

This Confidentiality Agreement dated _____ 20__

BETWEEN: _____

(referred to as “the Prospective Vendor”)

AND: _____

(Referred to as “the Prospective Purchaser”)

WHEREAS:

A. Prospective Vendor is a company incorporated pursuant to the laws of _____ and is engaged in the _____ business.

B. The Prospective Purchaser has expressed an interest in negotiating the acquisition of either the shares of the Prospective Vendor or its assets (“Possible Transaction”) and the actual determination of the form of acquisition will be made following the performance of examinations and the advice of the parties’ respective professional advisors.

C. The Prospective Purchaser has requested access to or disclosure of the Prospective Vendor’s financial statements, accounting records, certain trade secrets, materials and sources of supply, customer identities and requirements, policies and intentions, product and services breakdown, percentage of margins and profits and other business and financial matters related to the business carried on by the Prospective Vendor (“Information”).

D. The Prospective Vendor agrees herein to provide certain of the Information to the Prospective Purchaser on the condition that all Information provided shall be maintained confidential by the Prospective Purchaser.

THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. The Information will be kept confidential and shall not, except as hereinafter expressly provided, without prior written consent of Prospective Vendor, be published, disclosed or otherwise made accessible by Prospective Purchaser or its Agents, in any manner whatsoever, in whole or in part, and shall not be used by Prospective Purchaser or its Agents, other than in connection with the Possible Transaction. Moreover, Prospective Purchaser agrees to transmit the Information only to those of its Agents who need to know the information for the purpose of evaluating the Possible Transaction, who are informed by Prospective Purchaser of the confidential nature of the Information and who agree to be bound by the terms of this agreement.

2 (a). Without Prospective Vendor’s prior written consent, Prospective Purchaser and its Agents will not disclose to any person (other than a person expressly authorized hereunder) that

the Information has been made available, that Prospective Purchaser is currently reviewing the Information, that discussions or negotiations are taking place concerning the Possible Transaction or any of the terms, conditions or other facts with respect to the Possible Transaction, including the status thereof, except as provided in paragraph 5 hereof.

(b). Without Prospective Purchaser's prior written consent, Prospective Vendor will not disclose to any person (other than its officers, directors, agents, representatives (including attorneys, accountants and financial advisors and employees) that the Information has been made available to Prospective Purchaser, that Prospective Purchaser is currently reviewing the information, that discussions or negotiations are taking place concerning a Possible Transaction with Prospective Purchaser, or any of the terms, conditions or other facts with respect to a Possible Transaction with Prospective Purchaser, including the status thereof, except if it or any of its officers, directors, agents, representatives or employees become legally compelled (by oral questions, interrogatories, requests for information of documents, subpoena, civil investigation demand or similar process) to do so.

3. The Information and all copies thereof, except for that portion of the Information which consists of analyses, compilations, studies or other documents prepared by Prospective Purchaser or its agents, will be returned to Prospective Vendor immediately upon Prospective Vendor's request without retaining any copies thereof. That portion of the information which consists of analyses, compilations, studies or other documents prepared by Prospective Purchaser or its agents will be held by Prospective Purchaser and kept confidential and subject to the terms of this Agreement, or destroyed at the request of the Prospective Vendor. Such destruction will be confirmed in writing to Prospective Vendor, except for one copy thereof which may be maintained by counsel to Prospective Purchaser, subject to this Agreement, and used for no other purpose than providing counsel (in connection with this Agreement) to its client and to provide, upon request, a copy of such copy to Prospective Vendor.

4. This Agreement shall be inoperative as to such portions of the Information which (i) are or become generally available to the public, provided that such disclosure is lawful, other than as a result of a disclosure by Prospective Purchaser or any of its agents; (ii) become available to Prospective Purchaser on a non-confidential basis from a source (other than Prospective Vendor or one of its officers, directors, agents, representatives or employees) which, insofar as is known to Prospective Purchaser, is entitled to disclose it or (iii) was known to Prospective Purchaser on a non-confidential basis prior to its disclosure to Prospective Purchaser by Prospective Vendor.

5. In the event that Prospective Purchaser or its agents or anyone to whom Prospective Purchaser or its agents transmit the Information pursuant to this Agreement become legally compelled (by oral questions, interrogatories, requests for information of documents, subpoena, civil investigation demand or similar process) to disclose any of the Information, Prospective Purchaser will provide Prospective Vendor with prompt notice so that Prospective Vendor may seek a protective order or other appropriate Agreement. If any event which requires such notice to be given occurs, Prospective Purchaser will use its best efforts not to disclose the Information requested for a 10-day period following the giving of such notice unless Prospective Purchaser is legally compelled to disclose the Information sooner. In the event that a protective order of other remedy is not obtained, or if Prospective Vendor waives compliance with the provisions of this Agreement, Prospective Purchaser will furnish only that portion of the Information which

Prospective Purchaser's counsel advises are compelled to be disclosed and will exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded to the Information.

6. If any provision of this Agreement is invalid, illegal or unenforceable, the balance of this Agreement shall remain in effect, and if any provision is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances.

7. This Agreement may be executed in any number of counterparts, any of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8. This Agreement shall be governed by and construed in accordance with the laws of the state of incorporation of the Prospective Vendor, without giving effect to conflict of laws. In addition to any remedies available at law, Prospective Purchaser agrees that Prospective Vendor shall be entitled to equitable relief, including injunction and specific performance, in the event of any breach or threatened breach of this Agreement.

By: _____
Its Authorized Agent
Date: _____

AGREED AND ACCEPTED:

By: _____ Date: _____

Its: _____

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