

# EMPLOYEE NON-DISCLOSURE AGREEMENT

1. **THE PARTIES.** This Employee Non-Disclosure Agreement (the "Agreement") is effective this \_\_\_\_\_ (the "Effective Date") by and between \_\_\_\_\_ of \_\_\_\_\_, hereinafter known as the "Employer," and \_\_\_\_\_ of \_\_\_\_\_, hereinafter known as the "Employee," and collectively known as the "Parties."

**WHEREAS**, the parties hereto desire to have discussions related to, and may enter into, one or more business transactions (the "Subject Matter");

**WHEREAS**, it is contemplated that such discussions and any business transactions entered into in connection therewith will require the disclosure by Employer to Employee of Confidential Information (as hereinafter defined);

**WHEREAS**, both parties recognize the value of the Confidential Information and that it is in their mutual best interests to maintain the confidential, proprietary and secret nature of the Confidential Information.

**NOW, THEREFORE**, for and in consideration of the above premises, and in further consideration of the mutual covenants and promises contained herein and other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

2. **CONFIDENTIAL INFORMATION.** Confidential Information shall include, but not be limited to, documents, records, information and data (whether verbal, electronic, or written), drawings, models, apparatus, sketches, designs, schedules, product plans and developments, marketing plans, technical procedures, manufacturing processes, analyses, compilations, studies, software, prototypes, samples, formulas, methodologies, formulations, patent applications, know-how, experimental results, specifications, and other business information, relating to the Employer's business, assets, operations, or contracts, furnished to the Employee and/or the Employee's affiliates, employees, officers, owners, agents, consultants, or representatives, in the course of their work contemplated in this Agreement, regardless of whether such Confidential Information has been expressly designated as confidential or proprietary. Confidential Information also includes any and all compilations, work products, and other data or material prepared by or in the possession or control of the Employee, which contain, include, refer to or otherwise reflect or are generated from any Confidential Information. Confidential Information may be provided in written, oral, electronic, or other form.
3. **FORM OF DISCLOSURE.** Confidential Information may be oral, visual, by demonstration, or in some other form not permanently recorded regardless of whether such Confidential Information has been expressly designated as confidential or proprietary.
4. **EXCLUSIONS.** Information shall not be deemed Confidential Information, and the Employee shall have no obligation of confidentiality or restriction against use with respect to any information which:
- a) Was known, in the possession of and documented by the Employee through no wrongful act of the Employee prior to the Employer's disclosure of such information; or

- b) Is or becomes publicly known through no wrongful act of the Employee and/or through no breach of any obligation to the Employer; or
- c) Is rightfully received from a third party who is not subject to restrictions on the use and disclosure of such information in favor of the Employer; or
- d) Is approved for release by written authorization from the Employer; provided that, unless notice of said prior knowledge and possession or receipt from a third party is given to the Employer within thirty (30) days of receipt of the information from the Employer or from a third party, respectively, it shall be conclusively presumed that the said information was not previously in the Employee's knowledge and possession or received from a third party.

5. **PERIOD OF CONFIDENTIALITY AND NON-USE.** The Employee (including its affiliates, employees, agents and consultants) shall maintain in strict confidence for a period of \_\_\_\_\_ from the Effective Date and not disclose any Confidential Information it receives from Employer to any third party or use the Confidential Information for its own or any other party's benefit, except in furtherance of its obligations to Employer pursuant to any business transaction it may enter into with the Employer. The Employee shall use, as a minimum, the same degree of care to avoid disclosure or use of the Confidential Information as it employs with respect to its own confidential, proprietary, and secret information of like importance, but in any case, using no less than a reasonable degree of care. The Employee shall limit access to all Confidential Information to only those of the Employee's personnel, agents, and representatives who "need to know" such information for carrying out the Employee's obligations to the Employer pursuant to any business transaction it may enter into with the Employer and the Confidential Information will be used only for carrying out the Employee's obligations to the Employer pursuant to any business transaction it may enter into with the Employer. The Employee shall ensure that its affiliates, employees, officers, directors, owners, agents, consultants, and representatives who are given access to the Confidential Information by or on behalf of the Employee shall be bound by and shall comply with the terms of this Agreement.
6. **DISCLOSURES REQUIRED BY LAW.** In the event the Employee is requested or required by a government or court order, or similar process, to disclose any Confidential Information supplied to it by the Employer, the Employee shall provide the Employer with prompt notice of such request so that the Employer may seek an appropriate protective order and/or waive the Employee's compliance with the provisions of this Agreement.
7. **INDEMNIFICATION.** The Employee shall reimburse, indemnify and hold harmless the Employer and its affiliates, owners, employees, officers, directors, agents, and representatives from any damage, loss, penalty, cost, or expense incurred by the Employer as a result of or in connection with the use or disclosure of the Confidential Information contrary to the terms of this Agreement by the Employee or its affiliates, employees, directors, officers, owners, consultants, agents, or representatives or any others to whom such Confidential Information has been disclosed by any such persons or entities. The term "affiliates" as used in this Agreement shall mean any persons, corporations, partnerships, limited liability companies, or other business entities, which directly or indirectly control, are controlled by, or are in common control with such party to this Agreement. As used herein, the term "control" shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities, by contract or otherwise).

8. **NO PUBLIC COMMENT.** The Employee shall not directly or indirectly make any public comment, statement, or communication with respect to, or otherwise disclose or permit the disclosure to any third party of any Confidential Information or of any matter relating to the Subject Matter or purpose or any transactions contemplated by the Parties in connection therewith, without the prior written consent of the Employer.
9. **UNAUTHORIZED USE OR DISCLOSURE.** The Employee shall notify the Employer immediately upon discovery of any unauthorized use or disclosure of Confidential Information or any other breach of this Agreement by the Employee or any third party, and will cooperate with the Employer in every reasonable way to help regain possession of the Confidential Information and prevent its further unauthorized use or disclosure.
10. **OWNERSHIP AND RETURN OF INFORMATION.** All Confidential Information disclosed to the Employee shall be and remain the property of the Employer. Upon the Employer's written request, the Employee shall promptly return all Confidential Information (including all originals, copies, reproductions, and summaries of such Confidential Information), or certify its destruction in writing, and keep the same confidential and secret in accordance with this Agreement.
11. **NO LICENSE.** Nothing contained in this Agreement shall be construed as granting or conferring to the Employee any rights or license or otherwise, either expressly or by implication, in or to any Confidential Information disclosed by the Employer to the Employee as a result of this Agreement, including, without limitation, rights or license under any present or future patent, patent application, copyright, trademark, service mark, trade secret or other proprietary information owned, licensed or controlled by the Employer.
12. **SURVIVAL.** The Employee's obligations of non-disclosure pursuant to the terms of this Agreement shall survive until all Confidential Information has been returned to the Employer or the destruction thereof has been certified to the Employer in writing.
13. **RELATIONSHIP.** This Agreement shall not be construed as a joint venture, pooling arrangement, partnership, teaming effort or agency arrangement. The Parties shall be entered into an Employer-Employee relationship and any other financial arrangements shall be written in another document.
14. **NO WAIVER.** Neither party waives any rights in invention or development lawfully possessed by it at the time of signing this Agreement. In addition, this Agreement does not imply any waiver of any rights or action under the patent, trademark, copyright, trade secret, unfair competition, fair trade, or related laws. Failure to enforce any provision of this Agreement shall not constitute a waiver of any term hereof.
15. **BINDING AGREEMENT.** This Agreement shall be binding upon the Employee and its subsidiaries, successors, assigns, legal representatives, and all corporations controlling the Employee or controlled by the Employee and shall inure to the benefit of the Employer and its subsidiaries, successors, assigns, legal representatives, and all corporations controlling the Employer or controlled by the Employer.
16. **INJUNCTIVE RELIEF.** The Employee understands and agrees that any use or dissemination of Confidential Information in violation of this Agreement will cause the Employer irreparable harm, and that monetary damages may not be a sufficient remedy for unauthorized use or disclosure of Confidential Information, and that the Employer may be left with no adequate remedy at law; therefore, the Employer shall be entitled, without waiving any other rights or remedies, to such

injunctive or equitable relief as may be deemed proper by a court of competent jurisdiction. Such remedies shall not be deemed to be the exclusive remedy for any breach of this Agreement but shall be in addition to all other remedies available at law or in equity.

17. **PREVAILING PARTY.** If either party employs attorneys to enforce any rights arising out of or relating to this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and expenses.
18. **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_ without regard to principles of conflict or choice of laws, and the Employee consents to venue and jurisdiction in and by the state and federal courts in the jurisdiction of the Employer.
19. **ASSIGNMENT.** This Agreement may not be assigned by the Employee without the prior written consent of the Employer.
20. **ENTIRE AGREEMENT.** This Agreement contains the entire understanding between the Parties relative to the protection of Confidential Information and supersedes all prior and collateral communications, reports, and understanding between the Parties in respect thereto. No change, modification, alteration, or addition to any provision shall be binding unless it is in writing and signed by an authorized representative of both Parties.
21. **SEVERABILITY.** If a court of competent jurisdiction makes a final determination that any provision of this Agreement (or any portion thereof) is invalid, illegal, or unenforceable for any reason whatsoever, and all rights to appeal the determination have been exhausted or the period of time during which any appeal of the determination may be perfected has been exhausted, (i) the validity, legality, and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby; and (ii) to the fullest extent possible, the provisions of this Agreement shall be construed so as to give effect to the intent manifested by the provisions held invalid, illegal, or unenforceable.
22. **HEADINGS.** The headings in this Agreement are for reference purposes only and shall not limit or otherwise affect the meaning of the provisions.
23. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts including signing a facsimile copy. Each counterpart shall be deemed an original and all counterparts together shall constitute one and the same instrument.

**IN WITNESS WHEREOF**, the Parties hereto have agreed to the terms of this Agreement and signed on the dates written below.

**Employee's Signature** \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

**Employer's Signature** \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Company: \_\_\_\_\_

Title: \_\_\_\_\_