

NON-DISCLOSURE AGREEMENT

Effective as of _____, 20__ (the "**Effective Date**"), by and between _____, having its principal place of business at _____ and **Arkal Automotive C.S. Ltd.**, having its principal place of business at _____, Israel; Each a "**Party**" and collectively the "**Parties**;

BACKGROUND:

A. The Parties are engaged in business discussions relating to _____ (the "**Purpose**"), which may require disclosure of certain confidential or proprietary information, either directly or indirectly, by one of the Parties (as "**Disclosing Party**") to the other (as "**Receiving Party**") and/or to their respective employees;

B. Neither Party is willing to make disclosure of Confidential Information (as defined hereunder) to the other Party concerning such discussions without the other Party's agreement to hold such information in trust and confidence.

C. In consideration of the business discussions between the Parties and each giving access to their Confidential Information, the Parties hereby agree to the terms related to the treatment of Confidential Information and other considerations as set forth in this Agreement:

1. CONFIDENTIAL INFORMATION

1.1. For purposes of this Agreement, "**Confidential Information**" shall mean any information, documents, materials, technical data and drawings, physical/tangible samples, prototypes or know-how relating to matters including, but not limited to, research, products, specimens, equipment, devices, services, development, inventions, specifications, techniques, manuals, technical processes and other technical knowledge, formulations, designs, drawings, engineering, operating methods and instructions, marketing strategies and analysis, projections, plans, financial information, reports, and the like, disclosed by the Disclosing Party for or relating to the Purpose, directly or indirectly, or whether disclosed prior to or subsequent to the Effective Date to the Receiving Party. Confidential Information shall also include all negotiations with respect to any contemplated transaction between the Parties and the existence and terms of this Agreement.

1.2. The Receiving Party shall have a duty to protect Confidential Information (i) which is disclosed by the Disclosing Party in writing and is marked as "Proprietary" (or comparable legend) at the time of disclosure; or (ii) which is disclosed by the Disclosing Party in any other manner and is identified as confidential at the time of disclosure and is also summarized and designated as confidential in a written memorandum delivered to the Receiving Party within ten (10) days of the disclosure. Both Parties shall implement all necessary measures to ensure that Confidential Information is not made accessible to third parties. If requested to do so, a Party shall provide evidence that the third party has been obligated to secrecy.

The same applies to all industrial property rights and all other legal properties, in particular, manuscripts, texts, technical executions, photographs, films, videos, recordings, software, sound recordings and similar rights and items.

1.3. Any reproductions, notes, summaries or similar documents relating to Confidential Information shall itself be Confidential Information and as such shall become and remain the Disclosing Party's property upon the creation and shall be conspicuously marked "Proprietary" (or comparable legend).

1.4. Neither Party shall identify information as Confidential Information unless it in good faith believes same to be confidential, privileged, a trade secret, or otherwise entitled to such proprietary claim.

2. **Ownership of Confidential Information**

All Confidential Information shall be and remain the exclusive property of the Disclosing Party and all Confidential Information shall be promptly returned to the Disclosing Party upon written request by the Disclosing Party, or destroyed, at the Disclosing Party's option.

Notwithstanding the preceding sentence, the Receiving Party may retain one copy of the Disclosing Party's Confidential Information in the confidential, restricted access files of its legal department for use only to prove compliance with the terms of this Agreement.

3. **Disclosure and Use of Confidential Information**

3.1. The Receiving Party shall not, and shall not permit any of its affiliates, consultants, investors or employees, to: (i) directly or indirectly disclose, disseminate, publish or otherwise reveal any Confidential Information to any third party; or (ii) directly or indirectly disclose, disseminate, publish or otherwise reveal any Confidential Information to anyone of its affiliates, consultants, investors or employees, except on a strict need to know basis and provided that such affiliates, consultants, investors or employees are parties to a written agreement with the Receiving Party that is at least as restrictive as this Agreement. The Receiving Party shall notify each such affiliates, consultants, investors or employees of this Agreement, and shall require the same to comply with the nondisclosure obligations and restrictions on use set forth herein; or (iii) use or exploit Confidential Information in any form, directly or indirectly, partially or completely, commercially, or in form of protective rights or otherwise, for any purpose except for the Purpose; or (iv) reverse engineer, decompile or disassemble any product of the Disclosing Party containing Confidential Information.

As used herein, "**affiliate**" shall mean any group, trust, firm or corporation that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Receiving Party or with an employee thereof; "control" means ownership or control, direct or indirect, of more than fifty percent (50%) of a corporation's, company's or other entity's voting capital or its governing or managing body. In addition, as used herein, "**employee**" shall mean any person, group, consultant, advisor, or firm, directly or indirectly employed or engaged or otherwise affiliated with the Receiving Party.

3.2. Upon the expiration or termination of this Agreement, the Receiving Party's authorization to use Confidential Information in accordance with the terms of this Agreement shall, in any event, immediately and automatically terminate.

3.3. The Parties agree that the Receiving Party shall advise the Disclosing Party in writing of any misappropriation or misuse by any person(s) of Confidential Information of which the Receiving Party becomes aware.

3.4. The Receiving Party shall keep Confidential Information in a secure location, and shall not reproduce or copy Confidential Information by any means, except as reasonably required to accomplish the permitted purposes set forth above. The Receiving Party shall use the same degree of care, but no less than a reasonable degree of care, to avoid unauthorized dissemination, publication or use of Confidential Information as the Receiving Party employs for its own confidential and/or proprietary information of a like nature.

4. **Exceptions to Disclosure of Confidential Information**

The Parties agree that the restrictions of Section 3 above shall not apply to information which the Receiving Party can demonstrate, through written evidence: (i) is or became available to it on a non-confidential basis from a source other than the Disclosing Party or its agents through no fault of the Receiving Party; (ii) known to the Receiving Party at the time of disclosure by the Disclosing Party; (iii) which is or becomes public through no fault of the Receiving Party; (iv) developed by the Receiving Party independently of any Confidential Information received from the Disclosing Party;

or (v) Required to be disclosed pursuant to any applicable law, regulation (including stock exchange regulations), and/or order or instruction of a competent authority or court, provided that the Disclosing Party is given reasonable notice (to the extent possible) to challenge such court order.

5. Term

This Agreement shall enter into force and effect on the Effective Date hereof and shall remain in force for a period of 12 (twelve) months, unless a different understanding is reached by the Parties in a later agreement. Notwithstanding the foregoing the confidentiality obligations set forth herein shall survive termination of this Agreement for a period of five (5) years

6. Absence of License or Other Agreement

6.1. The Receiving Party is not granted any license, certification, rights under any patent or any other rights, with respect to the Disclosing Party's Confidential Information.

6.2. This Agreement shall not constitute, create, give effect to or otherwise imply a joint venture, agency relationship, partnership, or formal business organization of any kind, nor shall it impose an obligation or commitment on either party to enter into or proceed with any further agreements, relationships, or transactions. Nothing herein shall be construed as providing for the sharing of profits or losses arising out of the efforts of either or both parties. Neither party will be liable to the other for any of the costs, expenses, risks, nor liabilities arising out of the other's efforts concerning this Agreement.

7. Receiving Party Liable

In any event and under all circumstances, a Receiving Party shall be responsible for any breach and/or anticipatory breach of any of such Receiving Party's obligations, undertakings or duties hereunder, by any of its affiliates, consultants, investors or employees, jointly and severally with the breaching party.

8. Entire Agreement; Modification

This Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof, and shall not be modified in any way except by an instrument in writing duly executed by the Parties hereto or their respective assignees. Furthermore, this Agreement supersedes all prior agreements and understandings relating to the Purpose and exchange of Confidential Information between the Parties hereto, and between their related entities and affiliates.

9. Coverage

This Agreement shall be binding on and inure to the benefit of the respective successors, assigns or other legal representatives of the Parties hereto.

10. Applicable Law

The substantive law of Israel shall govern the terms of this Agreement, without giving effect to the conflict or choice of laws provisions thereof, and all actions shall be exclusively brought in the competent courts of Tel-Aviv, Israel.

11. Remedies

It is understood by the Parties hereto that monetary damages alone may not be an adequate remedy for any breach of the provisions of this Agreement and that its provisions may be specifically enforced by an injunction issued by a court of competent jurisdiction.

12. Assignment

This Agreement shall not be assignable by a Party without the written consent of the other Party, and any purported assignment not permitted hereunder shall be construed null and void.

13. Waiver

No delay or omission in the exercise of any right or remedy hereunder or under any applicable law shall constitute a waiver of such right or of any other right or remedy available to such party; nor shall any delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any right or remedy on any other occasion.

14. Warranties

Each Party warrants only that it has the right to release any Confidential Information provided by that Party hereunder. NO OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR GOOD TITLE, ARE MADE BY EITHER PARTY HEREUNDER. The Disclosing Party makes no warranties or representations that it will introduce any product relating to Confidential Information. Any information delivered under this Agreement is provided "As Is". The Receiving Party acknowledges that Confidential Information may still be under development, or may be incomplete, and that such Confidential Information may relate to products that are under development or are planned for development. Neither Party shall be liable in damages, of whatever kind, as a result of the other Party's and/or a third party's reliance on or use of the information provided hereunder.

15. Severability

If one or more provisions of this agreement are in breach of law which is applicable now or which hereafter becomes applicable, the validity of the remaining provisions of this agreement shall be unaffected thereby. In this event, the parties shall replace the invalid provision with such statutorily permissible provision as most closely approximates to the purpose intended by the ineffective provision

16. Authority

Each Party represents that it has full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each Party has been properly authorized and empowered to enter this Agreement, understands it, and agrees to be bound by it.

Arkal Automotive C.S. Ltd.

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____