: _____

Company 2:

Address: _____

Signature

Name/Title: _____

Date: _____