

MUTUAL CONFIDENTIALITY AGREEMENT

This Agreement is made as of _____, between SnapPay Inc. (“**SnapPay**”) and _____ (the “**Other Party**”).

RECITALS:

1. The parties are in discussions regarding potential business arrangements.
2. In connection with such discussions, either party (the “**Discloser**”) to this Agreement may disclose Confidential Information (as defined below) to the other party (the “**Recipient**”);
3. The parties wish to enter into this Agreement to govern the use of the Confidential Information received by a Recipient;

NOW THEREFORE The parties covenant and agree as follows:

1. Definitions

In this Agreement (including any recitals to this Agreement), unless there is something in the subject matter or context inconsistent therewith, the following words and terms, which may be used in the singular or the plural, have the respective meanings given them as follows:

“Affiliate” means, with respect to a Person, any other Person which, directly or indirectly, Controls or is Controlled by or is under common Control with such Person;

“Agreement” means this agreement, as same may be amended from time to time;

“Authorities” means all federal, provincial, municipal and other governmental authorities, departments, boards and agencies having or claiming jurisdiction;

“Business Day” means any day other than a Saturday, a Sunday or a statutory holiday observed in the Province of Ontario;

“Claims” means claims, losses, damages, suits, judgments, causes of action, legal proceedings, executions, demands, penalties or other sanctions of every nature and kind whatsoever, whether accrued, actual, contingent or otherwise and any and all costs arising in connection therewith, including all legal expenses (including all such legal expenses in connection with any and all appeals);

“Confidential Information” has the meaning given it in section 3;

“Control” means:

- (a) when applied to the relationship between a Person and a corporation, the beneficial ownership by such Person at the relevant time of shares of such corporation:
 - (i) carrying more than 50% of the voting rights ordinarily at meetings of shareholders of such corporation; and
 - (ii) representing more than 50% of the equity value of the corporation;
- (b) when applied to the relationship between a Person and a partnership or joint venture:
 - (i) the beneficial ownership by such Person at the relevant time of:
 - (A) more than 50% of the voting interests of the partnership or joint venture; and

- (B) partnership or joint venture interests representing more than 50% of the equity value of the partnership or joint venture; and
- (ii) it can be reasonably expected that the Person directs the affairs of the partnership or joint venture; or
- (c) when applied to the relationship between a person and a limited partnership, the beneficial ownership at the relevant time of:
 - (i) shares of the general partner or general partners of such limited partnership carrying more than 50% of the voting rights ordinarily exercisable at meetings of shareholders of such general partner or general partners such that it can reasonably be expected that the Person directs the affairs of the limited partnership; and
 - (ii) partnership interests representing more than 50% of the equity value of the limited partnership,

and the term “Controlled by” has a corresponding meaning. For clarity, a Person (the “first-mentioned Person”) who Controls a corporation, partnership, limited partnership or joint venture (the “second-mentioned Person”) will be deemed to Control a corporation, partnership, limited partnership or joint venture which is Controlled by the second-mentioned Person, and so on;

“Person” means an individual, a corporation, a limited partnership, a general partnership, a trust, a joint stock company, a joint venture, an association, a syndicate, a bank, a trust company, an Authority and any other legal or business entity; and

“Representatives” means the Affiliates of a Recipient and their respective directors, officers, employees, shareholders, lawyers and accountants.

2. Recipient’s Obligations

- (a) The Recipient shall use the Confidential Information solely for the Authorized Purpose and, subject to section 4, shall not disclose the Confidential Information to anyone other than to those of its Representatives who:
 - (i) need access to such information for the Authorized Purpose;
 - (ii) are informed of its confidential nature; and
 - (iii) are bound by confidentiality obligations no less protective of the Confidential Information than the terms contained in this agreement.
- (b) The Recipient agrees to safeguard the confidentiality of the Confidential Information with at least the same level of care that it uses to protect the confidentiality of the Recipient’s own confidential or proprietary information, but in no event will the Recipient maintain such Confidential Information utilizing less than a reasonable degree of care. If a Recipient’s Representative does anything that, if done by the Recipient, would constitute a breach of this Agreement, then the Recipient will be responsible and liable for any such breach of this Agreement as if the breach had been committed by the Recipient.

3. Confidential Information

- (a) “Confidential Information” means all non-public, proprietary or confidential information regarding the Discloser or the business of the Discloser, in oral, visual, written, electronic or other tangible or intangible form, whether or not marked or designated as “confidential” including all analyses, compilations, summaries, reports, forecasts, studies, samples and other documents prepared by or for the Recipient or any of its Representatives that contain or otherwise reflect or are generated from such information (the “Notes”).

- (b) Confidential Information also includes the fact that the Discloser and Recipient are in discussions regarding the Authorized Purpose and that Confidential Information has been disclosed, the existence of this agreement, and any terms, conditions or arrangements being discussed or negotiated by the parties.
- (c) Confidential Information does not mean nor include:
 - (i) information that is or becomes public knowledge prior to or after its disclosure by the Discloser through no act or omission of the Recipient or its Representatives or breach of this Agreement;
 - (ii) information that was already in the possession of, or is or becomes available to, the Recipient or its Representatives from a source other than the Discloser or its Representatives, provided that such source, to the Recipient's knowledge after reasonable inquiry, was not and is not bound by a confidentiality agreement regarding the Discloser or the Discloser's business, or otherwise prohibited from disclosing such information by a legal, contractual or fiduciary obligation; or
 - (iii) information that is independently developed by the Recipient or the Recipient's Representatives without use of or reference to the Confidential Information.

4. Disclosure Required

- (a) If the Recipient or its Representatives are required to disclose the Discloser's Confidential Information by applicable law or valid court order, the Recipient shall, prior to making any such disclosure, use commercially reasonable efforts to notify the Discloser of such requirements to afford the Discloser the opportunity to seek, at the Discloser's sole cost and expense, a protective order or other remedy and shall reasonably co-operate with the Discloser, at the Discloser's sole cost and expense, in opposing such disclosure and to obtain such a protective order or other remedy.
- (b) If such protective order or other remedy is not obtained, the Recipient or Representative shall furnish only that portion of the Confidential Information which, on the written advice of the Recipient's counsel, is legally required to be disclosed and use its best efforts to preserve the privileged nature or confidentiality of the Confidential Information and to obtain assurances that confidential treatment will be accorded to the Confidential Information so disclosed.

5. Return or Destruction of Confidential Information

- (a) Subject to section 5(b), upon the Discloser's written request, the Recipient shall promptly, and in any event, no later than 10 days after the request, destroy or return, to the Discloser, at the option of the Discloser, all of the Confidential Information in its and its Representatives' possession, and, at the Discloser's written request, certify in writing that the Confidential Information has been destroyed.
- (b) The Recipient may retain copies of the Confidential Information that are stored on the Recipient's information technology backup and disaster recovery systems until the ordinary course deletion thereof.
- (c) Notwithstanding the return or destruction of the parties' Confidential Information, the parties and each of their Representatives will continue to be bound by their obligation of confidentiality and other obligations under this agreement.

6. No Warranties

The Discloser or its Representatives make no representation or warranty, expressed or implied, as to the accuracy or completeness of the Confidential Information, and the Discloser nor its Representatives shall have any liability to the Recipient relating to or resulting from the use of the Confidential Information or any errors therein or omissions therefrom.

7. Remedies

(a) The Recipient acknowledges and agrees that:

- (i) the Confidential Information has significant commercial value,
- (ii) the Confidential Information is not in the public domain, and
- (iii) unauthorized use or disclosure of Confidential Information will be highly detrimental to the Discloser, and is likely to cause harm to the Discloser which is irreparable and not measurable in monetary damages.

(b) The Parties agree that monetary damages would not be a sufficient remedy for any breach of this Agreement by the Recipient and that in addition to all other remedies it may be entitled to, the Discloser will be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach. If the Discloser makes an application to a court of competent jurisdiction for injunctive relief to enforce this Agreement, the Recipient waives, to the greatest extent permissible, any requirement that the Discloser post security as a precondition to an injunction, whether temporary or permanent.

(c) The Recipient further agrees that it shall indemnify and save harmless the Discloser from and against any and all Claims suffered or incurred by the Discloser as result of any breach of this Agreement by the Recipient or its Representatives.

(d) The prevailing Party in any proceeding to enforce this Agreement or to enjoin a breach or threatened breach of this Agreement will be entitled to an award and reimbursement of all legal fees and expenses (including all legal costs incurred in connection with any and all appeals) incurred with respect to any action or proceeding.

8. Term and Survival of Agreement

(a) The term of this Agreement continues indefinitely.

(b) The termination of the discussions or relationship between the parties does not relieve either party or its Representatives of the obligations contained or described in this Agreement or the obligation to return or destroy Confidential Information contained in this Agreement.

9. No Transfer of Rights, Title or Interest

The Discloser retains its entire right, title and interest, including all intellectual property rights and all other rights, in and to all of its Confidential Information. Any disclosure of such Confidential Information will not be construed as an assignment, grant, option, licence or other transfer of any such right, title or interest whatsoever to the other party or any of its Representatives. The Recipient specifically agrees that the Confidential Information is and will remain the exclusive property of the Discloser and that it has no right, title or interest in or to the Confidential Information.

10. No Binding Agreement for the Authorized Purpose

This Agreement does not obligate the parties to enter into any agreement of any nature or kind in relation to the Authorized Purpose and does not create any legal obligations between the parties in relation to the Authorized Purpose, other than the obligations specifically set out in this Agreement.

11. General Contract Provisions

(a) Interpretation

In this Agreement:

- (i) words importing the singular include the plural and vice-versa, words importing gender include both genders and words importing persons include corporations and vice-versa;
- (ii) any reference to a section or Schedule is deemed to refer to the applicable section or Schedule contained in or attached to this Agreement and to no other agreement or document unless specific reference is made to such other agreement or document;
- (iii) the division of it into sections and the insertion of headings and any table of contents is for convenience of reference only and are not to be taken into account in interpreting this Agreement or any part of it; and
- (iv) the term “including” means “including, without limitation” and the terms “including” and “include” will not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it.

(b) Entire Agreement

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. There are no representations, warranties or other agreements, whether oral or written, between the parties in connection with the subject matter of this Agreement except as specifically set out in this agreement.

(c) Amendments

No amendment, supplement, modification, waiver or termination of this Agreement is binding on the parties unless it is in writing and signed by all of the parties.

(d) Waiver

No waiver of any provision of will be deemed to constitute a waiver of any other provision, whether or not similar, nor does such waiver constitute a continuing waiver unless otherwise expressly provided in this agreement. No forbearance by any party to seek a remedy for any breach by any other Party of any provision of this Agreement constitutes a waiver of any rights or remedies with respect to any subsequent breach.

(e) Language

The parties agree that English is the official language of this Agreement. If there is any conflict between the English version of this Agreement and a version of this Agreement in any other language, the English version of this Agreement will in all cases prevail. Communications of every nature and kind between the parties are to be in English.

(f) Applicable Law

This Agreement is to be construed in accordance with the laws of the Province of Ontario (other than Ontario principles of conflicts of law) and the laws of Canada applicable in the Province of Ontario and is to be treated in all respects as an Ontario contract. All disputes arising out of or in connection with or in relation to this Agreement are to be submitted to the jurisdiction of the courts of the Province of Ontario which have exclusive jurisdiction over any such dispute, save and except that the Discloser shall have the right, but not the obligation, in its sole discretion, to commence proceedings in any jurisdiction in which the Recipient carries on business or has assets, or to seek to enforce the provisions of any judgement obtained in the Province of Ontario in any such other jurisdiction. Each party irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

(j) Assignability

Neither this Agreement nor any rights or obligations of any party under this Agreement may be assigned by any party without the prior written consent of the other party.

(k) Counterparts and Execution

This Agreement may be executed by the parties in separate counterparts all of which, when taken together, will constitute a single agreement among the parties. Execution of this Agreement by a party may be evidenced by way of a faxed or emailed (by way of an Adobe Acrobat PDF file) transmission of such party's signature, or by a photocopy of a party's signature, each of which will constitute the original signature of such party to this Agreement. Any party who evidences its signature of this Agreement by fax or emailed PDF file shall, promptly following a request by any other party, provide an originally executed counterpart of this Agreement, but its failure to do so will not invalidate this Agreement.

(l) No Adverse Presumption

This Agreement has been negotiated and approved by the parties and, notwithstanding any rule or maxim of law or construction to the contrary, any ambiguity or uncertainty will not be construed against either of the parties by reason of the authorship of any of the provisions of this Agreement.

(m) Binding Effect

This Agreement ensures to the benefit of and is binding on the parties and their respective heirs, executors, administrators, successors and permitted assigns.

IN WITNESS WHEREOF the parties have executed this Agreement.

SNAPPAY INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Name: