

MUTUAL NON-DISCLOSURE AGREEMENT

AGREEMENT dated

PARTIES

1 Chronolabs (ABN 41 460 248 629) of Sydney, Australia; and

2 _____ of _____

INTRODUCTION

A Chronolabs and the Company are engaged in discussions and, potentially, contract negotiations concerning business operations, and, during such discussions, may disclose Confidential Information to each other (the "Purpose").

B The mutual objective of Chronolabs and the Company is to provide appropriate protection for the Confidential Information and accordingly, Chronolabs and the Company agree that the Confidential Information will only be used in accordance with the terms and conditions set out in this Agreement.

THE PARTIES AGREE

1 INTERPRETATION

1.1 **Definitions:** In this Agreement:

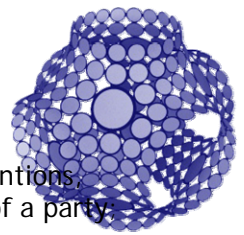
Agreement means this agreement and the Schedule attached;

Confidential Information means information (disclosed before or after this Agreement is signed) whether it is written, electronic, oral, visual or in any other form that:

- (a) is by its nature confidential;
- (b) is designated by the Disclosing Party as confidential;
- (c) gives the Disclosing Party some competitive business advantage or the opportunity of obtaining such advantage or the disclosure of which could be detrimental to the interests of the Disclosing Party; or
- (d) a Receiving Party knows or ought to know is confidential;

and includes:

- (i) information relating directly or indirectly to or about a party including past, existing or future financial information and/or business information, including details of costings, sales plans, marketing plans, financial plans, accounts and assets;
- (ii) information created, discovered, developed or made known to the Receiving Party by the Disclosing Party during the period of, or arising out of, the Purpose;



- (iii) trade secrets, procedures, designs, ideas, concepts, processes, inventions, research or development work undertaken or proposed to be done of a party;
- (iv) technical knowledge, know how or information relating to the Software;
- (v) information relating to a party's customers and suppliers including, lists of customers and suppliers, price lists, and details of contracts and dealings with customers and suppliers and other parties;
- (vi) any legal proceedings taken or proposed to be taken by a party;
- (vii) any other information classifiable in equity as confidential information,

whether owned by, licensed to or otherwise in the power, possession or control of the Disclosing Party.

Disclosing Party means the party that discloses all or any part of the Confidential Information;

Purpose means the purpose for which this Agreement has been executed and which is set out in Recital A above;

Receiving Party means the party that receives all or any part of the Confidential Information;

Software means computer software of any type or form in any stage of actual or anticipated research and development, including but not limited to programs and program modules, routines and subroutines, processes, algorithms, design concepts, design specifications (design notes, annotations, documentation, flowcharts, coding sheets, and the like), data or application systems code, source code, object code and load modules, programming patches and system designs

1.1 Interpretational rules:

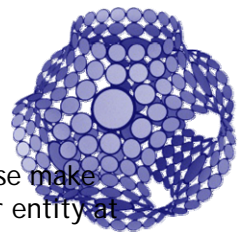
- (a) Headings are for convenience only and will be ignored in construing this Agreement;
- (b) a reference to a party means a person who is named as a party to, and is bound to observe the provisions of, this document; and
- (c) "includes" means includes without limitation.

2 DISCLOSURE AND USE OF CONFIDENTIAL INFORMATION

2.1 Mutual obligation of confidentiality. In consideration of the disclosure of Confidential Information by either party, Chronolabs and the Company agree to hold the Confidential Information in strict confidence and to use the Confidential Information solely for the Purpose.

2.2 Restrictions on use: A Receiving Party must:

- (a) immediately inform the Disclosing Party if it suspects, or becomes aware of, any unauthorised use, copying or disclosure of the Confidential Information and take whatever reasonable action is required by the Disclosing Party to limit the damage caused by such unauthorised use, copying or disclosure

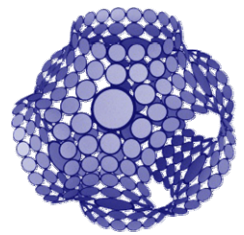


- (b) not directly or indirectly disclose, display, provide, transfer, or otherwise make available all or any part of the Confidential Information to any person or entity at any time during the period in which the Receiving Party has access to the Confidential Information, except as permitted by this Agreement or unless the Disclosing Party has given its prior written consent;
- (c) not make copies of the Confidential Information or any portion of the Confidential Information other than for the Purpose;
- (d) not reverse engineer, decompile or disassemble the Disclosing Party's Software or Confidential Information, or use or attempt to use Disclosing Party's Software in any form other than machine readable object code;
- (e) not directly or indirectly use the Confidential Information to compete with or damage a current or proposed business activity of the Disclosing Party as described in any Confidential Information;
- (f) not disclose any Confidential Information to any third party, except to those employees, advisors, agents or consultants of the Receiving party who:
 - (i) need to know such information in connection with the Purpose; and
 - (ii) understand the confidential nature of the Confidential Information and, prior to any disclosure being made, are bound to the Receiving Party by a similar duty of confidentiality and non-use.

2.3 Excluded Information: This Agreement does not apply to any Confidential Information that a Receiving Party can document in writing:

- (a) is in the public domain through no fault of its own;
- (b) was properly known to it, without restriction, prior to disclosure by the Disclosing Party;
- (c) was properly disclosed to it, without restriction, by another person with the legal authority to do so;
- (d) is independently developed by a Receiving Party without use or reference to a Disclosing Party's Confidential Information;
- (e) is required to be disclosed pursuant to a judicial or legislative order or proceeding, provided the Receiving Party will not disclose any Confidential Information without first using its best efforts to inform the Disclosing Party of such legal requirement, giving the Disclosing Party a reasonable opportunity to contest such requirement and to the maximum extent possible, minimises the disclosure of the Confidential Information.

2.4 Period of Confidentiality: The obligations of confidentiality contained in this Agreement will continue for two years from the earlier of the first disclosure of Confidential Information or date of this Agreement.



3 RETURN OR DESTRUCTION OF CONFIDENTIAL INFORMATION

The Receiving Party must, immediately on demand by the Disclosing Party:

- (a) return to the Disclosing Party all documents, reports, notes, memoranda, computer media and other material which record, contain, relate in any way to or are based on part or all of the Confidential Information (including all copies) which were provided to or obtained by the Receiving Party or prepared or made by, for or on behalf of the Receiving Party as a result of or in connection with the Confidential Information;
- (b) delete entirely and permanently all of the Confidential Information from every computer disk or electronic storage facility of any type owned or used by Receiving Party;
- (c) irrespective of anything else in this Agreement, cease to make use of the Confidential Information or any part of it; and
- (d) confirm in writing promptly when it has complied with these obligations.

2 URGENT RELIEF

3 The parties acknowledge that damages may be inadequate compensation for breach of an obligation under this Agreement and, subject to the court's discretion, the Disclosing Party may restrain by an injunction or similar remedy, any conduct or threatened conduct which is or would be a breach of an obligation under this Agreement.

4 DISCLAIMERS

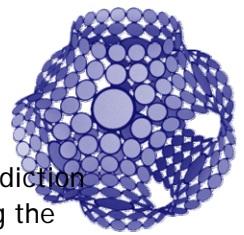
- (a) The Disclosing Party provides all Confidential Information to the Receiving Party without any warranties of any kind.
- (b) Neither this Agreement or any disclosure of Confidential Information grants to the Receiving Party any right or licence under any trademark, copyright or other intellectual property right owned now or in the future by the Disclosing Party.

5 NOTICES

5.1 **Service Method:** Any notice to or by a party under this Agreement must be in writing and signed by the sender and may be served by delivery in person or by post or transmission by facsimile to the address or number of the recipient specified on the first page of this Agreement or most recently notified by the recipient to the sender.

5.2 **6.2 Receipt:** Any notice shall be effective for the purposes of this Agreement upon delivery to the recipient or production to the sender of a facsimile transmittal confirmation report prior to 4.00 pm local time on a business day in the place in or to which the written notice is delivered or sent or otherwise at 9.00 am on the next business day following delivery or receipt.

6 GENERAL



6.1 **7.1 Severability:** Any provision of this Agreement which is invalid in any jurisdiction shall be ineffective in that jurisdiction to that extent, without invalidating or affecting the remaining provisions of this Agreement or the validity of that provision in any other jurisdiction.

6.2 **7.2 Assignment:** A party shall not assign or otherwise transfer any right or liability under this Agreement without the prior written consent of each other party.

6.3 **7.3 Counterparts:** This Agreement may be executed in any number of counterparts, all of which taken together shall be deemed to constitute one and the same document.

6.4 **7.4 Entire agreement:** This Agreement is the complete and exclusive statement of the mutual understanding of the parties and supersedes and cancels all previous written and oral agreements and communications with respect to the subject matter of this Agreement.

6.5 **7.5 Waiver:** Any waiver of any right, power, authority, discretion or remedy arising on any default under this Agreement must be in writing and signed by the party granting the waiver. A failure or delay in exercise, or partial exercise, of a right, power, authority, discretion or remedy created or arising on default under this Agreement does not result in a waiver of that right, power, authority, discretion or remedy.

7 **7.6 Governing law and jurisdiction:** This Agreement shall be governed by and construed under the law of the state of New South Wales and each party irrevocably submits to the exclusive jurisdiction of the courts of New South Wales.

SIGNED AS AN AGREEMENT:

SIGNED for and on behalf of Chronolabs)
(ABN: 41 460 248 629) by its duly)
authorised officer in the presence of:)

.....
.....
Witness
Name (printed):

.....
.....
Authorised Officer
Name (printed):
Position (printed):

SIGNED for and on behalf of)
_____)
_____ by its duly authorised)
officer in the presence of:)

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Witness
Name (printed):

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Authorised Officer
Name (printed):
Position (printed):