

KSM Electronics, Inc.

STANDARD NON-DISCLOSURE AGREEMENT

This Agreement is effective () between (_____)
(_____) with its principal place of business at
(_____)
and KSM Electronics with its principal place of business at:

27745 Diehl Road
Warrenville, IL 60555

The parties agree as follows:

Article

1. **Confidential Information** is defined as any information, whether written or verbal, of either party hereto, (the Disclosing party) which is disclosed to or observed by the other party (the Receiving Party) in connection with or as a result of the evaluation of any possible transaction between KSM Electronics and (name of client) and which is, at the time of disclosure, marked as being Confidential or Proprietary, or is reasonably identifiable as confidential, proprietary information of the Disclosing Party. Such Confidential Information may include, but is not limited to, business plans, forecasts, content, processes, projections or analysis, software, hardware, product, or system designs, specifications, documentation, code, structure, or protocols. Confidential Information that is disclosed verbally will also be included as proprietary. If disclosed verbally, such Confidential Information shall be reduced to writing within fifteen (15) business days.
2. Unless expressly authorized in writing by the Disclosing Party, the Receiving Party agrees to retain the Confidential Information in confidence and shall not copy or disclose the Confidential Information to or use the Confidential Information for the benefit of any third party. Confidential Information shall only be disclosed to the Receiving Party's employees and, even then, only to the extent that such employees have a specific need to know of the Confidential information, for the evaluation of the proposed transaction. Before receiving any part of the Confidential Information, Receiving Party's employees shall be required to read this Non-disclosure Agreement and, by receiving such Confidential Information, such employee shall acknowledge and agree to abide by the Receiving Party's obligations hereunder.
3. Notwithstanding any other provisions of the Agreement, each party acknowledges that Confidential Information shall not include any information which:
 - a. was known to the Receiving Party prior to the disclosure hereunder;
 - b. was received from a third party not under an obligation of confidence to Receiving Party;
 - c. is in the public domain at the time of disclosure hereunder or subsequently entered in the public domain without the fault of the Receiving Party;

- d. has been independently developed by an employee of the Receiving Party that has not had access directly or indirectly to Proprietary Information, and Receiving Party can substantiate any claim of independent development by written evidence; or
 - e. is required to be disclosed by law.
4. Either party will be relieved of its obligation hereunder it, and to the extent, that Confidential Information is explicitly approved for release by written authorization of the Disclosing Party.
 5. Each party shall agree upon the request of the Disclosing Party to return to the Disclosing Party all Confidential Information and supporting documentation provided to the Receiving Party. One copy of such documentation shall be retained by Receiving Party for archival/legal purposes.
 6. No license, express or implied, in the Confidential Information is granted to either party other than to use the information in the manner and to the extent authorized by this Agreement. Each Party shall retain the title and full ownership rights to their respective "Confidential Information".

This Non-disclosure Agreement is effective on the date specified in the Caption of the Agreement and will remain in effect for a period of three (3) years.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

Client

KSM Electronics, Inc.

Name: _____

Name: _____

By: _____

Title: _____

Date: _____

Date: _____