

UNILATERAL CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

This Unilateral Confidentiality and Non-Disclosure Agreement ("Agreement") is effective as of XXXXX, 2013 ("Effective Date"), between Capsonic Automotive, Inc, with offices located at 3121 University Drive Suite 120 Auburn Hills, MI 48326 USA ("Capsonic"), and XXXXXXXX located at XXXXXXXX ("Company"). Capsonic and Company may be referred to individually as a "Party," or collectively, as the "Parties".

For purposes of the Agreement, Capsonic shall be referred to as the "Disclosing Party", and the Company shall be referred to as the "Receiving Party."

I. RECITALS

1.1 Capsonic owns, uses and develops valuable technical and non-technical information in the course of its business. This information is confidential and proprietary to Capsonic and Capsonic protects and desires to continue to protect such information by keeping it confidential.

1.2 Company desires to explore a potential relationship as it pertains to the design, manufacturing and finishing of various products herein referred to as "the Purpose" with Capsonic in a capacity in which Company may receive or be exposed to certain of Capsonic's Confidential Information.

1.3 Capsonic is willing to pursue the Purpose with Company, and in so doing, disclose certain of its Confidential Information to Company under the terms and conditions of this Agreement THEREFORE, in consideration of the above recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

II. CONFIDENTIAL INFORMATION

2.1 Confidential Information and Trade Secrets

2.1.1. Confidential Information and Trade Secrets (collectively "Confidential Information") means, without limitation and by example, all tangible and intangible proprietary information, materials, processes, process parameters, methods, practices, techniques, technical plans, drawings, data, algorithms, hardware, computer software, firmware and programs, source code, computer screens, product and process specifications and related documentation, formulas, patterns, sketches, drawings, models, inventions and invention disclosures, know-how, apparatus, equipment, chemical or biological materials, discoveries, information regarding research, experimental work, developments, improvements, prototypes and devices, engineering plans, procurement requirements, customer information and lists, pricing information, price lists, supplier information and lists, marketing, manufacturing and business plans, forecasts, and strategies, financial information, responses to RFQ's and other bid information, and all other summaries and compilations of information, which relate in any way to the business of Disclosing Party, which have not been disclosed by the Disclosing Party to the general public, and which is or are disclosed by the Receiving Party by the Disclosing Party, or on its behalf, either directly or indirectly, in writing, verbally, electronically or by drawings or by inspection of

facilities, or in any other way. Confidential Information shall also include all Derivatives thereof, any information that qualifies as a “trade secret” under the Uniform Trade Secret Act, and any Confidential Information that was acquired by the Disclosing Party from a third Party.

2.1.2. Derivatives shall mean and include, with respect to any copyrightable or copyrighted material, any translation, abridgment, revision or other form in which an existing work may be recast, transformed or adapted; any improvement on patentable or patented material, and for trade secrets, any new material derived from such existing trade secret material, including new material which may be protected under copyright, patent and/or trade secret laws.

2.2 Marking

Anything to be treated as Confidential Information shall be supplied in written or electronic form, or if disclosed verbally or visually, shall be identified as confidential at the time of disclosure and may be documented thereafter. All materials in written or electronic form shall be clearly marked with a “Confidential” or other similar legend, or otherwise designated as being “Confidential”. The Disclosing Party may designate disclosed information as “Confidential” after presentation or disclosure, and the Receiving Party shall thereafter treat the information as Confidential, but the Receiving Party shall have no liability for disclosure or use during the interim period of time.

2.2 Exceptions

Confidential Information shall not include:

- a) Information which the Receiving Party can clearly demonstrate was in the public domain at the time of disclosure hereunder; or
- b) Information which the Receiving party can clearly demonstrate was rightfully in the Receiving Party’s possession prior to the time of its disclosure hereunder; or
- c) Information which the Receiving Party can clearly demonstrate has subsequently become part of the public knowledge or literature through no fault of the Receiving Party, but only from such date as the information becomes so available; or
- d) Information which the Receiving Party can clearly demonstrate has subsequently been received by the Receiving Party without obligations of secrecy from a third party who is free to disclose the information; or
- e) Information which the Receiving Party can clearly demonstrate was independently developed by the Receiving Party without any use of Confidential Information received hereunder.

III. OBLIGATIONS REGARDING CONFIDENTIAL INFORMATION

3.1 Confidentiality

The Receiving Party hereby agrees to treat all Confidential Information received from the Disclosing Party according to the terms and conditions set forth in this Agreement. The Receiving

Party's confidentiality obligations, and liabilities for any breach thereof, shall survive any termination of this Agreement. Each Party agrees that the disclosure of Confidential Information under this Agreement does not waive or otherwise relinquish any privileges, trade secret status or other protections that otherwise might apply to the Disclosing Party's Confidential Information.

3.2 Limitations on Disclosure and Use of Confidential Information

3.2.1. Except as expressly authorized in writing by the Disclosing Party, except as permitted under subsection 3.2.3 below and except for the disclosure to the Receiving Party's employees and agents permitted under section 3.3 below, the Receiving Party shall not at any time disclose any of Disclosing Party's Confidential Information to any person, or permit any person to examine and/or make copies of any reports or any documents containing same that are prepared by the Receiving Party for the Disclosing Party or that come into Receiving Party's possession or control from the Disclosing Party.

3.2.2. Upon demand, or termination of this Agreement, whichever is earlier, the Receiving Party shall (a) cease all use of the Disclosing Party's Confidential Information, (b) return all Confidential Information received under this Agreement on physical media including paper documents and portable electronic media, e.g., compact disk or digital video disk, to the Disclosing Party, (c) delete all Confidential Information residing on non-portable electronic media, e.g., e-mails and other electronic documents residing on networks, and (d) certify in writing to the Disclosing Party in a timely manner its compliance with this subsection 3.2.2. The requirements of this subsection 3.2.2. shall extend to excerpts, summaries or reports of Confidential Information, as well as all notes of verbal communications of Confidential Information.

3.2.3. The Receiving Party shall use the Disclosing Party's Confidential Information solely in connection with the Purpose. The Receiving Party agrees not to make or allow to be made copies of, or otherwise reproduce, Confidential Information of the Disclosing Party, except as reasonably required for purposes of this Agreement, or as otherwise permitted with the specific prior written consent of the Disclosing Party. Without limiting the foregoing, the Receiving Party shall not reverse engineer or otherwise decompile or disassemble the Disclosing Party's Confidential Information.

3.2.4. If the Receiving Party is requested or required, in the course of any litigation or proceeding, to produce or disclose information that has been designated as Confidential Information by the Disclosing Party, the Receiving Party shall take the following steps prior to any such production or disclosure:

(a) Promptly notify the Disclosing Party in writing that the Confidential Information has been so required or requested, in such time and in such detail that the Disclosing Party has the opportunity to seek a protective order or otherwise appear or intervene in the litigation or proceeding for purposes of protecting its Confidential Information.

(b) If the Disclosing Party after such notice does not consent to the requested production or disclosure, the Receiving Party shall reasonably assist the Disclosing Party in (at the Disclosing Party's expense) prosecuting an objection (or, if so requested by the Disclosing Party, shall join in the Disclosing Party's objection) to the production and/or disclosure of the Confidential Information.

3.2.5. The Receiving Party shall have no liability for disclosing Confidential Information so required or requested if the Disclosing Party consents to the disclosure or if a court of competent jurisdiction overrules said objection(s) and orders the production or disclosure.

3.2.6. The Receiving Party shall not be entitled to use the disclosed Confidential Information in the sale of products or provisions of services to a third party unless pursuant to a subsequent written agreement between the Parties that authorizes such use, and which either specifies a royalty or other compensation for such use, or confirms that such use is royalty free.

3.2.7. Company agrees and undertakes that all the rights, restrictions and obligations for the protection of Confidential Information as set out in this Agreement shall apply to any Confidential Information of Capsonic's parent company or any group subsidiary of its parent company which is disclosed pursuant to this Agreement.

3.3 Standard of Care

The Receiving Party agrees that Confidential Information hereunder will be treated with the care necessary to protect the Disclosing Party's Confidential Information, and with at least the same care that the Receiving Party uses in the protection of its own confidential or proprietary information, which in any event shall at least be in a reasonable and prudent manner. Confidential Information shall be disclosed only to those of the Receiving Party's employees or agents of a Receiving Party who are provided access to the Disclosing Party's Confidential Information shall be advised of its confidential nature and must be subject to confidentiality obligations that are at least as restrictive as those set forth in this Agreement. Neither Party shall communicate any information to the other in violation of the proprietary rights of any third party.

3.4 Injunctive Relief

The Receiving Party acknowledges that disclosure of any Confidential Information by it would give rise to irreparable injury to the Disclosing Party, for which the Disclosing Party would lack adequate remedies at law. Accordingly, the Disclosing Party may seek injunctive or other equitable relief against the breach or threatened breach of this Agreement's undertakings relating to Confidential Information, in addition to any other remedies which may be available. The Receiving Party further acknowledges and agrees that in the event of the termination of this Agreement, the Receiving Party's experience and capabilities are such that the enforcement of a remedy hereunder by way of injunction will not prevent the Receiving Party from earning a reasonable livelihood. The Receiving Party further acknowledges and agrees that the covenants contained herein are necessary for the protection of the Disclosing Party's legitimate business interests and are reasonable in scope and content.

3.5 Duty of Receiving Party Regarding Unauthorized Use

The Receiving Party shall promptly advise the Disclosing Party in writing if it learns of any misappropriation of unauthorized use or disclosure of Confidential Information by any person, including any Receiving party personnel or former Receiving Party personnel. The Receiving Party shall

take all steps reasonably requested by the Disclosing Party to limit, stop or otherwise remedy such misappropriation or unauthorized use of disclosure.

3.6 Duty to Notify Disclosing Party if Receiving Party
Believes Information is Non-Confidential

If the Receiving Party believes that information labeled by the Disclosing Party to be Confidential Information is not in fact Confidential Information pursuant to subsections 2.3(a)-(e), The Receiving Party shall promptly provide notice thereof to the Disclosing Party in writing of the grounds for that belief. Providing such notice shall not, however, relieve the Receiving Party of its obligations under this Agreement to protect the confidentiality of that information unless or until the Disclosing Party agrees, or a court of competent jurisdiction in a final and non-appeal Order or Decision declares the information not to constitute Confidential Information.

3.7 Term and Termination

This Agreement shall remain in effect until the earlier of (a) five (5) years from the Effective Date, (b) the completion of the Purpose, (c) the date on which the Parties either into an agreement containing substantially similar confidentiality provisions, which agreement is intended to entirely supersede this Agreement, or (d) the date on which either Party terminates this Agreement upon thirty (30) days written notice to the other Party. Any confidentiality obligations and liabilities for any breach thereof, shall survive any termination of this Agreement.

3.8 No License, Transfer of Ownership or Joint Venture

Confidential Information shall remain the property of the Disclosing Party. Neither this Agreement nor any exchange of Confidential Information hereunder shall be construed to grant any license to nor any ownership rights in the Disclosing Party's Confidential Information or intellectual property rights therein. "Intellectual property rights" shall include patent, copyright and trademark rights. Nothing in this Agreement shall constitute a joint venture, or establish the Parties as joint ventures or the agent of the other, or create any liability to any third party for the other's debts or obligations. There are no third party beneficiaries under this Agreement.

3.9 Disclaimer of Warranties; Independent Development

3.9.1. The Parties agree that Confidential Information disclosed or otherwise provided under this Agreement is provided "as-is," and that no warranties of any kind are given with respect to Confidential Information provided under this Agreement as well as any use thereof. The Disclosing Party in reliance on, any Confidential Information disclosed under this Agreement, and a Receiving Party shall use and rely on Confidential Information at its sole risk and expense.

3.9.2. Each of the Parties may now or in the future be developing information internally, or receiving information from other parties that may be similar to such the Disclosing Party's

Confidential Information. Accordingly, neither Party warrants or represents it will not develop products or services, or have products or services developed by or for itself that will compete with the products or services contemplated by such Disclosing Party's Confidential Information, provided such products and services were developed without use of the Disclosing Party's Confidential Information or otherwise in breach of this Agreement.

3.10 Enforceability

The provisions of this Agreement shall be enforceable notwithstanding the existence of any claim or cause of action on the part of the Receiving Party against the Disclosing Party whether predicated on this Agreement or otherwise.

3.11 Governing Law; Arbitration

3.11.1 This Agreement shall be governed by the laws of the State of Illinois, without reference to its conflicts of law principles.

3.11.2 Unless otherwise agreed, any dispute, including any question regarding the existence, validity or termination of this Agreement, shall be referred to and finally resolved by arbitration under the JAMS' International Arbitration Rules. The applicable rules and procedures are deemed to be incorporated by reference into this Section 3.11.2. The number of arbitrators shall be one unless the parties otherwise agree.

3.11.3 The place of arbitration shall be Chicago, Illinois USA. The language to be used in the arbitral proceedings shall be English.

3.11.4 Notwithstanding the foregoing, either Party may apply to any court with the competent jurisdiction for an order for specific performance or any interim, injunctive or protective order as may be necessary to protect its interests, and Capsonic may apply to any court with competent jurisdiction in relation to any dispute concerning payment.

3.12 Entire Agreement, No Implied Waiver

This Agreement contains the entire agreement of the parties relating to the subject matter hereof, and all prior and contemporaneous agreements and understandings concerning the subject matter hereof are superseded hereby. No term or provision hereof will be considered waived by either Party, and no breach excused by either Party, unless such waiver or consent is in writing signed by the Party against whom such waiver or consent is asserted. The waiver by either Party of, or consent of either Party to, a breach of any provision of this Agreement by the other Party shall not operate or be construed as a waiver of, consent to, or excuse of any other or subsequent breach by the other Party.

3.13 No Further Agreement; Attorneys Fees

Nothing in this Agreement shall be construed to obligate either Party to enter into another agreement or business relationship in connection with the Purpose or otherwise. Each Party shall bear all costs and expenses incurred in connection with this Agreement; provided that a prevailing

party in any litigation commenced to enforce or construe the terms of this Agreement shall be entitled to collect from the other Party its actual litigation costs, including reasonable attorneys' fees.

3.14 Export and Governmental Compliance

The Receiving Party agrees to comply with all applicable export laws and regulations. Without limiting the foregoing, the Receiving Party shall not disclose any Confidential Information or other information provided hereunder in any manner contrary to the laws and regulations of the United States of America or any applicable foreign export laws and regulations. The information that the Disclosing Party may wish to disclose pursuant to this Agreement may be subject to the provisions of the Export Administration Act of 1979 (50 USC 2401-2410), the Export Administration Regulations promulgated there under (15 CFR 768-799), the International Traffic in Arms Regulations (22 CFR 120-128 and 130) and the Foreign Corrupt Practices Act. The Parties acknowledge that these statutes and regulations impose restrictions on import, export and transfer to third countries of certain categories of data and articles, and that licenses from the United States Department of State and/or the United States Department of Commerce may be required before such data and articles can be disclosed hereunder, and that such licenses may impose further restrictions on use and further disclosure of such data and articles. Disclosure of such data and articles to foreign persons is subject to the above regulations regardless if the export occurs in the United States or abroad. The Receiving Party agree to comply with all United States governmental regulations mentioned above as they relate to the import, export, and re-export of data. Responsibility for compliance with the provisions of this Section resides with the Receiving Party, who indemnifies the Disclosing Party fully for any violations of the provisions of this Section as to any of Disclosing Party's Confidential Information.

3.15 Joint Preparation

This Agreement shall be deemed to have been jointly prepared by the Parties.

3.16 Notices

Any notice to be given under this Agreement shall be sufficient if it is in writing, to the attention of the chief executive officer of the company, and delivered personally, or via registered or certified mail (postage prepaid with return receipt requested) (with a request for confirmation in a manner typical to the communication types listed previously) or otherwise as directed by each Party, from time to time. Notice shall be deemed sent and received on the date of actual receipt at each Party's principle place of business.

3.17 Successors and Assigns

This Agreement is intended to benefit and is binding on the successors and assigns of each Party. Except in the case of a change of control, this Agreement shall not be assigned by the Receiving Party without the prior written consent of the other Party, which consent shall not be

unreasonably withheld. In the event of a change of control, such Party's rights and obligations hereunder shall be automatically assumed by the new controlling entity.

3.18 Separate Enforcement of Provisions

If for any reason any part of this Agreement is unenforceable, the remainder of the Agreement shall be enforced to the extent possible. In no event shall the unenforceability of any portion of this Agreement relieve the Receiving Party of its obligations to protect the confidentiality of Confidential Information it has received from the Disclosing Party.

3.19 Modification of Agreement

This Agreement may only be modified by a writing signed by authorized representatives of each Party.

3.20 Counterpart

This Agreement may be executed in counterparts, each of which shall be deemed equally authentic with the other. A copy of this Agreement is admissible in any legal proceeding.

3.21 Read and Understood; Authority to Sign and Bind

Each Party acknowledges that it has read and understands this Agreement and agrees to be bound by its terms. Each Party also represents that the person signing on its behalf below has the actual and apparent authority to execute this Agreement on its behalf, and that such execution has been duly approved by all necessary corporate or other acts required for the Party to be legally bound hereby.

3.22 Survival

Notwithstanding any other provision herein, the Parties acknowledge and agree that upon termination of this Agreement, their respective obligations set forth in Sections 3.1, 3.2, 3.3, 3.4, 3.9, 3.11, 3.14, 3.16 shall continue in full force and effect.

IN WITNESS WHEREOF, both Parties have duly executed this Agreement as of the day and year first above written.

Legal Name of Company

By _____

Name _____

Title _____

Capsonic Automotive and Aerospace

By _____ T. Bradley _____

Name _____ Thomas Bradley _____

Title _____ Purchasing Director _____