



Hyperchip Inc.

CONFIDENTIAL DISCLOSURE AGREEMENT

This agreement ("Agreement") is between Hyperchip Inc. a business continued under the laws of Québec and having its principal offices at 3391 Griffith, Saint-Laurent QC H4T 1W5 ("Hyperchip Inc.") and the party named on the last page hereof, and is made as of the date of its acceptance by Hyperchip Inc. as set forth on the last page hereof.

WHEREAS, one or both of the parties to this Agreement have developed or come into possession of certain Information that it considers proprietary and confidential, that it wishes to make available to the other party or to exchange with the other party, and that the other wishes to receive, for the purpose of facilitating discussions in relation to a potential business relationship between Hyperchip Inc. and the party named on the last page hereof.

WHEREAS, the parties, by means of this Agreement, wish to protect all such Information from unauthorized disclosure or use;

NOW THEREFORE, both parties agree that their mutual objective under this Agreement is to provide appropriate protection for said Information while maintaining their ability to conduct their respective business activities, and, intending to be legally bound, hereby agree to the following terms:

1. Confidential Information

A party disclosing Confidential Information ("Discloser") to the other party ("Recipient") shall only do so under the terms of this agreement. As used herein, "Confidential Information" shall mean all confidential and/or proprietary information, in any form whatsoever, whether oral, electronic, visual, written or otherwise, relating to Discloser's business and/or those of its suppliers and customers, including, without limitation, research and development efforts, inventions, trade secrets, know-how, methods, techniques, algorithms, engineering concepts, applications, processes, designs, descriptions, drawings, intellectual property rights, product specifications, technical documentation, development tools, software, source and object codes, models, demonstrations, samples, equipment, products, manufacturing processes, service specifications, strategies, plans, intentions, pricing, marketing information, sales, contracts, financial data and information about previous, existing or potential employees, contractors, suppliers, and customers. Confidential Information shall include both information that is identified as Confidential Information at the time of disclosure and information that a reasonable person would consider from the nature of the information and the circumstances of disclosure, is information proprietary or confidential to the Discloser and/or the discloser's suppliers, customers or other associated parties. Confidential Information shall not be limited to original information supplied by the discloser, but shall include any and all copies and reports, analyses, products and other materials derived from or containing such original information.

B. Recipient's obligations under this Agreement shall not

apply to any Confidential Information which is:

- (i) in or enters the public domain through no breach of this Agreement by Recipient;
- (ii) already in the possession of Recipient at the time of initial disclosure and with respect to which no obligation of confidentiality exists;
- (iii) independently developed by Recipient without reference to Discloser's Confidential Information and such independent development can be demonstrated to the reasonable satisfaction of the Discloser;
- (iv) approved for use or disclosure by written authorization of the Board of Directors of Discloser; or
- (v) the subject of an order issued by a court or other governmental entity compelling disclosure, provided however that, in the event disclosure is required by law, Recipient will provide Discloser with prompt notice of such requirement in order to enable Discloser to seek an appropriate protective order.

Recipient agrees, where there is any uncertainty as to the confidential status of any information proposed to be used or disclosed by Recipient, to consult with and seek the approval of Discloser before such use or disclosure.

2. Obligation of Confidentiality

A. Recipient will use Confidential Information only for the purposes of the proposed business relationship with Discloser. Except as may be permitted by this Agreement, Recipient shall hold in confidence, shall not disclose to any other person who is not under a like obligation of confidentiality, and shall not exploit for Recipient's own benefit or for the benefit of another person or organization, any Confidential Information.

B. Recipient shall use at least the same level of diligence to protect Discloser's Confidential Information from unauthorized use or disclosure as it uses to protect its own confidential or proprietary Information, but in no event shall Recipient use less than reasonable diligence. Notwithstanding the previous sentence, Recipient shall only give access to Confidential Information to its directors, officers, employees and contractors with a need-to-know for the purposes of carrying out the intentions contemplated in this Agreement and who have entered into a written agreement containing confidentiality terms and conditions at least as strict as those contained herein. Recipient shall include in such agreement with its employees and contractors a provision that their obligations of confidentiality shall survive termination of employment or the contract agreement.

C. Recipient shall not copy or reproduce Confidential Information except as reasonably required for the purposes contemplated in this Agreement, and will ensure that any

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confidentiality or other proprietary rights notices on the Confidential Information are reproduced on any and all such copies. Confidential Information shall be held in trust by Recipient for Discloser.

D. Upon request of Discloser or upon termination of discussions between Discloser and Recipient in relation to the business relationship contemplated herein, Recipient shall promptly deliver to Discloser all documents and other materials in any form containing Confidential Information, however recorded, in Recipient's possession or under Recipient's control, or shall immediately destroy all such documents and furnish the other party with written certification of their destruction.

E. Except as expressly permitted under this Agreement or as otherwise agreed by the parties in writing, neither party shall disclose to any other person or entity the existence or terms of this Agreement or that the parties have engaged in or are engaging in discussions with respect to a potential business relationship or have entered into a business relationship.

3. Intellectual Property Rights

Neither this Agreement nor the disclosure of Confidential Information hereunder shall be construed as granting any right or license, express or implied, under any copyright, patent, trade secret, or other intellectual property right now or hereafter owned or controlled by Discloser. Recipient acknowledges that it is granted only the limited right to use Confidential Information as provided herein, and that such right is revocable at will by Discloser and is not coupled with any interest in the Confidential Information. Recipient shall not assert any right, title or interest in the Confidential Information or in any documentation, media or any other material provided to Recipient in connection with the Confidential Information. Nothing in this Agreement shall be construed as an obligation by either party to enter into a further contract or other business relationship with the other party.

4. Disclaimer

Any Information provided hereunder, whether Confidential Information or otherwise, is provided by Discloser on an "AS IS" basis. Discloser shall not be liable under any circumstances for any kind of damages whatsoever arising from any use by Recipient of such Confidential Information, whether or not such use is authorized hereunder.

5. Term

This Agreement shall continue from the date of its acceptance by Hyperchip Inc. as set forth on the last page hereof until a date which is the later of three (3) years thereafter or the date on which all business relationships entered into by the parties with each other are terminated, unless sooner terminated for any reason by either party upon five (5) days prior written notice to the other party.

The parties acknowledge that the obligations contained in provisions 2, 3 and 4 of this Agreement shall survive notwithstanding the termination or expiry of this Agreement.

6. General

A. This Agreement supersedes all prior agreements, written or oral, between the parties relating to the subject matter hereof. This Agreement may not be modified, changed or discharged in whole or in part, except by a subsequent written agreement signed by both parties.

B. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns. Neither party shall assign this Agreement without the prior written consent of the other. This Agreement may be signed in two or more counterparts, each of which will be deemed to be an original but all of which together shall constitute one and the same document.

C. No delay or omission by either party in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by either party on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion. Any waiver must be in writing. Recipient acknowledges and agrees that monetary damages may not be an adequate remedy for any breach of this Agreement and that Discloser shall be entitled to seek an injunction or specific performance as a remedy for any breach, and that such remedies are not exclusive but in addition to any other remedies available.

D. This Agreement shall be governed by and shall be construed under the laws of the Province of Québec, Canada and the laws of Canada applicable therein. The parties agree that any and all disputes arising under this Agreement shall be subject to the nonexclusive jurisdiction of the courts of the province of Québec.

E. The parties have expressly requested that this Agreement be drafted in the English language. Les parties ont expressément requis que cette convention soit rédigée en anglais seulement.

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F. Any notice or other communication given in connection with this Agreement shall be in writing and delivered personally or sent by certified or registered mail to the party for whom it is intended at the Acceptance Date address set out in the first paragraph of this Agreement or such other address as such party may specify by notice in writing delivered to the other from time to time in accordance with this Agreement. Each party will designate by notice to the other the individual(s) in its organization who is/are authorized to disclose and receive Confidential Information and to receive notices under this Agreement.

G. If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

Hyperchip Inc. (Hyperchip)

Acceptance Date

Signature

Title

Name of Contact

Print Name of Business or Firm

Address

Signature

Print Name

Title

Date