

## SECURITY AGREEMENT

THIS AGREEMENT made effective the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**BETWEEN:**

**CORPORATION**  
(the "Corporation")

**- and**  
**OWNER**  
(the "Owner")

**WHEREAS:**

- A. The Owner possesses valuable knowledge and information of a secret, proprietary and confidential nature (the "Know-How") relating to \_\_\_\_\_;
- B. The Corporation wishes to evaluate the Know-How for the purpose of determining its usefulness or relevance to the Corporation;
- C. The parties hereto desire to enter into discussions which may lead to a relationship between the parties, and in the course of those discussions, it will be necessary for the Owner to divulge the Know-How to the Corporation;

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT** in consideration of the mutual promises and covenants contained in this agreement. and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

### 1. Definitions

- (a) "Confidential Information" means: information disclosed to the Corporation or becoming known to the Corporation as a consequence of or during the course of its relationship with the Owner, in whole or in part, which information is not generally known to the public, about the Owner's products, processes, formulae, services, methods, ideas, designs and concepts, including but not limited to information relating to research and development, inventions, manufacturing, production methods, accounting and financial matters, engineering, marketing, merchandising, distribution, product acquisition and sales, drawings and sketches, technical information, specifications and requirements, Know-How, patent, industrial design and trade mark applications, documentation and other written or printed information, computer software and all information conveyed orally or by any other means by the Owner to the Corporation. The term "Confidential Information" shall not mean:
  - (i) information made known to the Corporation by a third party;
  - (ii) information which was in the public domain at the time of disclosure, or which subsequently entered the public domain but not through a breach of this agreement or an act or omission of the Corporation;
  - (iii) information which was in the possession of the Corporation which was not directly or indirectly obtained from the Owner.

In the event of any claim by the Owner that the Corporation has breached this non-disclosure Agreement, the Corporation shall be responsible for establishing proof that the information provided to it by the Owner was not Confidential Information.