

Confidentiality And Non-Disclosure Agreement

1/9

THIS AGREEMENT is entered into this day of _____ month _____ year _____ ,

BETWEEN

M. Chanaan L.t.d., Adress: _____,
OIB (PIN) _____ (herein after “M. Chanaan”), represented by
Mr. Miroslav Vukušić, OIB (PIN) _____,
and:

_____, Adress: _____,
OIB (PIN) _____ (herein after _____),
represented by _____, OIB(PIN) _____ .

M. Chanaan and _____ may be referred to herein individually as a
“Party” and collectively as the “Parties”.

WHEREAS:

(A) each Party (the “Disclosing Party”) is willing to provide its and/or its Affiliates’ confidential and proprietary information to the other Party (the “Recipient”) to assist the Recipient in its consideration and evaluation of entering into the Business Relationship with the other Party.

NOW, THEREFORE, in consideration of the premises hereof and the promises set forth below, the Parties agree as follows:



1. Confidential Information

For the purposes of this Agreement, the term “Confidential Information” means and includes:

(a) information concerning the business and operations of the Disclosing Party and/or its Affiliates (including any business, commercial, technical, marketing, financial or other information, whether in electronic, oral or written form) provided by the Disclosing Party or its Representatives (as defined below) to the Recipient or its Representatives in connection with the Recipient’s evaluation of the Business Relationship; and

(b) information in whatever form supplied by the Disclosing Party or its Representatives to the Recipient or its Representatives relating to The Project, the companies related to The Project, their business, assets and affairs, the fact that the Parties and the companies related to The Project are or may be contemplating The Project, the fact that the Parties and the companies related to The Project are in discussions with each other and its Representatives, the financial statements and all financial, commercial, technical, operational, staff, management and other information, data and know-how regarding The Project and companies related to The Project; and

(c) any information acquired by observation by the Recipient or by its Representatives in any data room of information (in whatever form maintained) or from a management or similar presentation relating to The Project or companies related to The Project; and

(d) notes, analyses, compilations, studies or other documents prepared by, for or on behalf of the Recipient or its Representatives that contain, reflect, are based upon or are otherwise related to such information.

With respect to a particular Party, the term “Representatives” means and includes such Party’s Affiliates and their respective directors, officers, members, managers, employees, representatives (including, without limitation, financial advisors, financing banks or other financing institutions, legal counsel, consultants and accountants) and agents.

For purposes of this Agreement, the term “Affiliate” means any person or entity that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with a specified Party.

2. Exceptions

Notwithstanding anything otherwise contained herein, Confidential Information shall not include information that (a) is at the time of such disclosure, or thereafter becomes publicly available or generally known, other than as a result of a breach of this Agreement by the Recipient or any of its Representatives, (b) is already known to the Recipient or within its possession at the time of such information’s disclosure by the Disclosing Party, provided that such information was not from a third party that was bound by a confidentiality obligation to the Disclosing Party or any of its Affiliates, (c) becomes available to the Recipient from a third



party that is not known by the Recipient to be in breach of a confidentiality obligation owed to the Disclosing Party or any of its Representatives, (d) can be shown by the Recipient to have been independently developed by it or its Representatives without use or reliance on the Confidential Information or (e) is approved for public disclosure in writing by the Disclosing Party.

3. Restrictions on Use and Dissemination of Confidential Information

The Recipient agrees not to use the Confidential Information for any purposes other than evaluating and potentially entering into the Business Relationship. Solely with respect of this clause the Recipient will be treated as having used the Confidential Information in connection with any action the Recipient takes or decision the Recipient makes unless the Recipient can show that the Recipient would have taken that action or made that decision even without the Confidential Information. Except to the extent required by law, regulation or rule (including of any governmental body, national stock exchange or other regulatory authority) or as otherwise provided herein, the Recipient shall not, without the prior written consent of the Disclosing Party, disclose the Confidential Information to any person or entity and will protect the confidentiality of such Confidential Information using the same degree of care as the Recipient uses with its own confidential information (but no less than a reasonable standard of care); provided, however, that the Recipient may furnish Confidential Information to its Representatives who need to have access to such Confidential Information for purposes of evaluating and potentially entering into the Business Relationship, provided that the Recipient shall inform its Representatives of the confidential nature of the information and shall be responsible for any breach of confidentiality by any such Representatives.

The Recipient will inform such Representatives, prior to disclosing the Confidential Information, of the terms of this Agreement and procure that the Representatives comply with the requirements of this Agreement, among other but not limited to, signing this Agreement. Any action taken by such a person which if taken by the Recipient would be a breach of this Agreement is to be treated as a breach by the Recipient of the terms of this Agreement.

The Recipient must keep the Confidential Information secure and protect the Confidential Information from unauthorized use, disclosure, access and damage or destruction. The Recipient shall keep the Confidential Information and all copies thereof separate from its own documents and records and the documents and records of any other person. The Recipient shall not permit or cause the Confidential Information to be entered into a computer not solely used, operated and controlled by the Recipient or its Representatives.

4. Ownership and Nature of Confidential Information

All Confidential Information shall be and remain the property of the Disclosing Party and, other than the right to use the Confidential Information in accordance with the express terms of this Agreement, no right or license is granted to the Recipient with respect to any Confidential Information. Except for any representations or warranties set forth in a final, written definitive agreement regarding the Business Relationship between the Parties, no representation or warranty is made by the Disclosing Party or any of its Representatives as to the accuracy or completeness of any information provided to the Recipient. In furnishing any Confidential



Information no obligation is undertaken by the Disclosing Party and by its Representatives to provide any additional information or to update or correct any inaccuracies which may become apparent in any of the Confidential Information.

5. Non-Disclosure of Business Relationship

In addition to the foregoing disclosure and use restrictions regarding Confidential Information, each Party agrees that, except to the extent required by applicable law, regulation or stock exchange rule, it will keep strictly confidential and will not (and will cause its Representatives to not), without the prior written consent of the other Party, make any public announcement concerning the other Party or the Business Relationship or disclose or confirm to any third party the contents, substance, status or existence of any discussions or negotiations that are taking or have taken place related to the Business Relationship (including the existence or contents of this Agreement and the fact that Confidential Information has been exchanged or made available).

6. Return or Destruction of Confidential Information

Upon written request of the Disclosing Party, the Recipient agrees to, at its option, immediately either return to the Disclosing Party or permanently destroy all original documents containing Confidential Information in its possession, including all copies of the same in any form (including but not limited to magnetic or digital form), and any documents which incorporate part of the Confidential Information whether or not the Confidential Information is combined with any other information (including all copies and reproductions thereof) and whether or not it is prepared by the Recipient or Recipient's Representatives, except for any such Confidential Information that exists only as part of regularly generated electronic backup data, the destruction of which is not reasonably practicable; provided, however, that the Recipient and its Representatives may retain one copy of such material to the extent necessary to comply with applicable law, regulation or bona fide and reasonable document retention policies. Any electronic backup data and other copy of Confidential Information retained by the Recipient pursuant to the preceding sentence shall remain subject to all restrictions and obligations contained in this Agreement. The Recipient also agrees to ensure that each person who has, or has prepared, a document or other information in any form containing Confidential Information complies with this paragraph. Upon written request of the Disclosing Party, the fact of any such return or destruction shall be certified in writing by the Recipient to the Disclosing Party.

7. Required Disclosure

If the Recipient or any of its Representatives is required to disclose any Confidential Information (i) by any applicable law or regulation, (ii) pursuant to a subpoena or order of a court or regulatory, self-regulatory or legislative body of competent jurisdiction or exchange to which the Recipient is subject, (iii) in connection with any regulatory report, audit of any nature (including without limitation any independent audit), inquiry or other request for information



from a regulatory, self-regulatory or legislative body of competent jurisdiction or exchange to which the Recipient is subject, and/or (iv) by any governmental or quasi-governmental authority to which the Recipient is subject, the Recipient shall, to the extent it is legally permitted to do so, promptly notify the Disclosing Party of such requirement so that the Disclosing Party may seek an appropriate protective order or other relief or waive compliance with the provisions of this Agreement. The Recipient may only make a disclosure or announcement in the circumstances contemplated in this paragraph if, to the extent permitted by law, the Recipient have consulted with the Disclosing Party and used its reasonable efforts to take into account the Disclosing Party's requirements as to its timing, content and manner of such disclosure (this clause shall not apply if notification of disclosure is prohibited by applicable law or regulations). In the absence of a timely protective order or waiver of compliance, the Recipient or its Representative may disclose such Confidential Information, but only the minimum of the Confidential Information that is legally required to be disclosed.

8. Business Relationship; Nature of Agreement

Both Parties acknowledge and agree that unless and until a final, written definitive agreement regarding the Business Relationship between the Parties or their respective Affiliates has been executed and delivered, neither Party is under a commitment to enter into any agreement, discussions or negotiations with the other Party or to conclude or further pursue or proceed with the Business Relationship or any other type of business relationship by virtue of this Agreement or any disclosure of Confidential Information, and neither Party will be under any legal obligation of any kind whatsoever with respect to such Business Relationship, except for the matters specifically agreed to herein. Both Parties further acknowledge and agree that each Party reserves the right, in its sole discretion and at any time, to reject any and all proposals made by the other Party or any of its Representatives or any other party with regard to the Business Relationship and to terminate any discussions or negotiations related to the Business Relationship at any time without liability to the other Party other than the obligation to comply with the terms of this Agreement. Nothing in this Agreement nor any disclosure of Confidential Information hereunder creates any agency, joint venture or partnership relation between the Parties or prohibits or restricts the right of either Party to enter into any business relationship with a third party or use in its services and products any ideas, concepts, methods, expressions, know-how or techniques related to the scope of the other Party's services or products that are not unique to the Confidential Information.

9. Non-competition

The Recipient acknowledges that the information concerning opportunities, situations, and/or persons, are the personal property of the Disclosing Party who brought this information to the awareness of the Recipient, and therefore, The Recipient agrees that it nor its Representatives or contacts will circumvent or bypass the Disclosing Party in any way. The Recipient will inform its Representatives, prior to disclosing the Confidential Information, of the provision of Non-competition and procure that the Representatives comply with the requirements. Any action taken by Recipients Representatives, which if taken by the Recipient Representatives



would be a breach of this Agreement, is to be treated as a breach by the Recipient of the terms of this Agreement.

The Recipient understands and agrees that “Non-Circumvention” means that The Recipient nor their Representatives will approach, contact, solicit, negotiate, discuss, or transact business pertaining to the introduced project and/or persons without the prior knowledge and written consent of the Disclosing Party. This shall include projects, companies and persons that came to the attention of The Recipient and its Representatives during discussions. Every effort will be made by The Recipient and/or its Representatives to request prior authorization in written from the Company regarding any agreement, arrangement, contact, meeting, intent, undertaking, or act by which a profit, commission, income, royalty, back-in, reversionary interest, or other benefit could result or accrue. These discussions may be recorded by either party without notice.

The Recipient shall not, without first obtaining the written consent of the Disclosing Party, solicit, canvass, approach or accept an approach from any of the Disclosing Party’s Representatives or the Business Relationship related Representatives with a view to engaging or employing that party or in respect of that party ceasing their employment or engagement.

The Recipient agrees that for the period of one year from the date hereof the Recipient and its Representatives shall not at any time employ, engage or solicit or try or endeavor to employ, engage or solicit any officers or employees of the companies related to the Business Relationship nor induce or try to induce them to leave their office or employment with the companies related to the Business Relationship. The foregoing shall not apply to any such employee who responds to a general advertisement or who contacts the Recipient unsolicited.

10. Remedies

Each Party acknowledges that remedies at law may be inadequate to protect the Disclosing Party against any breach of this Agreement by the Recipient, and, without prejudice to any other rights and remedies otherwise available to the Disclosing Party, agrees that the Disclosing Party may seek injunctive relief. Such remedy shall be in addition to and not in lieu or limitation of other remedies available to the Disclosing Party.

11. Recipient indemnity

The Recipient is liable for and indemnifies the Disclosing Party in respect of any claim, action, damage, loss, liability, cost, expense or payment which the Disclosing Party suffers or incurs or is liable for as a result of a breach of this Agreement or any infringement of the Disclosing Party’s rights in respect of the Confidential Information by the Recipient or by any Recipient’s Representatives.

Each indemnity in this Agreement is a continuing obligation, separate and independent from



the other obligations of the parties, and survives termination, completion or expiration of this Agreement. It is not necessary for a party to incur expense or to make any payment before enforcing a right of indemnity conferred by this Agreement.

12. Term

This Agreement and its terms will continue in effect for a period of three years from the date hereof and Recipients obligations under this Agreement shall survive the termination of any discussions or negotiations regarding the Business Relationship.

13. No Waiver

No failure or delay by either Party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise or waiver thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege whatsoever hereunder.

14. Waiver; Amendment

Neither this Section nor any other provision in this Agreement can be waived or amended except by written consent of the Parties, which consent shall specifically refer to this Section (or such other provision) and explicitly make such waiver or amendment.

15. Assignment

This Agreement may not be assigned by either 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.

16. Severability

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall to the extent permitted by applicable law, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

17. Notice

All notices, requests, demands, declarations and other communications required hereunder or



given pursuant hereto shall be in writing in English and shall become effective (a) if given by email, when transmitted and receipt has been confirmed; (b) if given by a recognized international courier or a national recorded post service, when delivered by such courier or service; (c) if personally delivered, when so delivered in person, addressed as follows:

(I) If to:	M. Chanaan L.t.d.	(II) If to:	_____
Tel:	+385 52 433 370	Tel:	_____
Attention:	Miroslav Vukušić, CEO	Attention:	_____
Email:	info@m-chanaan.hr	Email:	_____

or at such other address as either Party may from time to time designate for itself by written notice to the other Party.

18. Third Party Rights

A person who is not a party to this Agreement has no rights to enforce or to enjoy any of the benefits of any term of this Agreement.

19. Governing Law

This Agreement shall be governed by, construed and enforced in accordance with the laws. Each party irrevocably agree that any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement or the consequences of its nullity) shall be exclusively referred to and finally resolved in the Commercial Court of Pazin, Croatia.

20. Headings

Section headings herein are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

21. Counterparts; Signatures

This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument. It will not be necessary in making proof of this Agreement or the terms of this Agreement to produce



or account for more than one such counterpart. Each Party agrees that it will be bound by its own facsimile or scanned signature and that it accepts the facsimile or scanned signature of the other Party to this Agreement.

22. Entire Agreement

This Agreement contains the entire understanding and agreement between the Parties with respect to the matters set forth herein and supersedes any and all prior agreements and understandings, whether written or oral, relating thereto. Neither Party will have any obligation or liability, express or implied by law, with respect to trade secrets or proprietary information of the other Party except as set forth in this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized representatives of the Parties and shall be effective as of the date first above written.

M. Chanaan L.t.d.

By: _____

Miroslav Vukušić, CEO

Name: _____

Position: _____

