

ENDICIA MUTUAL CONFIDENTIAL DISCLOSURE AGREEMENT

Effective Date: _____, 20____

In order to protect certain Confidential Information (defined below) which may be disclosed between them, the parties identified below agree as follows:

1. The "Discloser" of Confidential Information is either party to this Agreement.
2. A party receiving Confidential Information (as defined below) under this Agreement (as applicable, "Recipient") shall use such Confidential Information only for the purpose of evaluating a possible transaction with the other party, providing goods or services for the other party as a contractor, consultant, or vendor, or receiving such goods or services from the other party, as the case may be.
3. "Confidential Information" shall mean and include the contents and existence of this Agreement as well as any information that is not generally known outside the Discloser which is provided or made available to the Recipient by the Discloser, whether in oral, written, graphic or electronic form. Confidential Information includes, but is not limited to: project files; product designs, drawings, sketches and processes; new or existing product development; production characteristics; testing procedures and results thereof; manufacturing capabilities, methods, processes, techniques and test results; plant layouts, tooling, engineering evaluations and reports; business plans, financial statements and projections; operating forms (including contracts) and procedures; payroll and personnel records; non-public marketing materials, plans and proposals; customer lists and information, and target lists for new clients and information relating to potential clients; software codes, technical requirements and computer programs; training manuals; policy and procedure manuals; SOPs; raw materials sources, price and cost information; administrative techniques and documents; business strategy; and any information received by the Discloser under an obligation of confidentiality to a third party.
4. Each Recipient's duty to protect the Confidential Information, and to refrain from using such information except for the purposes described in Section 2 of this Agreement, expires, as to each piece of Confidential Information, five years from the date of disclosure of such piece of Confidential Information; *provided, however*, that information that is a "trade secret" shall be kept confidential by the Recipient until such information is no longer a "trade secret" under applicable law.
5. Each Recipient shall protect the Confidential Information by using the same degree of care as the Recipient uses to protect its own confidential and proprietary information of a like nature, but not less than a reasonable degree of care. The Recipient shall not disclose or provide Confidential Information or any summary or derivative thereof to any third party without the express prior written consent of the Discloser in each instance. Each Recipient shall take all necessary steps to ensure that the Confidential Information is not used or disclosed by its employees, authorized representatives or affiliates (including a parent, subsidiary, or other related company) (collectively, its "Affiliated Parties") in violation of this Agreement.
6. Each Recipient shall only permit access to the Confidential Information to those Affiliated Parties who reasonably need to know such information for the purpose described in Section 2 of this Agreement. The Recipient shall require that all such Affiliated Parties who have access to any Confidential Information execute, or be subject to, a written confidentiality agreement or policy that protects such information at least to the same extent as provided in this Agreement prior to the grant of any such access, and the Recipient will be responsible for any violation of this Agreement on the part of such Affiliated Parties.
7. This Agreement imposes no obligation upon a Recipient with respect to any information that: (a) is or becomes publicly known or publicly available or otherwise in the public domain through no act of the Recipient or its Affiliated Parties; (b) is already known to, or in the possession of, the Recipient or its Affiliated Parties at the time of the disclosure; (c) is independently developed by the Recipient or its Affiliated Parties, without the use of the Discloser's Confidential Information; (d) is received by the Recipient or its Affiliated Parties from a third party under no obligation of confidentiality to the Discloser; (e) is disclosed by the Discloser to a third party without a duty of confidentiality to the Discloser; (f) is disclosed publicly under operation of law; (g) is disclosed by the Recipient with Discloser's prior written approval; or (h) is required to be disclosed by order of a court or governmental agency; *provided, however*, that in such a case, the Recipient will make all reasonable efforts to notify the Discloser of such order in sufficient time for the Discloser to seek a protective order or other appropriate relief.
8. Each Recipient acknowledges that the Confidential Information is the sole property of the Discloser. Each Recipient will return to the Discloser or destroy all drawings, blueprints, manuals, documents, letters, notes, notebooks, reports, files, disks, tapes, written media, graphic media, magnetic media, electronic media and all other tangible embodiments and materials containing or referring to the Discloser's Confidential Information not later than ten (10) business days after the receipt of a written request from the Discloser to do so. In addition, the Recipient shall not retain any copies, extracts or other reproductions, in whole or in part, of the Confidential Information.
9. The parties acknowledge that each Discloser may be irreparably harmed by, and that money damages alone may not be a sufficient remedy for, any breach of this Agreement by the Recipient. Accordingly, each Discloser shall immediately be entitled to seek preliminary and permanent injunctive relief against the Recipient for any breach or

threatened breach of this Agreement, without the necessity of posting any bond, in addition to any and all other rights that it may have at law or in equity. Each Discloser warrants that it has the lawful right to make the disclosures contemplated under this Agreement.

10. Neither party acquires any intellectual property rights under this Agreement except the limited right to use the Confidential Information as set out in Section 2 of this Agreement. More specifically, nothing contained in this Agreement shall, by express grant, implication, or otherwise, create in either party any right, title, interest or license in or to the inventions, patents, technical data, computer software, software documentation or any other intellectual property of the other party.
11. Neither party has an obligation under this Agreement to purchase any service or item from the other party. Neither party has an obligation under this Agreement to offer for sale products using or incorporating the Confidential Information. No agency or partnership relationship is created by this Agreement. All additions or modifications, if any, to this Agreement must be made in writing and must be signed by both parties.
12. No Warranty. ALL CONFIDENTIAL INFORMATION IS PROVIDED "AS IS." EACH PARTY MAKES NO WARRANTIES, EXPRESS, IMPLIED OR OTHERWISE, REGARDING ITS ACCURACY, COMPLETENESS OR PERFORMANCE.
13. This Agreement shall be governed by the laws of the state of California. Any disputes under this Agreement shall be resolved exclusively in a court of general jurisdiction in Los Angeles, California.
14. No waiver by either party of any breach hereunder by the other party shall be deemed or construed as a waiver of such breach or the continuation of such breach or of any other breach.
15. Without the express written consent of the other party, neither party shall analyze, reverse engineer, or disassemble any product sample(s) or prototypes supplied to it by the other party under this Agreement.
16. Any provision of this Agreement that is held invalid, illegal or unenforceable shall be ineffective to the extent of such invalidity, illegality or unenforceability, without in any manner affecting the remaining provisions hereof or rendering that or any other provision of this Agreement invalid, illegal or unenforceable.
17. This Agreement may be executed in one or more counterparts and by facsimile or electronically transmitted signatures, each of which shall be treated as an original, so that all of which shall constitute one and the same instrument.

PSI Systems, Inc, d/b/a Endicia, a California corporation

Address: 278 Castro Street, Mountain View, CA 94041

By _____

Printed Name: Amine Khechfe

Title: General Manager

For Contracting Party:

Corporate or Individual Name: _____

Address: _____

By _____

(Signature of Authorized Representative of Contracting Party)

Printed Authorized Representative Name: _____

Title: _____