

NONDISCLOSURE AGREEMENT (NDA)

NDA NO. 2804

This NonDisclosure Agreement (hereinafter referred to as the "Agreement") is made and entered into this 15th day of July 2010 (hereinafter, the Effective Date"), by and between HBGary Federal, LLC, (hereinafter referred to as "HBGary", with offices at 103 S. Wasatch Ave., Colorado Springs, CO 80903 and BAE Systems Technology Solutions & Services Inc. (hereinafter referred to as "BAE Systems"), a Delaware corporation, with offices at 1601 Research Boulevard, Rockville, MD 20850, (hereinafter, singularly, the "Party" and, collectively, the "Parties"),

WHEREAS, the Parties wish to specify the conditions under which certain Proprietary Information, as defined herein, may be exchanged for the purpose of Discussing teaming on Army Space & Missile Defense (SMD) Technology, Experimentation, Research, Operations, Integration and Development (ASTEROID) (hereinafter, "Purpose").

WHEREAS, the Parties have determined to set down certain understandings reached between them relating to the exchange and protection of Proprietary Information between them regarding the above mentioned Purpose.

NOW THEREFORE, in consideration of the foregoing, the Parties hereby agree as follows:

- 1.0 The Parties may transfer or exchange Proprietary Information under this Agreement, in oral, visual or written form, which may include, but not be limited to, specifications, drawings, sketches, models, samples, computer programs, reports, data, techniques, designs, codes, documentation, and financial, statistical or other technical information (hereinafter, "Proprietary Information"). All disclosures of such Proprietary Information will be treated as made in confidence if marked as "Proprietary" or with an equivalent legend by the disclosing Party at the time of disclosure. Any oral or visual disclosure of Proprietary Information shall be identified as such by the disclosing Party at the time of disclosure, reduced to writing in summary form, marked as "Proprietary" or with an equivalent legend, and delivered to the receiving Party within thirty (30) days of the oral or visual disclosure.
- 2.0 Subject to the provisions of Paragraph 3.0 below, the receiving Party shall maintain Proprietary Information in confidence and shall not use such Proprietary Information except for the Purpose of this Agreement. The receiving Party agrees to use the same care and discretion as the receiving Party uses with respect to similar information of its own, but not less than reasonable care, to avoid unauthorized disclosure, publication, dissemination or use of Proprietary Information received hereunder. Should it become necessary for the receiving Party to disclose the disclosing Party's Proprietary Information to a third party as a result of a requirement of law or regulation, it shall be disclosed only to the extent required by law or regulation and, if so permitted, after a five (5) business day prior written notification to the other Party of the requirement for such disclosure.
- 3.0 The obligations of confidentiality and restrictions on use specified in this Agreement shall not apply to any information that:
 - a. is already in the possession of the receiving Party without obligation of confidentiality at the time of receipt from the disclosing Party;
 - b. is independently developed by the receiving Party as evidenced by appropriate documents;
 - c. is or becomes publicly available, including by inspection of a commercially-available product, without breach of this Agreement by the receiving Party;

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d. is rightfully received, free of restrictions, by the receiving Party from a third party, unless the receiving Party is notified by the disclosing Party of misappropriation by said third party promptly after the disclosing Party knew, or should have known, of such misappropriation; or

e. is released by the disclosing Party to any third party without imposing similar restrictions.

4.0 The receiving Party agrees that any Proprietary Information disclosed hereunder: (i) shall be used by the receiving Party solely for the Purpose of this Agreement, (ii) shall not be distributed, disclosed or disseminated to any third party (except as provided for in this Agreement), (iii) shall only be disclosed to the receiving Party's employees on a need-to-know basis for the Purpose of this Agreement, and (iv) shall only be disclosed to third parties both with first, the consent of the disclosing Party and second, provided that (a) such third party has executed a nondisclosure agreement with the disclosing Party or (b) such third party executes a nondisclosure agreement with the receiving Party containing terms consistent with the requirements herein prior to receiving such information and also containing a provision making the disclosing Party a third party beneficiary to such agreement or (c) if to a US Government or other government, any such disclosure shall require that the Proprietary Information be indicated as such with its original markings to the extent practical and with any other restrictive legends necessary to preserve its confidentiality specified in U.S. Government regulation or the regulations or procedures of any other government.

5.0 The individuals identified below are designated as the point of contact for receiving Proprietary Information exchanged between the Parties pursuant to this Agreement.

| FOR BAE Systems | FOR HBGary |
|---|---|
| Technical POC: Robert H. Chisholm | Technical POC: Mark Tryor |
| Address: 3060 Venture Lane | Address: 103 S. Wasatch Ave. |
| City, State, ZC: Melbourne, FL 32937 | City, State, ZC: Colorado Springs, CO 80903 |
| Phone: 321-757-5249 | Phone: 916-459-4727 ext 125 |
| Fax: 321-259-8181 | Fax: 720-836-4208 |
| Email: Robert.chisholm@baesystems.com | Email: mark@hbgary.com |

All notices, certificates, acknowledgements and other reports hereunder shall be in writing and shall be deemed properly delivered when duly mailed by registered letter to the other party at its address as follows, or to such other address as either party may, by written notice, designate to the other.

| FOR BAE Systems | FOR HBGary |
|---|---|
| Contractual POC: Virginia (Ginger) Cobb | Contractual POC: Ted Vera |
| Address: 308 Voyager Way | Address: 103 S. Wasatch Ave |
| City, State, ZC: Huntsville, AL 35806 | City, State, ZC: Colorado Springs, CO 80903 |
| Phone: 256-890-8111 | Phone: 916-459-4727 ext 118 |
| Fax: 256-319-4111 | Fax: 720-836-4208 |
| Email: Virginia.cobb@baesystems.com | Email: ted@hbgary.com |

Either Party may change their designated point of contact upon written notice to the other Party.

6.0 Either Party shall be allowed to make copies of any Proprietary Information disclosed by the other so long as the markings on the original information are affixed to all copies (including partial copies) and provided such copies are necessary to fulfill the Purpose of the Agreement. The receiving Party shall maintain the confidentiality of all Proprietary Information with regard to all such copies.

7.0 Nothing in this Agreement shall, by express grant, implication, estoppel or otherwise, create in the receiving Party any right, title, interest, or license in or to the inventions, patents, technical data, computer software, software documentation or other intellectual property of the disclosing Party.

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- 8.0 The receiving Party shall protect proprietary Information received hereunder during the term of this Agreement and for a period of five (5) years from the expiration or termination of this Agreement.
- 9.0 The receiving Party acknowledges and agrees that due to the unique nature of the disclosing Party's Proprietary Information, there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach will result in irreparable harm to the disclosing Party, and, therefore, that upon any such breach or any threat thereof, the disclosing Party shall be entitled to seek appropriate equitable relief in addition to remedies it might have at law. The receiving Party shall notify the disclosing Party in writing immediately upon the occurrence of any unauthorized release of Proprietary Information, whether inadvertent or otherwise, and shall use reasonable efforts to prevent or limit any further dissemination of such Information. However, in no event shall either Party be liable hereunder or otherwise for incidental, special, consequential, indirect, punitive or multiple damages, interest or attorneys' fees.
- 10.0 In the event that any of the provisions of the Agreement shall be held by a court or other tribunal of competent jurisdiction to be unenforceable, that portion shall be severed and a new enforceable provision shall be negotiated by the Parties and substituted therefore to accomplish the intent of the severed provision as nearly as practicable. The remaining provisions of the Agreement shall remain in full force and effect.
- 11.0 No waiver or modification of this Agreement will be binding upon either Party unless made in writing and signed by a duly authorized representative of such Party, and no failure or delay in enforcing any right will be deemed a waiver.
- 12.0 Documentation, correspondence and communications relating to this Agreement shall be in the English language.
- 13.0 Export regulations may apply to any authorized release of a disclosing Party's Proprietary Information by the receiving Party. This Agreement does not authorize export of technical data. The receiving Party shall control access to information received hereunder in accordance with all applicable U.S. Export Laws and Regulations.
- 14.0 (a) Upon the expiration or termination of this Agreement, the receiving Party shall cease all use of Proprietary Information received hereunder and shall return or destroy all such Proprietary Information, including all copies thereof, and, if destroyed, furnish the disclosing Party with written certification of destruction. Notwithstanding the foregoing, the receiving Party may retain one (1) copy of the disclosing Party's Proprietary Information solely for archival and dispute resolution purposes.
- (b) Notwithstanding paragraph 14.0 (a) or any other provision of this Agreement, if the Purpose of this Agreement includes the submission of a proposal by one of the Parties which would incorporate Proprietary Information of the other Party, then the receiving Party may retain copies of the proposal for its internal use, including the Proprietary Information of the disclosing Party, provided that no use may be made of the Proprietary Information other than for the stated Purpose of this Agreement. The Parties understand that copies of such proposals may be retained by customers to whom they were submitted, subject to the provisions of Paragraph 4.0.
- 15.0 Unless terminated earlier, this Agreement shall expire one (1) year from the Effective Date of this Agreement. This Agreement may be terminated earlier by either Party upon thirty (30) days' written notice to the other Party. However, expiration or termination shall not affect the rights and obligations of the Parties hereunder with respect to Proprietary Information disclosed prior to the effective expiration or termination date.

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- 16.0 Each Party shall bear all costs and expenses incurred by it under or in connection with this Agreement. Nothing in this Agreement shall be construed as an obligation by either Party to enter into a contract, subcontract, or other business relationship with the other Party. If this Agreement is entered into in anticipation of a teaming agreement, the Parties understand and agree that, notwithstanding any conduct of the Parties to the contrary, there is no binding agreement to team until the final teaming agreement is signed by both Parties.
- 17.0 Each Party warrants that it has the right to disclose its Proprietary Information for the purposes of this Agreement. IN PROVIDING ANY PROPRIETARY INFORMATION HEREUNDER, NEITHER PARTY MAKES ANY REPRESENTATION, EITHER EXPRESSED OR IMPLIED, AS TO ITS ADEQUACY, ACCURACY, SUFFICIENCY OR FREEDOM FROM DEFECT OF ANY KIND, INCLUDING FREEDOM FROM ANY PATENT INFRINGEMENT THAT MAY RESULT FROM THE USE OF SUCH PROPRIETARY INFORMATION, NOR SHALL EITHER PARTY INCUR ANY RESPONSIBILITY OR OBLIGATION WHATSOEVER BY REASON OF SUCH PROPRIETARY INFORMATION, EXCEPT AS PROVIDED IN THIS AGREEMENT.
- 18.0 This Agreement shall be governed by the laws of the State of Maryland, without making reference to its conflicts of laws provisions.
- 19.0 Neither Party may assign or otherwise transfer this Agreement or any of its rights and obligations hereunder to any third party (except to a legally recognized successor in interest to all or substantially all of the Party's assets) without the prior consent in writing from the other Party, which consent shall not be unreasonably withheld. This Agreement shall benefit and be binding upon the successors and assigns of the parties hereto.
- 20.0 This Agreement supersedes all prior discussions and writings with respect to the subject matter hereof, and constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement cannot be changed in any respect except as agreed in a writing of subsequent date that is duly executed by authorized representatives of both parties.

IN WITNESS THEREOF, the Parties have caused this NonDisclosure Agreement to be executed in duplicate originals by their duly authorized representatives as of the Effective Date.

BAE Systems
Technology Solutions & Services Inc.

By: 

Name: Benerson V. Little

Title: Sr. Subcontracts Manager

Date: 7/15/10

HBGary Federal, LLC

By: 

Name: Ted Vera

Title: President

Date: 14 JUL 10