

## Confidentiality Agreement

entered into between

**Pankl Aerospace Systems Inc.**

16615 Edwards Road  
Cerritos, CA  
90703 USA

hereinafter also referred to as „Pankl“

and

**[Contracting Party]**

hereinafter also referred to as “Contracting Party”

also individually referred as "Party" and collectively as the "Parties."

as of [Date] (“Effective Date”).

1. Purpose. The Parties intend, in the course of either preliminary discussions or the preparation for, or performance of, a potential future collaboration or possible sale of goods and/or services (the “Purpose”), to exchange or to disclose to each other certain Confidential Information. This Agreement is intended to allow each Party to disclose Confidential Information (as defined below) to the other while protecting against unauthorized use or disclosure of the same. The terms “Disclosing Party” and “Receiving Party” are used herein to refer to the Party disclosing Confidential Information and the Party receiving Confidential Information, respectively.
2. Confidential Information. “Confidential Information” means any and all information provided by the Disclosing Party to the Receiving Party, either directly or indirectly, whether in graphic, written, electronic or oral form, irrespective of whether or not it is expressly stated or marked to be “confidential” or “proprietary”, including but not limited to (a) know-how, trade secrets, works of authorship, and other proprietary information, as well as any information regarding ideas, inventions, technology, and processes; (b) information concerning or resulting from any research and development or other project; (c) business and financial information; and (ii) any other information, to the extent such information contains, reflects or is based upon any of the foregoing Confidential Information. Confidential Information in the meaning of this Agreement includes any Confidential Information of Pankl’s Affiliates, whether or not directly disclosed by such Affiliates to the Contracting Party. For purposes of this Agreement, an “Affiliate” of Pankl means any business entity that, either directly or indirectly: (i) is controlled by; (ii) is under common voting control with; or (iii) has control over such party, as the case may be, where “control” means the ability to vote greater than fifty percent (50%) of the outstanding voting securities in such business entity.

3. Limitation on Obligations. Each Party will disclose Confidential Information to the other Party for no other reason than the Purpose. The restrictions on use and disclosure regarding Confidential Information set forth in this Agreement shall not apply to information that the Receiving Party can establish by competent proof that it is:
- a. Information which at the time of disclosure was in the public domain;
  - b. Information which after disclosure became part of the public domain by publication or otherwise; except by breach of these Terms;
  - c. Information which was lawfully received by the Receiving Party from a third party without obligation of confidentiality;
  - d. Information which was independently developed by the Receiving Party without the use of Confidential Information or knowledge of the Disclosing Party;
  - e. Information which was released for publication in writing by the Disclosing Party;
  - f. Information which the Receiving Party is obliged to provide based on an order by a court or a public authority. The Receiving Party will do its utmost to ensure that this Information is treated confidentially by the court or the authority and will promptly inform the Disclosing Party of the request.

The fact that individual elements of a Disclosing Party's Confidential Information may be in the public domain shall not relieve the Receiving Party of its obligations under this Agreement unless the specific combination or combinations of elements as disclosed in the Confidential Information is available to the public.

4. Handling of Confidential Information. The Receiving Party agrees not to use, either directly or indirectly, the Disclosing Party's Confidential Information for any reason except the Purpose. Further, the Receiving Party agrees that it will hold in strict confidence and not disclose to any third party or person any Confidential Information of the Disclosing Party or exploit such Confidential Information for its own benefit or the benefit of another except as approved in writing in advance by the Disclosing Party. Without limiting the foregoing, the Receiving Party shall permit access to the Disclosing Party's Confidential Information only to those of Receiving Party's shareholders, directors, officers, managers, employees, affiliates, contractors, sub-suppliers, consultants and service providers (collectively, "Representatives") having a need to know such information and who have signed, prior to the disclosure of Confidential Information to such Representative, confidentiality agreements or are otherwise bound by confidentiality obligations at least as restrictive as those contained herein, provided that the Representative is not a competitor or potential competitor of the Disclosing Party. The Receiving Party shall take, at its own expense, all reasonable steps to keep the Disclosing Party's Confidential Information strictly confidential and to prevent its Representatives from prohibited or unauthorized disclosure or use of the Disclosing Party's Confidential Information. The Receiving Party agrees to institute measures to protect the Disclosing Party's Confidential Information in a manner consistent with the measures it uses to protect its own most sensitive proprietary and confidential information, which shall not be less than a reasonable standard of care.
5. Liability. In case of breach of the provisions of this Confidentiality Agreement the Parties shall be liable according to statutory law. Each Party shall be responsible for the breach of this Agreement by its Representatives as if such breach were by the Party itself. Furthermore, each Party shall immediately notify the other Party upon discovery of any actual or suspected loss or unauthorized disclosure of the other Party's Confidential Information and shall take all reasonable steps requested by the Disclosing Party to prevent, control or remedy any such loss or disclosure.

6. Ownership of Confidential Information, No License. Disclosing Party reserves the sole ownership of its rights to Confidential Information disclosed to the Receiving Party (including but not limited to intellectual property rights, all attached rights and/or similar rights). The receiving Party shall not apply for or obtain any rights, in particular intellectual property rights, in respect to the Confidential Information. Neither the execution of this Agreement nor the disclosure of any Confidential Information shall be construed as granting either expressly or by implication, any interest, title or property rights, by license or otherwise.
7. Term. These Terms shall be effective as of the Effective Date first written above and shall remain in force for a period of ten years (10) thereafter, unless extended by mutual agreement of the Parties. This Agreement may be terminated by either Party by giving thirty (30) days written notice of termination to the other Party. The obligations of confidentiality and restrictions of utilisation hereunder shall remain in force for an additional five (5) years after expiration or termination. Any additional statutory provisions protecting Confidential Information shall remain unaffected.
8. Return of Confidential Information. Upon Disclosing Party's request or upon termination of these Terms, the Receiving Party shall return to the Disclosing Party all Confidential Information previously obtained from it or, at the election of the Disclosing Party as to any such Confidential Information, cause it to be destroyed and deliver to the Disclosing Party a certificate to the effect that it has been destroyed. The provisions of this Section shall not apply to documents and materials, information and data containing, reflecting, incorporating, or based on Confidential Information, which must be stored by the Receiving Party or its Representatives according to provisions of mandatory law or according to the Receiving Party's internal compliance guidelines, provided that such Confidential Information or copies thereof shall, for the time until it is returned or destroyed, be subject to an indefinite confidentiality undertaking according to the terms and conditions set forth herein. Nothing herein shall require the alteration, modification, deletion or destruction of computer-back-up media made in the ordinary course of business as long as such media is treated confidentially.
9. Injunctive Relief. The Receiving Party acknowledges that release or use of the Disclosing Party's Confidential Information in violation of this Agreement may cause irreparable harm for which the Disclosing Party may not be fully or adequately compensated by recovery of monetary damages. Accordingly, in the event of any violation or threatened violation by the Receiving Party, the Disclosing Party shall be entitled to injunctive relief from a court of competent jurisdiction in addition to any other remedy that may be available at law or in equity, without the necessity of posting bond or proving actual damages.
10. No Waiver. Unless the respective written waiver contains an express statement to the contrary, no waiver of any breach of any provision of this Agreement or of any right provided for herein shall be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement.
11. No Warranty. Disclosing Party warrants that it has the right to disclose the Confidential Information to Receiving Party. No other warranties are made whether express, implied, or statutory. All Confidential Information is provided on an "AS IS" basis. Disclosing Party disclaims any and all other representations, warranties, or assurances concerning the Confidential Information, including as to accuracy, performance, completeness, suitability, or third-party rights.

12. The parties acknowledge that any Information provided or received under this Agreement may be subject to governmental export control legislation including, but not limited to, the relevant legislation in the countries where the Parties are established, the U.S. International Traffic in Arms Regulations (“ITAR”) and the U.S. Export Administration Regulations (“EAR”). The Party receiving Information represents and warrants that no Information received hereunder shall be disclosed to any non-U.S. person or firm, including non-U.S. persons employed by or associated with the Party, nor shall any data be exported from the United States, without first complying with all requirements of the ITAR and the EAR, including the requirement for obtaining an export license and/or technical assistance agreement, if applicable.
13. Miscellaneous.
- 13.1. Assignment. No Party may assign the Agreement which is based upon these Terms to any third party without first obtaining written approval from the other Party. These Terms shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.
- 13.2. Governing Law and Jurisdiction. The validity and construction of these Terms shall be governed by the substantive laws of the State of California, USA without regard to the conflict of law rules of said jurisdiction. All disputes arising between the Parties concerning the interpretation and/or execution of these Terms between the Parties shall be exclusively deferred to the jurisdiction of the courts of Cerritos, California, USA.
- 13.3. No Obligation for Future Transaction. This Agreement is intended to facilitate only the exchange of Confidential Information and is not intended to be, and shall not be construed to create a teaming agreement, joint venture, association, partnership, or other business organisation or agency arrangement and no Party shall have the authority to bind the other without the other Party's separate prior written agreement. No Party has an obligation to supply information under this Agreement and no Party has an obligation to enter into any contract with the other Party.
- 13.4. Severability. The invalidity or unenforceability of any provision hereof or part thereof shall not affect the validity or enforceability of any other provision hereof or any other part of such provision.
- 13.5. Amendments. These Terms may be modified or amended only by express written agreement of the Parties hereto, assenting to such modification or amendment.
- 13.6. Counterparts. This Agreement may be signed in duplicate originals or in separate counterparts, each of which is as effective as if the parties signed a single original. A facsimile of an original signature or an electronically-signed version transmitted to the other Party is as effective as if the original was sent to the other Party.
- 13.7. Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

13.8. Entire Agreement. These Terms constitute the final, complete and exclusive statement of the Agreement among the Parties hereto as to the subject matter hereof, and all other prior or contemporaneous oral or written agreements of the Parties hereto with respect to the subject matter hereof are merged herein and superseded hereby.

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For and on behalf of Pankl  
Printed Name:

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For and on behalf of Contracting Party  
Printed Name: