

LEACH INTERNATIONAL CORPORATION
MUTUAL NON-DISCLOSURE AGREEMENT

BETWEEN

This **MUTUAL NONDISCLOSURE AGREEMENT** is entered into as of the date of receipt by Supplier of Request for Quote from Leach International Corporation, marketing name Esterline Power Systems, (hereinafter referred to as “Leach”), a Delaware corporation, having offices at 6900 Orangethorpe Avenue, Buena Park, California.

AND,

Supplier (hereinafter referred to as “Supplier”).

Together “Leach” and “Supplier” may be referred to as the “Parties”.

1. PURPOSE

WHEREAS, the Parties intend to disclose to each other certain information, some of which may be Proprietary Information as defined below in Clause 3, the purpose of performing their mutual obligations in connection with exploring a business arrangement pursuant to which Supplier may receive a Request for Quote (RFQ) from Leach. Each Party may disclose to the other Party certain confidential technical and business information which the Disclosing Party desires the Receiving Party to treat as Proprietary Information (collectively, the “Purpose”).

2. RECITALS

WHEREAS, this Agreement sets forth the conditions and obligations that shall govern the use and disclosure of any Proprietary Information that may be disclosed by the Parties. When used hereinafter, each Party shall include, individually and collectively, the officers, directors and employees of each Party.

3. DEFINITIONS AND INTERPRETATIONS

NOW, THEREFORE, the Parties mutually agree as follows:

Proprietary Information shall mean any information disclosed by one Party (the “Disclosing Party”) to the other Party (the “Receiving Party”) under this Agreement, (whether such information originates with the disclosing Party or has been received by the disclosing Party from non-Parties under conditions precluding unauthorized use or disclosure) in written or other tangible form and prominently identified as proprietary and/or competition sensitive, using appropriate legends, markings, stamps, or other clear and conspicuous written identification which unambiguously indicates the information being provided is to be considered Proprietary Information hereunder. Only information in good faith believed to be proprietary and/or competition sensitive by the Disclosing Party shall be identified as such. Any such information other than in written or other tangible form when disclosed shall be considered Proprietary Information, but only to the extent identified as Proprietary Information at the time of original disclosure and thereafter summarized in written form which clearly and conspicuously identifies it as Proprietary Information within thirty (30) business days from the original disclosure. If the Disclosing Party is not legally empowered to disclose any such Proprietary Information, it shall not have any

obligation to do so; in such case, however, the Disclosing Party shall make a good faith effort to obtain authority to disclose such information. The right and obligations provided by the Agreement shall take precedence over and be referenced in specific legends or statements associated with Proprietary Information when received.

Affiliates means entities or subsidiaries placed directly or indirectly under the same control of common parent company. Affiliates are to be identified in writing as an Addendum to this Agreement.

Intellectual Property means goods, concepts, products, and derivative works developed by either Party before or outside of the scope of this Agreement.

4. USE AND NON-DISCLOSURE

Each Party shall preserve, protect, and not disclose to a third party not bound by this Agreement, all Proprietary Information disclosed to it by another Party and to limit access to such Proprietary Information to those: (a) officers, directors, employees or contract personnel and consultants; (b) Receiving Party's information technology system administrators and service providers in the course of business; and (c) such Receiving Party's accounts, attorneys and professional advisors, who reasonably require access thereto under terms and conditions at least as restrictive as the terms and conditions in this Agreement with the same degree of care as it employs to its own information of a like nature. Disclosure to any other persons, including contractors, and Affiliates of a Receiving Party, shall be treated as disclosure to a third party and shall require Disclosing Party's prior written consent and provided any such disclosure is made pursuant to a written agreement providing restrictions precluding unauthorized use and disclosure no less restrictive than those imposed herein.

A Party may disclose the Proprietary Information of such Disclosing Party to the U.S. Government during the term of this Agreement for the propose of supporting the Program/Activity, but then only if marked with a competition sensitive legend and/or other proprietary legends and/or and appropriate U.S. Government authorized restriction legend, such as those in accordance with DFARS 252.227-7013, 252.227-7014, and 252.227-7015, as applicable, or a substantially identical procedure are success provision. The receiving Party shall be responsible for retaining all legends placed on the Proprietary Information by the Disclosing Party on any Proprietary Information transmitted by the Receiving Party to the U.S. Government.

Notwithstanding the disclosure restrictions set forth above, Leach is hereby permitted to disclose the Disclosing Party's Proprietary Information to officers, directors, employees or contract personnel and consultants, of its Affiliates. Provided such individuals have a need to know for the Purpose/Activity. If Proprietary Information is received by "Supplier" from Leach Affiliate, it shall be treated with the same protection as provided for in this Agreement as if it were received from Leach.

5. TERM AND TERMINATION DISCLOSURE OF PROPRIETARY INFORMATION

This Agreement shall terminate (6) months from the effective date unless sooner terminated by a Party by giving thirty (30) days written notice to the other Party. Each Party's duty to protect received Proprietary Information shall survive any termination of this Agreement.

If this Agreement terminates, each Party shall cease to use the Proprietary Information of the other Party. Further, each receiving Party shall, as soon as practicably possible and upon request of the

Disclosing Party, destroy (and certify the destruction of), or , at the option of the disclosing Party, return to the Disclosing Party and Proprietary Information received from such Party and all copies thereof and all media in which such Proprietary Information is contained. If a Receiving Party is required by statute or U.S. Government regulation to retain any such Proprietary Information, such Party shall:

- a) Promptly identify to the Disclosing Party all such Proprietary Information which it is required to retain;
- b) Not use such retained Proprietary Information for any purpose other than to satisfy the requirements of such statute or regulation
- c) Safeguard all such Proprietary Information from theft, loss, and negligent disclosure using the same degree of care used to restrict disclosure and use of its own proprietary information;
- d) Limit access to such Proprietary Information to those officers, directors, and employees within the Receiving Party's organization who reasonably require access thereto, and;
- e) Destroy (and certify the destruction of) or, at the option of the Disclosing Party, return to the Disclosing Party such retained Proprietary Information as soon as such destruction or return is permitted.

Notwithstanding the other provisions of this paragraph, each Party may make or retain one copy of such Proprietary Information, but only as an archival copy of evidentiary purposes in the event of a dispute between Parties.

6. GENERAL PROVISIONS

No Receiving Party shall be liable for use or disclosure of any Proprietary Information provided by a Disclosing Party if the Receiving Party can establish by clear and convincing written evidence contemporaneous with such use or disclosure that the same:

- a) Is or has become a part of the public knowledge ("Public Domain") or literature without breach of this Agreement by the Receiving Party, or;
- b) Is known to the receiving Party without restrictions as to further disclosure or sue at the same time it was received, or;
- c) Is independently developed by the Receiving Party and was acquired directly or indirectly under any secrecy obligation from the Disclosing Party, or;
- d) Is later obtained by the Receiving Party in writing and without any restrictions on further disclosure or use from a non Party which was legally entitled to disclose same, or;
- e) Is disclosed or made available by the Disclosing Party to the public generally without restriction as to further disclosure.

None of the Parties shall be liable for the disclosure of any Proprietary Information provided by another Party if the same is disclosed inadvertently, accidentally, or by mistake despite the good faith intent to exercise the same degree of care as that Party takes to presser and safeguard its own Proprietary Information, provided however, that upon the discovery thereof all reasonable steps are taken to retrieve the disclosed the Receiving Party who disclosed the Proprietary Information from its continuing obligation to adhere to the terms and conditions set forth in this Agreement.

Specific Proprietary Information shall not be deemed to be available to the public or in the possession of the Receiving Party merely because it is embraced by more general information so available or in the Receiving Party's possession.

7. CONTACT INFORMATION

The point of contact for Leach with respect to the transmission and control of the Proprietary Information disclosed hereunder:

Leach International Corporation Esterline Power Systems
6900 Orangethorpe Avenue, Buena Park, CA 90620
Attn: Phillip McNamee
Email: phillip.mcnamee@esterline.com

8. INTELLECTUAL PROPERTY

Proprietary Information shall remain the property of the Disclosing Party. Neither this Agreement nor the disclosure of Proprietary Information hereunder shall be construed as granting any right or license under such Proprietary Information, except as provided by this Agreement, or under any invention, patent, or copyright now or hereafter owned or controlled by the Disclosing Party, nor shall any such disclosure constitute any representation, warranty, assurance, guaranty, or inducement by the Disclosing Party to the Receiving Party with respect to the adequacy, accuracy, sufficiency, or freedom from defects of any kind, including infringement of any patent or other rights of others that may result from the use of such Proprietary Information.

Each Party shall bear its own costs and expenses incurred under or in connection with this Agreement. Nothing in this agreement shall be construed as an obligation by any Party to enter into a contract, subcontract, or other business relationship with any of the other Parties in connection with the Program; nor shall this Agreement be construed as a Teaming, Joint Venture or other arrangement.

Termination of this Agreement for any reason shall not relieve any Party of any obligations to preserve, protect, and not disclose Proprietary Information received prior to termination.

9. LAW AND JURISDICTION

This agreement shall be governed by and interpreted in accordance with the laws of the State of California, U.S.A., excluding its conflict of laws provision.

10. Export Control

All Parties agree that The Proprietary Information exchanged under this Agreement may be subject to the provisions of the U.S. International Traffic Arms Regulations (ITAR) 22 CFR 120-158 and 130, they required to with the U.S. Department of State, Directorate Defense Trade Controls (DDTC). The Parties understand and hereby acknowledge that these regulations impose restrictions on the import, export, disclosure and transfer to any foreign person (whether in the United States or abroad) of technical data or defense articles without first complying with all relevant requirements of the ITAR.

The Parties will comply with applicable export control laws and regulations. The parties acknowledge that these statutes and regulations impose restrictions on import, export and transfer to third countries of certain categories of data, and that licenses from competent national authorities may be required before such data can be disclosed hereunder, and that such licenses may impose further restrictions on use and further disclosure of such Proprietary Information. The Parties further acknowledge that Proprietary Information disclosed under this Agreement shall not be assigned or otherwise transferred outside any country or jurisdiction to which the laws or regulations asserts controls on economic sanctions, embargoes, anti-boycott regulations, or blocking statutes which involve legal conflicts; or to any person, country, or jurisdiction otherwise prohibited by the United States and similar laws and regulations in the European Union, that may be applicable. Receiving Party will first obtain the written consent of disclosing Party before submitting any request for authority to export or re-export any Proprietary Information.

The Parties shall indemnify each other harmless against any loss, cost (including attorney's fees) penalty, claim or demand of any kind arising out of or occasioned by any violation of this section or charge thereof.

10. ASSIGNMENT

All Parties covenants and agrees not to sell, assign or otherwise transfer the Proprietary Information without obtaining all necessary Governmental approvals and written consent of the other Party.

11. ENTIRE AGREEMENT

This is the entire Agreement between the Parties concerning this disclosure of Proprietary Information, superseding any prior contemporaneous written or oral agreements as to the disclosure and protection of Proprietary Information in connection with the Program and may not be amended or modified except by subsequent agreements in writing by duly authorized representatives of the Parties.

In the event any provision of this Agreement is inconsistent with the provision of the other verbal or written Agreement, this Agreement shall have precedence.

12. THE PARTIES HAVE MUTUALLY AGREED TO THIS NON-DISCLOSURE TO BE EXECUTED BY THEIR PERFORMANCE AND BUSINESS RELATIONSHIP RELATIVE TO THE PURPOSE.