

# NON-DISCLOSURE AGREEMENT

This NON-DISCLOSURE AGREEMENT ("Agreement") governs the disclosure and use of Confidential Information, and is made and entered into by and between **Zhejiang Dahua Technology Co., Ltd.** (hereinafter referred to as the Disclosing Party), a corporation duly established by and existing under the law of Peoples Republic of China with principle office at No.1199 Bin'an Road, Binjiang District, Hangzhou, Zhejiang, 310053 P.R.China, and \_\_\_\_\_(X Company , hereinafter referred to as the Receiving Party), a corporation duly established by and existing under the law of \_\_\_\_\_with principle office at \_\_\_\_\_. The Disclosing Party and the Receiving Party hereinafter are jointly referred to as the "Parties".

Whereas, the Disclosing Party and the Receiving Party discuss and consider to cooperate on \_\_\_\_\_. The Receiving Party needs to access to relative business and technology information owned by the Disclosing Party. In order to protect confidentiality and safety of the disclosing information, the Parties hereto agree as follows on the principle of mutual benefits and joint development:

## 1. Definition of Confidential Information and Exceptions.

Confidential Information means any information and data disclosed by the Disclosing Party to the Receive Party orally or in writing or in physical form, including but not limit to chip specifications, chip design guidance, schematic diagrams, PCB documents, codes, library files other relative technology information, marketing plans, organization structures, technical proposals, technological processes, pictures, photographs, contract terms under contracts entered into by and between both Parties. Confidential Information also includes know-how, trade secrets, business information, the information formed in the cooperation and Confidential Information in any form obtained from third party by the Disclosing Party.

Confidential Information is under the restrictions of this agreement, regardless of the disclosing form and methods and whether such information is marked "Confidential".

The affiliates of the Receiving Party is bound by this agreement, otherwise stipulated in this agreement. Affiliates means any corporation, firm, limited liability company, partnership or other entity that directly or indirectly controls or is controlled by or is under common control with a party.

Confidential Information shall not include information which: (i) was or is obtained by Receiving Party from a third party which the third party, to the actual knowledge of Receiving Party, was or is lawfully in possession of such information and was or is not in violation of any contractual or legal obligation to Disclosing Party or other third party with respect to such information; (ii) is or becomes part of the public domain through no fault of Receiving Party (iii) was or is independently ascertained or developed by Receiving Party (iv) is approved for disclosure and release by written authorization of Disclosing Party.

## 2. Permitted Use.

The Receiving Party shall handle, use, treat and utilize such Confidential Information as follows: (a) hold all Confidential Information received from the Disclosing Party in strict confidence; (b) use such Confidential Information only for the purpose of (i) evaluating the possibility of forming a commercial arrangement between the Parties concerning such Confidential Information, and (ii); (c) reproduce such Confidential Information only to the extent necessary for such purpose; (d) restrict disclosure of such Confidential Information to its employees with a need to know (and advise such employees of the obligations assumed herein); and (e) except as set forth in Article 4 herein, not disclose such Confidential Information to any third party, including, but not limited to, any vendor, customer, manufacturer or independent contractor, without prior written approval of such Disclosing Party.

The Receiving Party shall not decompile, disassemble, copy or imitate the disclosing information otherwise the Receiving Party shall bear the liabilities stipulated in Article 6.

## 3. Duty of Confidentiality

The Receiving Party shall be obliged to keep confidential all information received from the disclosing day and not disclose such information to the third Parties permanently. The duty of confidentiality of the Receiving Party can be relieved under the following situation which evidence has been furnished:

- (1) The Disclosing Party is willing to disclose the information;
- (2) The Disclosing Party authorizes the Receiving Party to release the information in writing;
- (3) The Disclosing Party notifies the Receiving Party to relieve the obligation of confidentiality;
- (4) The confidential information is publicly known through no wrongful act of the Receiving Party.

## 4. Compulsory Disclosure.

If the Receiving Party becomes required by law or regulation to disclose any Confidential Information or Reports the Receiving Party shall promptly (and before complying with any such requirement) notify the Disclosing Party in writing. In such event the Receiving Party shall take full account of any reasonable request made by the Disclosing Party and shall only disclose such Confidential Information that the receiving Party is compelled to disclose.

#### 5. Return of Information.

All Confidential Information shall remain the sole property of the Disclosing Party which originally disclosed such Confidential Information. Except as may be otherwise required by applicable law, regulation, legal or judicial process, the Receiving Party shall make all reasonable efforts to promptly destroy or return all materials containing any such Confidential Information (including all copies made by the Receiving Party), upon request following termination or expiration of this Agreement or the Receiving Party's determination that it no longer has a need for such Confidential Information. Upon request of the Disclosing Party, the Receiving Party shall certify in writing that all such materials have been returned to the Disclosing Party or destroyed.

#### 6. Liability for Breach of Contract

If the Receiving Party violates this agreement, the Receiving Party shall pay to the Disclosing Party RMB1000000 as liquidated damages.

If the liquidated damages is not enough to cover the damages incurred, the Receiving Party shall assume compensation liabilities. Since the nature of Confidential Information, the liquidated damages can't cover the damages incurred by breach of this agreement. In order to protect both Parties' interests, both Parties agree if the Receiving Party breaches or might breach this agreement, the Disclosing Party has the right to (1) demand the Receiving Party to cease the conducts breach or might breach this agreement without providing any evidences of actual damages; (2) obtain indemnity from the Receiving Party, including but not limited to attorney fee, expense for unauthorized-used information and other relative expense.

#### 7. No License.

No license to the Receiving Party of any trademark, patent, copyright, mask work protection right or any other intellectual property right is either granted or implied by this Agreement or any disclosure hereunder, including, but not limited to, any license to make, use, import or sell any product embodying any Confidential Information.

8. Warranty against Defects.

No representation, warranty or assurance is made by the Disclosing Party with respect to the non-infringement of trademarks, patents, copyrights, mask protection rights or any other intellectual property rights or other rights of third persons. The Disclosing Party will not bear liabilities incurred from using or not using such disclosing information.

9. Invalid Clause.

In the event that any of the terms, conditions or provisions of this Agreement are held to be illegal, unenforceable or invalid by any court of competent jurisdiction, the remaining terms, conditions or provisions hereof shall remain in full force and effect.

10. Independence.

The Parties are independent. The conclusion of this agreement shall not be deemed any agreement or promise concluded beside the purpose of this agreement.

11. Governing Law and Dispute Resolution.

The conclusion, validity, interpretation and performance of this agreement shall be governed by the laws of the People's Republic of China. When a dispute between the Parties arises from this agreement, the Parties shall make every endeavor to resolve it through friendly consultation. If settlement can not be achieved after 30 days of consultation notice, each party can submit the dispute to China International Economic and Trade Arbitration Committee for arbitration in accordance with its Rules and Procedures. The arbitration shall take place in Shanghai and the arbitration decision shall be final and binding on both parties.

12. Modification and Waiver.

No amendment or modification of this agreement shall be valid or binding on the Parties unless made in writing and signed on behalf of each of the Parties by its authorized officer or representative. The failure or delay of any party to enforce at any time any provision of this agreement shall not constitute a waiver of such party's right thereafter to enforce each and every provision of this Agreement.

13. Integrity.

This Agreement constitutes the entire understanding among the Parties hereto as to the Confidential Information and supersedes all prior discussions between them relating thereto.

14. Copy of Agreement

This agreement is made in duplicate with the same legal effect either of which shall be held by both Parties respectively.

This agreement shall become effective when duly signed by both Parties hereto.

**Zhejiang Dahua Technology Co., Ltd.**

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

(Signature)

Name: \_\_\_\_\_

(Print)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

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

(Signature)

Name: \_\_\_\_\_

(Print)

Title: \_\_\_\_\_

Date: \_\_\_\_\_