



Initial: _____
ASNA Party B

MUTUAL CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (this "Agreement") is dated as of _____ by and between Applied Seals North America, Inc. ("ASNA"), a California corporation, and _____ ("PARTY B") located at _____.

1. Proprietary Information. ASNA and PARTY B intend to engage in discussions and negotiations concerning

- sealing and related technology
- sealing technology, marketing, sales and related information which may include confidential marketing, customers and pricing and related information

In the course of such discussions and negotiations, it is anticipated that each party will provide confidential information to the other party, which includes confidential and proprietary information related to the business of said party, for the purpose set forth herein ("Proprietary Information"). The parties have entered into this Agreement in order to assure the confidentiality of such information in accordance with the terms of this Agreement.

2. Non-Disclosure and Non-Use. Each party agrees to hold the Proprietary Information in confidence, and shall not disclose it to any person outside its organization. Each party shall use the same degree of care to avoid publication or dissemination of the Proprietary Information as said party employs with respect to its own information which it does not desire to have published or disseminated, but at all times shall use reasonable care. Each party shall disclose the Proprietary Information received by it under this Agreement only to persons within its organization who have a need to know such Proprietary Information in the course of the performance of their duties and who agree to keep such Proprietary Information confidential and to be bound by this Agreement to the same extent as if they were parties hereto. Each party shall use such Proprietary Information only for the purpose for which it was disclosed and shall not use or exploit such Proprietary Information for its own benefit or the benefit of another without first obtaining the prior written consent of a duly authorized agent of the other party. This agreement shall automatically expire five (5) years from its Effective Date. However, Recipient's confidentiality and restricted obligations hereunder with respect to each item of Confidential Information shall survive expiration or termination of the Agreement for a period of five (5) years from the date of expiration or termination of the Agreement. Either Party may terminate this Agreement with respect to further disclosures upon thirty (30) days' written notice.

3. Limitation on Obligations. Notwithstanding the foregoing, the obligations of each party specified in Section 2 above shall not prevent said party from sharing, disseminating or disclosing the Proprietary Information with its accountants, attorneys, business consultants and advisors or lenders so long as said individuals/institutions have a need to know such Proprietary Information in the course of the performance of their duties and who agree to keep such Proprietary Information



Initial: _____
ASNA Party B

confidential and to be bound by this Agreement to the same extent as if they were parties hereto. Further, notwithstanding the foregoing, the obligations specified in Section 2 above shall not protect any Proprietary Information to the extent that such Proprietary Information, with respect to both its content and intended application by said party, (a) is generally known to the public at the time of disclosure or becomes generally known through no wrongful act on the part of the receiving party or any of its representatives; (b) becomes known to receiving party through disclosure by sources other than the disclosing party having the legal right to disclose such Proprietary Information; (c) has been independently developed by the receiving party without reference to or use of the Proprietary Information as demonstrated by the receiving party written records; (d) has been approved for release by written authorization of the disclosing party; or (e) is required to be disclosed by the receiving party to comply with applicable laws or governmental regulations, provided that the receiving party provides prior written notice of such disclosure to the disclosing party and takes all reasonable and lawful actions to avoid and/or minimize the extent of such disclosure.

4. Ownership of Proprietary Information. Each receiving party agrees that the disclosing party is and shall remain the exclusive owner of Proprietary Information and all patent, copyright, trade secret, trademark and other intellectual property rights therein. No license or conveyance of any such rights to the receiving party is granted or implied under this Agreement.

5. Return of Documents. The parties agree that in the event that a business relationship is not consummated between them, that neither party shall use or exploit any of the Proprietary Information of the other party for any purpose. Whether or not such business relationship is consummated, either party shall, upon the request of the other party, promptly return all documents, drawings and other tangible manifestations of Proprietary Information received by said receiving party to the disclosing party pursuant to this Agreement (and all copies and reproductions thereof).

6. Accuracy and Completeness of Information. The Proprietary Information is provided by each party for the sole purpose of establishing a business relationship. The Proprietary Information has not been audited or confirmed, and, unless specifically provided in writing, neither party makes any representations, expressed or implied as to the accuracy or completeness of the Proprietary Information or the conclusions to be drawn therefrom. Neither party nor its representatives shall have any liability to the other or any of its representatives as a result of having provided the Proprietary Information.

7. Miscellaneous.

(a) This Agreement supersedes all prior agreements, written or oral, between the parties relating to the subject matter of this Agreement. This Agreement may not be modified, in whole or in part, except by an agreement in writing signed by the parties. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall constitute one instrument.

(b) The provisions of this Agreement are necessary for the protection of the business and goodwill of each party and are considered by the parties to be reasonable for such purpose. Both parties agree that any breach of this Agreement will cause the other substantial and irreparable



Initial: _____
ASNA Party B

damages, and, therefore, in the event of any such breach, in addition to other remedies which may be available, the injured party shall have the right, without the requirement to post bond, to seek specific performance and other injunctive and equitable relief.

(c) The obligations of confidentiality and non-use set forth herein shall survive the termination of the business relationship.

(d) In the event that any provision of this Agreement shall be held to be illegal or unenforceable, such section or provision shall be severed from this Agreement and the entire Agreement shall not fail on account thereof, but shall otherwise remain in full force and effect.

(e) No delay or omission by either party in exercising any right under this Agreement will operate as a waiver of that or any other right; a waiver or consent given by either party on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

(f) This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(g) This Agreement shall be construed and interpreted in accordance with the laws of the State of California, without regard to its choice or conflict of laws principles.

EXECUTED under seal by duly authorized representative of each party hereto as of the day and year first set forth above.

IN WITNESS WHEREOF, the parties have executed this Nondisclosure Agreement effective the Effective Date.

| | |
|--|-------------|
| Company: Applied Seals North America, Inc | Company: |
| Signature: | Signature: |
| Date: | Date: |
| Print Name: Dalia Vernikovsky | Print Name: |
| Title: CEO | Title: |