

Canadian ITAR NONDISCLOSURE AGREEMENT

This Agreement is made this day of _____ by and between _____, a _____ corporation located at _____ and PFC Flexible Circuits Limited having a location at 11 Canadian Rd, Scarborough, Ontario, Canada M15 5G ("Company").

In order to protect the proprietary information which may be disclosed between them, _____ and Company hereby agree as follows:

1. Each party acknowledges that for the purpose of investigating the possibility of further business relations (the "Purpose"), one party may disclose to the other certain company confidential and/or sensitive information ("Proprietary Information"). The party disclosing information is referred to in this Agreement as the "Disclosing Party" and the party receiving information is referred to as the "Recipient." For the purpose of this Agreement, "Proprietary Information" shall include all information disclosed for the Purpose that (i) if in tangible form is marked as proprietary or by similar legend; or (ii) if in oral or intangible form is designated as proprietary upon disclosure and is summarized in a writing and delivered to Recipient within thirty (30) calendar days of disclosure. Proprietary Information shall include, but is not limited to (i) information concerning the Disclosing Party's business methods, know-how and practices, personnel, customers, prospective customers and suppliers; (ii) information concerning inventions, processes, methods, products, patents, patent applications, intellectual property and other proprietary rights; (iii) specifications, drawings, models, samples, tools, computer programs, technical information, presentations and related materials; (iv) information located on the password protected web site of a party; and (v) all prepared notes, documents and materials which reflect, interpret, evaluate, include or are derived from Proprietary Information ("Proprietary Evaluation Material").

2. Each party acknowledges that the other party's Proprietary Information is not generally available to the public and may contain valuable trade secrets.

3. Each party shall have the right to refuse to accept any Proprietary Information of the other party. To that end, upon prior request by Recipient, the Disclosing Party shall first provide a brief abstract of the Proprietary Information to be disclosed to allow Recipient the opportunity to decide whether to accept such Proprietary Information.

4. Each party acknowledges and agrees that it shall use the Proprietary Information of the other solely to carry out the Purpose. Recipient shall not decompile, disassemble or otherwise reverse engineer any Proprietary Information provided hereunder, and shall not use any similar means, directly or indirectly, to discover its underlying composition, structure, source code or trade secret. Each party agrees to maintain the confidentiality of the other party's Proprietary Information and to protect it with no less than the same degree of care it uses to protect its own Proprietary Information, in no event less than a reasonable degree of care. Each party agrees it shall not disclose the other party's Proprietary Information to any third party without prior written consent of the Disclosing Party, except that Recipient may disclose Proprietary Information to its employees and agents who need to know in order to carry out the Purpose and who are bound by nondisclosure agreements with Recipient which contain terms no less restrictive than the terms of this agreement. Notwithstanding the foregoing, the Recipient may disclose Proprietary Information to the extent required by a valid court or governmental order, provided the Recipient gives the Disclosing Party prompt advance notice so that Disclosing Party may seek a protective order or other appropriate remedy.

5. Each party acknowledges that the Proprietary Information and any other information transferred to the other party may be subject to export controls of the US Government, and to the extent so subject, agrees not to transfer, export or reexport such information without the written permission of the US Government and the other party. Transfer, export, or reexport for which US Government and the other party permission is required includes, but is not limited to, transfer to foreign nationals. Each party shall reasonably assist the other party in securing the permission described in this paragraph.

6. In accordance with 22 CFR 126.5, Canadian Exemption, Company certifies that:

- Company is a Canadian entity registered in accordance with the Canadian Defense Protection Act (CDPA); and
- The technical data, defense services, parts and components Company receives from _____, will be used only by Company for the purposes of assembly and maintenance or service of defense articles for end use in US Federal Government or Canadian Federal Programs; and
- Company agrees to limit delivery of the defense articles to be produced directly to _____, a company registered with the U.S. Department of State, Directorate of Defense Trade Controls (Registration code _____); and

- Company agrees to prohibit the disclosure of the technical data to any other contractor or subcontractor who is not a Canadian-registered entity in accordance with the CDPA; and
- Company agrees to include all limitations of this document in any subcontract. Further, Company agrees to receive written authorization from _____ prior to entering into any subcontract arrangement relating to defense articles to be assembled originating from _____ US origin technical data or assistance; and
- Company agrees to destroy or return to _____ in the United States, all of the technical data exported pursuant to the contract or purchase order upon fulfillment of the contract, unless for use by a Canadian or US Government entity that requires in writing the technical data be maintained. Company agrees to provide a written certification regarding the disposition of the technical data upon completion of the program; and
- Company agrees to include the following clause on all documentation created from technical data provided to us by _____: "This document contains technical data, the use of which is restricted by the U.S. Arms Export Control Act. This data has been provided in accordance with, and subject to, the limitations specified in paragraph 126.5 of the International Traffic In Arms Regulations (ITAR). By accepting this data, the consignee agrees to honor the requirements of the ITAR."

7. For the purposes of this Agreement, Proprietary Information shall not include any information which: (i) is or becomes public knowledge through no wrongful act of the Recipient; (ii) can be proven by documented evidence was previously known by the Recipient without use of information obtained under this Agreement; (iii) can be proven by documented evidence was independently developed by the Recipient without use of information obtained under this Agreement; or (iv) becomes known to the Recipient from a source who had the right to disclose it without restriction.

8. Upon termination of this Agreement for any reason or upon the request of the Disclosing Party, all copies of Proprietary Information in whatever form, including all Proprietary Evaluation Material, shall be returned or destroyed. At Disclosing Party's request, Recipient shall certify in writing that all disclosed Proprietary Information has been either returned or destroyed as the case may be.

9. All notices required or permitted under this Agreement shall be in writing by registered or certified mail, prepaid, overnight courier or email to the receiving party as follows:

<p>_____ Inc.</p> <p>Name _____</p> <p>Title _____</p> <p>Address _____</p> <p>E-mail _____</p>	<p>PFC Flexible Circuits</p>	<p>Name _____ Steve Kelly</p> <p>Title _____ President</p> <p>Address _____ 11 Canadian Road, Unit 7 Scarborough, Ontario, Canada. M1R 5G1</p> <p>E-mail _____ skelly@pfcflex.com</p>
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Any notice sent by email or facsimile shall be deemed to have been received on the day it is sent. Any notice sent by registered or certified mail or courier shall be deemed to have been received five (5) business days after its date of posting.

10. No rights or obligations other than those expressly recited herein are to be implied from this Agreement. No license or other right is granted to Recipient, directly or indirectly, to use in any way any patent, copyright or other intellectual property or proprietary right now held or later obtained by the Disclosing Party.

11. This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereto and supersedes all previous agreements between the parties, whether express, implied, written or oral. This Agreement can only be modified by a written agreement signed by persons authorized on behalf of each party. The failure of either party to require performance by the other party of any provision hereof shall not affect the full right to require such performance at any time thereafter; nor shall the waiver by either party of a breach of any provision hereof be taken or held to be a general waiver of the provision itself. This Agreement cannot be assigned, whether by merger, acquisition, operation of law or otherwise, without the express written consent of the non-assigning party.

12. This Agreement will be governed by the laws of the State of New York, without regard to its choice of law provisions. The parties agree to the exclusive jurisdiction and venue of the state and/or federal courts located in _____
Breach of this Agreement can be enjoined, as money damages would not cure the harm from the breach.

13. This Agreement shall terminate two (2) years from the date first written above or upon written notice from either party. Notwithstanding termination of this Agreement for any reason, all confidentiality obligations and use restrictions shall remain in effect for a period of five (5) years from the date of termination.

IN WITNESS WHEREOF, this Agreement has been duly executed by an authorized representative of each party as of the date below.

Company: _____ **Inc.**

PFC Flexible Circuits

Signature

Signature

Typed or printed name

Steven Kelly
Typed or printed name

Title

President
Title

Date

December 1, 2011
Date

Telephone No.

416.750.8433
Telephone No.