

# CONFIDENTIALITY AGREEMENT

---

This Confidentiality Agreement, effective as of [date], 2009, is between:

**Lute Technologies Inc.**, Neugasse 1, c/o Audit Zug AG, CH-6301 Zug, Switzerland,

and

**[Company name]**, [Address].

## 1. CONFIDENTIAL INFORMATION

- 1.1 Lute Technologies Inc. and [Name] intend to share among each other certain business information in order [to assess a potential cooperation between the parties] (the **"Discussions"**).
- 1.2 During the Discussions, each of the parties will disclose (the **"Disclosing Party"**) to the other party and/or its contractors (the **"Receiving Party"**) certain proprietary business information (**"Confidential Information"**) which Disclosing Party requires Receiving Party to treat as strictly confidential.
- 1.3 Confidential Information, as that term is used herein, shall mean any business, technical or other information, whether oral or in writing, concerning the Discussions and/or the respective business requirements, products, software, blueprints, operations, data, research and development efforts, inventions, trade secrets, know-how, plans, intentions, market opportunities, processes, vendor and customer relationships, finances and all other business operations and affairs of Disclosing Party and its affiliates that reasonably are of a confidential nature.

## 2. OBLIGATIONS OF CONFIDENTIALITY

- 2.1 Receiving Party hereby agrees:
  - (a) not to use Confidential Information, directly or indirectly, for any purpose other than the Discussions or as agreed between the parties in writing;
  - (b) not to copy, adapt, reverse-engineer, divulge, publish, disclose, or circulate (or authorize or permit anyone else to do so) any of the Confidential Information;

- (c) to hold all Confidential Information in strict confidence and to apply to such Confidential Information at least the same standard of care with which it treats its own proprietary and confidential information;
  - (d) to limit the dissemination of any Confidential Information within its organization to those employees and affiliates who have a need to know such Confidential Information for the Discussions;
  - (e) upon first request from Disclosing Party, to immediately return or destroy the Confidential Information furnished to it without retaining any copies thereof and to confirm so to the Disclosing Party in writing; and
  - (f) to notify Disclosing Party immediately if Receiving Party is requested or required to disclose any Confidential Information to a third party in connection with any civil or criminal investigation or any judicial or administrative proceeding, so that Disclosing Party may if it chooses seek an appropriate protective order.
- 2.2 Receiving Party's obligations of confidentiality contained in this Agreement shall not apply to information that (i) at the time of disclosure was in the public domain or comes into the public domain other than through breach of this Agreement by Receiving Party, (ii) was known by Receiving Party (as established by its own records or other competent proof) before disclosure by Disclosing Party to Receiving Party, (iii) is lawfully disclosed to Receiving Party by a third party acting in good faith and not bound by a confidentiality obligation, or (iv) the disclosure of which is required by law, by any court of competent jurisdiction, or by an official regulatory body.
- 2.3 Unless otherwise agreed by the parties, the obligations of confidentiality contained in this Agreement shall continue in force for three years following disclosure.

### **3. SANCTIONS AND PENALTIES**

- 3.1 In case Receiving Party violates any of the provisions set forth in this Agreement, Receiving Party shall pay compensation for all commercial damages caused by such violation.
- 3.2 Receiving Party agrees that any violation or threatened violation of this Agreement may cause irreparable injury to Disclosing Party, the degree of which may be difficult to ascertain. Accordingly, Receiving Party agrees that Disclosing Party will have the right to obtain an immediate injunction enjoining any breach of this Agreement, as well as the right to pursue any and all other rights and remedies available at law or in equity for such a breach.

**4. NO RIGHTS**

All right, title and interest in and to the Confidential Information shall remain the exclusive property of the Disclosing Party and the Confidential Information shall be held in trust and confidence by the Receiving Party for the Disclosing Party. No interest, license or any right respecting the Confidential Information, other than set out herein, is granted to the Receiving Party hereunder by implication or otherwise.

Unless agreed otherwise in writing, either party may terminate the cooperation without prior notice for any reason at any time without any obligation, liability or restriction other than those contained in the provisions of Section 2.

**5. NO REPS AND WARRANTIES**

The Receiving Party acknowledges and agrees that no representations or warranties whatsoever, express or implied, as to the accuracy or completeness of the Confidential Information have been made by the Disclosing Party. The Receiving Party acknowledges and agrees that neither the Disclosing Party nor any of its shareholders, directors, officers, employees, representatives or professional advisors will have any liability to the Receiving Party resulting from its use of the Confidential Information or from any errors or omissions in the Confidential Information. Only those representations and warranties which are made in a final definitive agreement regarding the proposed transaction with the Disclosing Party, when, as and if executed, will have any legal effect.

**6. ENTIRE AGREEMENT**

This Agreement represents the entire agreement between the parties on the subject matter and supersedes all prior agreements, arrangements and understandings, oral or written, between the parties on the subject matter hereof.

**7. GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by the laws of Switzerland without regard to its conflict of laws provisions. The parties hereby consent to the jurisdiction of the competent court of Zurich 1, Canton of Zurich, Switzerland for the adjudication of any disputes arising under this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representatives as of the date first above written.

**Lute Technologies Inc.**

**[Company name]**

\_\_\_\_\_  
Place and Date

\_\_\_\_\_  
Place and Date

By: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Name: