**Confidentiality Agreement**

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and

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**1. Definition INFORMATION**

For the purposes of this Agreement the term „INFORMATION“ means all technical, commercial and/or business information of a party (hereinafter the „DISCLOSER“) including formulas, ideas, electronically recorded data and product samples that are disclosed or otherwise made available by the DISCLOSER, directly or indirectly, in the framework of a possible future cooperation, e.g. through affiliated companies including subsidiaries, advisors or representatives to the other party (hereinafter the „RECIPIENT“) in writing or orally or in any other way. Both parties may be DISCLOSER and/or RECIPIENT, as the case may be.

**2. Confidentiality**

2.1 The RECIPIENT undertakes to keep confidential all INFORMATION received hereunder, and, unless in possession of a written consent from the DISCLOSER,

a) not to use such INFORMATION for any other purpose than the delivery of the supply relationship and the additional agreement between the parties eventually arising from such relationship; and

b) not to make the INFORMATION available any third party; and

c) to disclose the INFORMATION only to employees who actually need them for the delivery of the supply relationship, and to oblige these employees, to the extent possible under the law, to confidentiality according to this Agreement; and

1. not to commercially utilise the INFORMATION and not to directly or indirectly use them for the acquisition of any intellectual property rights.

For the purposes of this Agreement, subsidiaries in which the RECIPIENT, directly or indirectly, holds at least 50% (fifty per cent) of the voting shares representing the company’s capital, or exercises any corresponding control over the management of the same. The RECIPIENT is responsible for ascertaining that such companies that do not qualify as third parties for the purposes of this Agreement acknowledge the terms and conditions of this Agreement as binding upon them, and behave accordingly.

2.2 Unless in possession of the prior written consent of the DISCLOSER, the RECIPIENT shall not analyse or have analysed any product samples that the RECIPIENT receives from the DISCLOSER in relation to this Agreement, and shall not examine them for their composition or way of production; and shall not disclose such product samples or materials contained in the product samples to any third parties either.

Any necessary testing of the functional features of the samples, specimens etc. shall not be deemed analysis in the sense of this section. If the results of such testing provide insight into the method of production, composition and/or other specificities of the samples, specimens etc., then these results shall also be kept confidential under the provisions of this Agreement like the product samples them.

2.3 The above obligations contained in this section 2 shall not apply to any INFORMATION for which the RECIPIENT can prove that they

a) were in the public domain at the time of their disclosure or thereafter but not due to any default by the RECIPIENT, or

b) were already in the possession of the RECIPIENT, or were disclosed to the RECIPIENT by a third party thereafter in a legitimate way and without limitation as regards confidentiality or use, or

1. are the outcomes of the work of the RECIPIENT’s own employees produced without using any of the DISCLOSER’s INFORMATION or parts thereof.

**3. Liability and intellectual property rights**

* 1. All liability and/or warranty of the other party is expressly excluded except to the extent that the law requires mandatorily. In particular no liability is undertaken for the suitability of the INFORMATION for any particular purpose, their novelty or completeness, or that such INFORMATION does not violate any intellectual property rights of third parties.

3.2 INFORMATION disclosed under this Agreement remains property of the DISCLOSER. The RECIPIENT shall immediately return or, as agreed, destroy all in writing or otherwise recorded (including copies and counterparts produced) and all product samples upon a relevant written notice from the DISCLOSER.

3.3 Except to the extent provided otherwise in this Agreement, the parties agree that

1. the communication or disclosure of INFORMATION under this Agreement shall not constitute any right of prior use of the RECIPIENT under patent or other law, and it is also not prejudicial to novelty.
2. this Agreement and the communication or disclosure of INFORMATION shall not constitute any property, license, reproduction, use or other rights, regardless whether or not any copyrights exist.
3. this Agreement establishes no obligation for either party to enter into any additional agreement or commercial relationship with the other party.

**4. Penalty clause**

In case of every single violation of this obligation of confidentiality as described in section 2 hereof the RECIPIENT shall pay a penalty at minimum the amount of damages suffered by DISCLOSER, which shall be determined by the DISCLOSER within its reasonable discretion. Otherwise article 343 section 1 of BGB (German Civil Code) shall apply. Article 348 of HGB (German Commercial Code) shall be waived. The assertion of any additional damages is not excluded.

**5. Term**

* 1. This Agreement enters into force on the date of signature, and it runs for an indefinite term. It can be terminated by either party to the end of a calendar year with a notice period of six months.

5.2 The obligations on confidentiality and the limitation of use remain in force also after the termination of this Agreement and expire five (5) years thereafter. Otherwise the termination of this Agreement shall be without prejudice to the rights and obligations contained in sections 3 and 4 of this Agreement.

**6. Closing provisions**

* 1. If any provision of this Agreement is or becomes legally invalid, that does not impact the validity of all remaining provisions hereof. The parties, in this case, shall replace the invalid provision retroactively with an effective one that comes closest possible to the sense and purpose of the original provision. The same applies in case of a gap of regulations discovered in agreement between the parties.

6.2 This Agreement shall be governed by the law of the Federal Republic of Germany. All disputes arising in relation to this Agreement or its validity shall be finally decided by an arbitration panel proceeding according to the rules of the Deutsche Institution für Schiedsgerichtsbarkeit e.V. [German Institution for Arbitration] with the exclusion of the ordinary court procedure.

The procedure of the arbitration panel shall be additionally defined by the rules of the ZPO [German Civil Procedure]. The seat of the arbitration panel is Stuttgart. The authority of ordinary courts remains unaffected as regards matters of preliminary court injunctions.

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Date, Company full name and address, Signature

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Date, Company full name and address, Signature