



Investment Banking | M&A | Intermediaries

MUTUAL NONDISCLOSURE AND NON-CIRCUMVENTION AGREEMENT

This Mutual Non-Disclosure and Non-Circumvention Agreement (“Agreement”) regarding: _____ is entered into by and between Reggie Mason and Sapient Private Equity Group, Inc. on the one hand (“SPEG”, or “M&A Advisers”), with their office location in Century City, California; and _____, on the other hand (“Recipient”) with his/her/ their/ its principal/ branch office in _____. Consultants and Recipient may sometimes hereinafter be referred to individually as a “Party” or together as the “Parties”.

Whereas, each Party (the “Disclosing Party”) may disclose, from time to time, Confidential Information (as defined in Paragraph 1 below) to the other party (the “Recipient Party”) for the purpose of evaluating the possibility of entering into a particular transaction or agreement regarding a broad spectrum of matters, including but not limited to acquisition, identification and procurement of targets through SPEG, growth strategies, business financing, mergers, sales and or acquisition of or by SPEG’s business clients and contacts, whether in connection with capital market access, alternative financing, debt or equity investing, capital structuring, or post closing integration of services such as marketing, market entry, development of single purpose entities, etc..(the “Permitted Purposes”).

Whereas, the Parties anticipate reviewing, submitting and forwarding to each other Confidential Information regarding numerous business matters, including but not limited to acquisition, identification and procurement of targets through SPEG, capital sources, client seller information, client buyer information, products, intellectual property, methodology, market strategy, pricing or any other matter. So as to avoid signing multiple Mutual Nondisclosure and Non-Circumvention Agreements with respect to each business matter, capital source, client, client information, product, intellectual property, methodology, market strategy, pricing or any other matter, the Parties therefore intend to have this Agreement apply individually and collectively as though it had been signed specifically as to **Exhibit A’s** identified business matter, target company, capital source, client, client seller information, client buyer information, product, intellectual property, methodology, market strategy, pricing or any other matter as though it had been submitted, reviewed, shared, worked on or discussed by and among the Parties and their clients, employees, agents, heirs, assigns, and other necessary third party professionals.

Now, therefore, in consideration of the mutual exchange of Confidential Information, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Confidential Information.** “Confidential Information” shall mean all information, whether written, oral, or graphic, provided by the Disclosing Party to the Recipient Party concerning both the Disclosing Party and its clients’ businesses, products or services that is not generally known to the public and Disclosing Party’s competitors including, without limitation, information relating to the Disclosing Party’s business

affairs, relationships with target companies, affiliates, sources of capital, customers, borrowers, debtors, guarantors, lists (including, but not limited to, lists of customers, borrowers, debtors, or guarantors), customer or consumer information (including, but not limited to, non-public personal information), assets, mortgages, UCC-1 liens, (or other security instruments), loans, collateral, loan documents, vendors, relationships with third parties, trade secrets, prices, products, services, analyses, studies, evaluations, cost information, business or technical research documents, accounting, marketing, marketing research, finance capital structures, strategies, business systems, designs, financial plans and records, financial models, software and programs, hardware system designs and specifications.

2. **Obligations of the Recipient Party.**

- a) Except as otherwise permitted by this Agreement, the Parties shall use Confidential Information received by the other Party only for Permitted Purposes and not for any other purpose or to any competitive advantage, and shall keep confidential and not disclose such Confidential Information to any third party for a period of three (3) years from the date of disclosure. The Recipient Party has been advised that the Disclosing Party may be subject to the privacy provisions of the Gramm-Leach-Bliley Act and other federal and state laws, which unless certain conditions are satisfied, prohibits Disclosing Party from disclosing nonpublic personal information about consumers or customers and for purposes of this Agreement, nonpublic personal information about consumers or customers is deemed Confidential Information. The Recipient Party agrees that as a condition of Disclosing Party providing Confidential Information to Recipient Party, Recipient Party will not make any disclosure of nonpublic personal information of any consumer or customer of Disclosing Party nor will Recipient Party use any nonpublic personal information about consumers or customers to solicit any consumer or customer unless so authorized by Disclosing Party.

- b) The Recipient Party agrees: (a) to safeguard the Disclosing Party's Confidential Information from unauthorized disclosure using the same degree of care it uses to protect its own Confidential Information, provided in no event shall such means be less than reasonable; (b) it has implemented and shall maintain appropriate customer information security measures designed to comply with the requirements of applicable law (including, without limitation, meeting the objectives of the Interagency Guidelines Establishing Information Security Standards issued pursuant to the Gramm-Leach-Bliley Act of 1999, as amended (the "Guidelines"), whether or not Company would otherwise be subject to the Guidelines); (c) Disclosing Party may from time to time monitor Recipient Party's compliance with such requirements and Recipient Party will provide copies of any applicable internal or external audit reports, test results, or other equivalent evaluations of such compliance upon reasonable request for such information; (d) to restrict circulation of Confidential Information within its own organization to those employees, agents, contractors, subcontractors, consultants, and advisors (collectively, "Representatives") who need to know such Confidential Information in order to carry out the Permitted Purposes and are under a contractual obligation to maintain confidentiality of such information; (e) not to make more copies of the Confidential Information received from Disclosing Party than is necessary for its use under the terms of this Agreement; (f) to give its representatives instructions to hold in confidence all Confidential Information made available to them and to use Confidential Information only for the Permitted Purposes; (g) create a written contractual obligation to maintain the confidentiality of such information with such third parties; and (h) be responsible for compliance with this Agreement by each such employee, agent, contractor, subcontractor, consultant, and advisor to the same extent as the Recipient Party.

- c) Notwithstanding the foregoing, the Recipient Party may disclose Confidential Information which is required to be disclosed by law, regulation or a valid order of a court or other governmental body of the United States or any political subdivisions thereof, but only to the extent of and for the purposes of such law, regulation or order; provided, however, that the Recipient Party shall: (i) use reasonable efforts to promptly notify the Disclosing Party in writing of the requested disclosure so that Disclosing Party has a

reasonable opportunity to object to production or disclosure; and (ii) provide reasonable cooperation and assistance to the Disclosing Party in opposing or limiting the compelled or required disclosure. In the event that Confidential Information is produced under such legal compulsion, such production shall be strictly limited to the information required to be disclosed to the requesting party as dictated by applicable law or court order, and shall not otherwise affect the confidential nature of such Confidential Information.

- d) The Recipient Party shall not remove any copyright or proprietary rights notice attached to or included in any Confidential Information furnished by the Disclosing Party. The Recipient Party shall reproduce all such notices on any copies. All copies made by the Recipient Party shall also be considered as Confidential Information.
- e) Upon completion of the Permitted Purposes, and in any event upon receipt of written notice from the Disclosing Party, the Recipient Party shall promptly return or destroy all Confidential Information provided by the Disclosing Party, including all copies thereof, and shall destroy all materials (and all copies of such materials) prepared by or on behalf of the Recipient Party containing the Disclosing Party's Confidential Information. Upon the Disclosing Party's request, an officer of the Recipient Party will certify as to its compliance with this paragraph.
- f) The Recipient Party shall promptly advise the Disclosing Party in writing if it learns of any unauthorized use or disclosure of Confidential Information. The Recipient Party will cooperate with the Disclosing Party in every reasonable way to help the Disclosing Party regain possession of its Confidential Information and/or to prevent further unauthorized use or disclosure of the same. If the unauthorized use or disclosure involve Confidential Information regarding a target, customer or an intrusion into or security breach involving any system on which such information is maintained or may be accessed, Recipient Party shall promptly notify Disclosing Party of the occurrence of the incident, the nature and scope of the incident (identifying the systems, the customers and the types of information that may be affected and the likelihood that information has been or will be misused), and the steps taken to protect such information (including the prevention of further unauthorized access or disclosure).
- g) Each Party acknowledges that it is aware, and shall advise its representatives who are informed of the matters that are the subject of this Agreement, of the restrictions imposed by the United States securities laws on the purchase or sale of securities by any person who has received material, non-public information about the issuer of such securities and on the communication of such information to any other person when it is reasonably foreseeable that such other person is likely to purchase or sell such securities. Each Party further acknowledges that the Confidential Information may include material, non-public information with respect to the parties, and each Party and its representatives agree that they will not rely on any Confidential Information in making an investment decision regarding either Party's securities.

The terms of this Agreement shall not apply to any Confidential Information which the Recipient Party can demonstrate (i) is or becomes available to the public through no breach of this Agreement; (ii) was previously known by the Recipient Party or its representatives without any obligation to hold it in confidence; (iii) is received from a third party which is free to disclose such information without restriction; (iv) is independently developed by the Recipient Party or its representatives without any access to or use of the Confidential Information; and (v) is approved for release by written authorization of the Disclosing Party, but only to the extent of and subject to such conditions as may be imposed in such written authorization.

3. **Ownership.** All Confidential Information in whatever form (including, without limitation, documents, financial models, financial reports, business plans, market studies, drawings, sketches, copies, notes, analyses, plans, drafts, schematics, and designs) shall remain the property of the Disclosing Party. No

patent, copyright, trademark or other proprietary right or license is granted by this Agreement or any disclosure hereunder, except for the right to use such information in accordance with this Agreement.

4. **Injunctive Relief.** The Recipient Party acknowledges that the Disclosing Party will be irreparably harmed if the Recipient Party's obligations under this Agreement are not specifically enforced and that the Disclosing Party would not have an adequate remedy at law in the event of an actual or threatened violation by the Recipient Party of its obligations. Therefore, the Recipient Party agrees that the Disclosing Party, in addition to any other remedies available to it at law or in equity, shall be entitled to: (a) an injunction or any appropriate decree of specific performance for any actual or threatened violations or breaches by the Recipient Party or its Representatives without the necessity of the Disclosing Party posting a bond or undertaking and without the necessity of the Disclosing Party showing actual damages or that monetary damages would not afford an adequate remedy; and (b) reasonable attorney fees in enforcing its rights hereunder.
5. **Indemnification.** Recipient Party agrees to indemnify, defend and hold harmless Disclosing Party and Disclosing Party's officers, directors, employees, agents, advisors and representatives from and against any losses, damages, costs, expenses and liabilities of any nature (including reasonably attorneys' fees incurred by Disclosing Party and claims by third parties) directly or indirectly resulting from or arising out of any breach of this Agreement by Recipient Party or any of its representatives.
6. **Limitation of Liability.** Notwithstanding the foregoing and paragraph 13 hereunder, each Party's liability for damages arising out of any portion of this Agreement shall be limited to direct damages. In no event will either Party be liable for incidental, consequential, indirect, exemplary, speculative, special, or punitive damages, however caused, resulting from or arising out of or in connection with this Agreement.
7. **Warranty and Disclaimer of Warranties.** Each party warrants that it has the authority to enter into this Blanket Agreement, and to lawfully perform its obligations hereunder. No warranties of any kind are given by either Party with respect to the accuracy or completeness of the Confidential Information disclosed pursuant to this Blanket Agreement or any use thereof.
8. **Assignment.** Neither Party shall assign or transfer its rights or obligations pursuant to this Agreement without the prior written consent of the other party, except that either party may assign or transfer this Agreement (a) to a successor as a result of a merger, consolidation, acquisition, reorganization or sale of all or substantially all of such party's assets, or (b) to a direct or indirect wholly owned subsidiary. No such assignment or transfer shall have the effect of increasing the obligations of either Party under this Agreement. The terms and conditions of this Agreement will inure to the benefit of, and shall be binding upon, each Party's successors and permitted assigns.
9. **Severability.** If any provision of this Agreement shall be held invalid or unenforceable, such provision shall be deemed deleted from this Agreement and replaced by a valid and enforceable provision which so far as possible achieves the Parties' intent in agreeing to the original provision. The remaining provisions of this Agreement shall continue in full force and effect.
10. **Entire Agreement; Waiver; Modification.** This Agreement represents the entire understanding between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous communications, agreements and understandings relating thereto. Nothing contained in this Blanket Agreement or in any discussions undertaken or disclosures made pursuant hereto shall (a) be deemed a commitment to engage in any business relationship, contract or future dealing with any other party, (b) create a joint venture or partnership between the parties, or (c) limit either party's right to conduct similar discussions or perform similar work to that undertaken pursuant hereto, so long as said discussions or work

do not violate this Blanket Agreement. The provisions of this Agreement may not be modified, amended, or waived, except by a written instrument duly executed by both parties.

11. **Governing Law and Jurisdiction.** This Blanket Agreement shall be construed and enforced in accordance with the laws of the State of California without regard to its conflict of law principles.
12. **No Communication.** Recipient Party will not, and agree not to communicate with any target, banker, capital source, financier, investor, affiliate, customer, debtor, guarantor, or any other person, employee, or party, including any managing agent, partner, employee connected with, related to or whose name is obtained from SPEG's Confidential Information regarding the Permitted Purpose, without prior written consent of SPEG. If the anticipated transaction involves the sale or purchase of one of SPEG's identified, and or procured targets, the same foregoing prohibitions and required approvals apply to Recipient's desire, attempt to, or communication with sellers or buyers and their affiliated parties that are represented by SPEG. This provision shall be reciprocally applicable to SPEG with respect to Recipient's Confidential Information.
13. **Non-Circumvention.** Notwithstanding paragraph 6 above, all Parties to this Agreement acknowledge, recognize and agree that SPEG has expended significant time, capital and energy in arranging, organizing, procuring, and preparing to deliver certain services to certain persons, targets or entities that are the subject of and the purpose for which this Agreement has been drafted. Therefore, any Party to this Agreement, including but not limited to his/her/its agents, officers, employees, managers or other representative, that interferes with, obstructs, divert, or damage SPEG's actual or prospective economic opportunity, or other contractual economic rights shall be liable to SPEG, in the form of liquidated damages under this paragraph in an amount no less than the prospective fee SPEG would have received in connection with the lost transaction. Said liquidated damages does not contemplate other damages and remedies that SPEG may pursue in an effort to make itself whole, but is merely an estimate, as actual damages at this time are difficult to calculate.

IN WITNESS WHEREOF, the Parties have entered into this Bilateral Nondisclosure Agreement as of this date _____, 2018.

SAPIENT PRIVATE EQUITY GROUP, INC.

RECIPIENT

Corporate Name: _____

By: _____

By: _____

Name: Reggie Mason

Title: _Managing Principal

Title: _____

By: _____

Name:

Title: _____

EXHIBIT A
(Identified Transactions 2018)

TRANSACTION NAME:

TRANSACTION TYPE:

- 1.
- 2.

Initials: _____

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