



CONFIDENTIALITY AGREEMENT

BETWEEN:

Client Company Name: _____

(herein after referred to as “Client”)

Address: _____

and

Quality & Compliance Services Inc.

(herein after referred to as “Recipient”)

Address: 9-6975 Meadowvale Town Centre Circle
Suite 410
Mississauga, ON, L5N 2V7

INTRODUCTION:

- I. Client owns, possesses or controls certain trade secrets, and proprietary and confidential information acquired through the expenditure of time, effort and money, of a technical and business nature.
- II. Client and the Recipient are currently engaged in discussions relating to possible future business projects with respect to the performance of one or more supplier/manufacturing functions for Client and such discussions will involve Client disclosing Confidential Information to the Recipient, in one form or another.

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CONFIDENTIALITY AGREEMENT

III. Client wishes to define its right and the Recipient's obligations with respect to disclosure of the Confidential Information.

In consideration of Client's disclosure of Confidential Information to the Recipient, the parties agree as follows:

1. **Definitions.** Where used in this Agreement, the words and phrases below mean the following:

- a) "Confidential Information" means all form and manner of information, which the Recipient receives, acquires or discovers from Client or any of its employees, contractors, or agents, whether directly or indirectly, including but not limited to:
 - i. all reports, memoranda, plans, drawings, schematics, designs, calculations, formulas, data, methods, techniques, procedures and any complication or combination thereof, relating or pertaining to the Project or to any aspect of Client operations; and
 - ii. any other information which Client has, in writing, requested the Recipient to keep confidential or which should be reasonable considered as being confidential having regard to the nature, appearance, location or value of such information; but excluding all Non-Proprietary Information.

- b) "Non-Proprietary Information" means:
 - i. information which is within the public domain at the time of its disclosure to the Recipient or which thereafter enters the public domain through no fault of the recipient, but only after such information becomes part of the public domain and which was publicly disclosed otherwise than by breach of this Agreement;
 - ii. information which the Recipient can show was in its possession prior to receipt or acquisition from Client and which is not subject to confidential restriction; and



CONFIDENTIALITY AGREEMENT

- iii. information which, following its disclosure by Client to the Recipient is received by the Recipient without obligation of confidence from a third party who the Recipient had no reason to believe was not properly or lawfully in possession of such information free from any obligations of secrecy.

Any information consisting of a combination of Non-Proprietary Information and Confidential Information will only be considered by the Recipient as Non-Proprietary Information if the combination itself is in the public domain or the prior possession of the Recipient.

2. **Confidential Information.** The Recipient acknowledges that the Confidential Information is a special, valuable and unique asset of Client and the Recipient agrees that:
 - a) it shall not use any of the Confidential Information for purposes other than the projects, as intended by Client;
 - b) the Confidential Information shall be kept in strict confidence by the Recipient. The Recipient shall not, directly or indirectly, disclose, allow access to, transmit or transfer the Confidential Information to a third party without Client's prior written consent. The Recipient may only disclose the Confidential Information to its employees on a "need to know" basis. The Recipient shall, prior to disclosing the Confidential Information to such employees issue appropriate written instructions to them to satisfy its obligations herein and to receive and use the Confidential Information on a confidential basis on the same conditions as contained in the Agreement;
 - c) in the event the Recipient needs to disclose Confidential Information to some of its directors, officers, agents, affiliates, financial advisors, consultants, lawyers and accountants in order to properly provide services or advice to Client for the Project, such directors, officers, agents, affiliates, financial advisors, consultants, lawyers and accountants have first entered into an agreement in writing with the Recipient that applies to the Confidential Information and imposes obligations of secrecy equal to or greater than the obligations contained herein; and



CONFIDENTIALITY AGREEMENT

- d) if requested by Client, the Recipient shall immediately return to Client all Confidential Information and any copy of the information under the power or control of the Recipient, and delete the Confidential Information from all retrieval systems and data bases or destroy same as directed by Client. The obligation to delete or destroy shall also extend to any document prepared by the Recipient, which embodies or contains extracts from the Confidential Information.

Notwithstanding the foregoing, the Recipient may disclose such Confidential Information to a government, regulatory or judicial agency as may be required by law.

3. **No License or Commitment.** Neither this agreement nor any of its provisions shall be construed as a transfer or license of the Confidential Information to the Recipient. Neither this Agreement nor any of its provisions shall be considered or construed as a commitment by Client to engage the Recipient in any work except as expressly agreed between the Parties.
4. **Remedies.** The Recipient agrees that legal damages in respect of a breach of the obligations set out in this Agreement are not a sufficient remedy for Client.
5. **Severability.** If any provision of this Agreement should be held invalid, illegal or unenforceable then, in such event, the remainder of the Agreement shall still be and continue to be in full force and effect as if such invalid illegal or unenforceable provision had been deleted from or never included in this Agreement.
6. **Governing Law.** This Agreement shall be governed by Ontario law.
7. **Successors and Assigns.** The Agreement may not be assigned by the Recipient without the prior written consent of Client. All of the covenants and obligations in this Agreement of the Parties shall apply to and ensure to the benefit of and be binding upon their respective legal representatives, successors and permitted assigns.
8. **Entire Agreement.** This Agreement sets forth the entire Agreement between the Parties in connection with the subject matter hereof. No alteration, amendment or qualification of this Agreement shall be valid unless it is in writing and is executed by both Parties.



CONFIDENTIALITY AGREEMENT

9. **Headings.** The division of this Agreement into paragraphs and the use of headings is for convenience of reference only and shall not modify or affect the interpretation or construction of this Agreement or any of its provisions.

IN WITNESS WHEREOF the Parties have signed this Agreement on

_____ (date).

Company Name: _____

Quality & Compliance Services Inc.

Per: _____

Per: _____

Name: _____

Name: Graham Mills

Title: _____

Title: Executive Vice President