

This Agreement is effective as of the date of signature by both parties by and between Solace Power Incorporated, with place of business at 1118 Topsail Road, Suite 201, Mount Pearl, NL A1N 5E7 Canada (hereafter "SOLACE") and _____ (hereafter "UNDERSIGNED"), with place of business at _____.

WHEREAS, in accomplishing _____, the Purpose of this Agreement, information will be exchanged which is confidential (hereafter "Confidential Information");

WHEREAS, the parties hereto wish to set forth their understanding as to what constitutes Confidential Information and how their Confidential Information will be treated in achieving the Purpose of this Agreement;

NOW THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and other good and valuable consideration, the parties agree as follows:

1. Each party may disclose to the other certain proprietary information, data, techniques, or know-how in accomplishing the Purpose of this Agreement. All such information shall be deemed confidential, proprietary and valuable trade secret information, which is the exclusive property of the disclosing party and is referred to herein as "Confidential Information."
2. Each receiving party shall use the Confidential Information of the disclosing party exclusively for accomplishing the Purpose of this Agreement. All Confidential Information shall remain the property of the disclosing party and shall be kept confidential by the receiving party and not disclosed to others except with the prior written consent of the disclosing party.
3. Each of the parties shall disclose the Confidential Information of the other party only to such of its own employees or associates as shall require the information in order to carry out the Purpose of the Agreement and shall treat such information as it would its own Confidential Information. Such employees or associates shall be notified of the proprietary nature of the Confidential Information.
4. All Confidential Information disclosed in written form under this Agreement by either party shall be clearly marked as "proprietary," "confidential," or the like. All Confidential Information disclosed in any manner other than in writing shall be preceded or followed by an oral or written statement indicating that the information is Confidential or constitutes Confidential Information falling within the terms of this Agreement. Neither party shall copy or duplicate any materials containing Confidential Information except as necessary to accomplish the Purpose of this Agreement. Both parties shall return all materials containing Confidential Information.
5. The restrictions and obligations of confidentiality upon the parties under this Agreement shall expire five (5) years from the date of this Agreement and shall not apply to any portion of the Confidential Information of either party which:
 - a. is known to the receiving party prior to receipt thereof under this Agreement, as evidenced by written records;
 - b. is disclosed without restriction to the receiving party in good faith by a third party who is in lawful possession thereof and who has the right to make such disclosure;
 - c. is or shall have become public knowledge, by publication or otherwise, through no fault of the party having the obligation of confidentiality under this Agreement;
 - d. is discovered or known by either party completely without reference to Confidential Information of the other party.

6. Unless renewed in writing, this Agreement expires one (1) year from the date of the Agreement, except that the requirements for continuing confidentiality shall remain in effect for the period specified in paragraph 5 above.
7. Both parties agree to hold in confidence the fact that the parties have executed this Agreement and that they are having these discussions, except upon mutual agreement to the contrary.
8. This Agreement shall be binding upon the assigns and successors of each party.
9. Nothing in this Agreement shall be deemed to grant either party any license to the other party's intellectual property.
10. No Reverse Engineering. No Party, as Recipient, or Related Party will decompile, disassemble, reverse engineer or attempt to reconstruct, identify or discover any source code, underlying ideas, techniques or algorithms in Confidential Information by any means whatsoever, except as may be specifically authorized in advance by Discloser in writing.
11. This Agreement shall be governed and construed as to both substantive and procedural matters in accordance with the laws of the Province of Newfoundland and Labrador, Canada, without reference to the conflicts of laws principles applicable therein. Any disputes arising in connection with this Agreement and further agreements relating hereto shall be settled by any competent court in the Province of Newfoundland and Labrador.
12. There are no understandings, agreements, or representations, expressed or implied, not specified herein. This Agreement may not be amended except in writing.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the latest date shown below.

SOLACE POWER INC.

UNDERSIGNED

By: _____
 Name (please print) *Date*

By: _____
 Name (please print) *Date*

 Signature

 Signature

Title: _____

Title: _____