

MUTUAL NON-DISCLOSURE AGREEMENT
[Micralyne MicraGEM-Si™ Multi-Product Wafer Process]

This agreement ("**Agreement**") is made as of the last date of signature set out below ("**Effective Date**") between **Canadian Microelectronics Corporation / Société canadienne de micro-électronique** operating as **CMC Microsystems**, including its wholly owned subsidiary **DMT Microsystems Corporation**, with its principal place of business located at 945 Princess Street B-50, Kingston, Ontario K7L 3N6 ("**CMC**") and _____ with its principal place of business located at _____ ("**Company**").

CMC and Company are hereby collectively referred to as the "**Parties**" and each, a "**Party**."

WHEREAS each Party possesses valuable confidential and proprietary information of a technical or business nature;

AND WHEREAS, the Parties are engaged in discussions and activities relating to **Micralyne Inc.'s MicraGEM-Si™ Multi-Product Wafer** fabrication service provided to Company through CMC (the "**Purpose**");

AND WHEREAS, in connection with the foregoing, a Party may disclose (the "**Disclosing Party**") to the other Party (the "**Receiving Party**") certain confidential and proprietary information in respect of its technology or business;

NOW THEREFORE, in consideration of the disclosure of Confidential Information (as defined below) by a Party to the other Party, the mutual undertakings below, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. **Definition of Confidential Information:** "**Confidential Information**" means confidential and proprietary information voluntarily disclosed by the Disclosing Party to the Receiving Party under this Agreement including, but not limited to, information in respect of the Disclosing Party's technology base, proprietary position, business strategy, marketing plans, product plans, financial data, compositions of matter, experimental results, research, reports, ideas, concepts, specifications, technical information, techniques, processes, methods, systems, drawings, designs, models, prototypes, samples, software, applications associated with the approach in materials, trade secrets, know how, documents, equipment, and any other non-public information relating to the Disclosing Party's business, technology, products or services. Process design kits provided to Company for the Purpose are considered Confidential Information hereunder; all other Confidential Information will be marked, or otherwise designated as, "Confidential" or "Proprietary" by the Disclosing Party.
2. **Disclosure of Confidential Information:** A Party may provide its Confidential Information to the other Party in its sole discretion; nothing in this Agreement requires or obligates a Party to disclose any Confidential Information. The Receiving Party has the right to refuse to accept any Confidential Information under this Agreement if it believes the receipt of such information would limit or restrict the use of its own technology or otherwise impair its business interests. The Confidential Information of the Disclosing Party remains the exclusive property of the Disclosing Party. The Disclosing Party's Confidential Information is provided to the Receiving Party on an "as is" basis and the Disclosing Party makes no representation or warranty with respect to its accuracy. The Disclosing Party will not have any liability to the Receiving Party resulting from the Receiving Party's use of the Confidential Information.
3. **Permitted Use and Disclosure:** The Receiving Party will only use Confidential Information to the extent necessary for the Purpose and will not exploit the Confidential Information in any other manner. The Receiving Party will also not disclose Confidential Information to any third party, nor that it has received Confidential Information or that discussion, review or evaluation of such Confidential Information is taking place. The Receiving Party may disclose Confidential Information to its directors, officers, employees, contractors or agents who need to know such information for the Purpose, provided such person is bound by a written obligation of confidentiality no less stringent than the Receiving Party's herein. Notwithstanding the foregoing, each Party is responsible for any breach of its duties or obligations under this Agreement and at law caused by any person to whom it disclosed the other Party's Confidential Information.
4. **Standard of Care:** The Receiving Party will protect and safeguard the Disclosing Party's Confidential Information using at least the same degree of care it uses to protect its own confidential and proprietary information, but no less than a reasonable degree of care.
5. **Exceptions:** The duties and obligations of confidentiality under this Agreement do not apply to Confidential Information that the Receiving Party can demonstrate: (a) was in the Receiving Party's possession before the initial disclosure by the Disclosing Party; (b) is or becomes available to the public through no breach of this Agreement by the Receiving Party; (c) is independently developed by the Receiving Party, without use of the Disclosing Party's Confidential Information; (d) is subsequently obtained lawfully and in good faith by the Receiving Party from a third party without breach of a duty of confidence owed by such third party to the Disclosing Party; (e) is approved for release with the prior written authorization of the Disclosing Party; or (f) is required to be disclosed by law or court process, provided that the Receiving Party gives prompt notice to the Disclosing Party to enable the Disclosing Party to seek a protective order or other appropriate remedy. In accordance with sub-section (e), Company hereby approves CMC's release of

Company's Confidential Information to Micralyne Inc. to the extent necessary for the Purpose, provided Micralyne Inc. is bound by a written obligation of confidentiality no less stringent than CMC's herein.

6. **Term of Obligations:** Each Party's duties and obligations with respect to any particular item of Confidential Information disclosed to it by the other Party under this Agreement expire five (5) years from the Effective Date.

7. **Return or Destruction:** The Receiving Party will, upon request of the Disclosing Party and in accordance with the Disclosing Party's instructions, cease using, and return or destroy all Confidential Information of the Disclosing Party in its possession or control.

8. **Injunctive Relief:** Each Party acknowledges and agrees that the disclosure, use or other exploitation of the Confidential Information by the Receiving Party hereunder in a manner contrary to this Agreement or in violation of law may cause the Disclosing Party to suffer irreparable harm which cannot be adequately compensated in damages. Accordingly, each Party agrees that in the event of any such breach of this Agreement, the Disclosing Party is entitled to seek injunctive relief against any such breach.

9. **Independent Parties:** The relationship of the Parties is that of independent parties. No joint venture, partnership or other relationship is implied or created between the Parties as a result of this Agreement. For the avoidance of doubt, the Confidential Information disclosed by a Party hereunder is disclosed for the Purpose only; any future business relationship between the Parties will be governed by the agreement negotiated and entered into by the Parties in connection therewith.

10. **Severability:** Should any provision of this Agreement be held to be invalid by a court of competent jurisdiction, then that provision will be enforced to the extent permissible, and all other provisions will remain in effect and are enforceable by the Parties.

11. **No Waiver:** No waiver of any part of this Agreement will be deemed to be a waiver of any other provision in this Agreement. No term of this Agreement will be deemed to be waived by reason of any previous failure to enforce it. No term of this Agreement may be waived except in writing signed by the Party waiving enforcement.

12. **Assignment:** This Agreement may not be assigned, in whole or in part, by a Party without the prior written consent of the other Party. This Agreement will inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

13. **Notices:** All notices under this Agreement will be in writing and may be sent by overnight, pre-paid courier or by electronic copy or facsimile provided that a hard copy is also mailed to the attention of the legal department of the applicable Party at the addresses listed above. Any such notice will be effective: on the first business day after delivery, if sent by electronic means or by facsimile; seven days from the date of mailing if sent by mail; or on the next business day, if sent by courier.

14. **Entire Agreement:** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes any prior understandings and agreements between the Parties in respect of such subject matter. No amendments to the terms and conditions of this Agreement are valid and binding unless made in writing and signed by the Parties.

15. **Counterparts:** This Agreement may be executed in any number of counterparts and all such counterparts taken together are deemed to be an original and constitute one and the same instrument. Counterparts may be executed either in original, faxed, or non-editable electronic format and the Parties adopt any signatures received by a receiving fax machine or as a non-editable electronic file as original signatures of the Parties.

16. **Governing Law:** This Agreement is governed by the laws of the Province of Ontario. The Parties submit to the exclusive jurisdiction of the courts of the Province of Ontario, sitting in Kingston Ontario.

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed by their duly authorized representative(s):

Company

CMC Microsystems

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____