



SECURITY MANAGEMENT INC.

NON-DISCLOSURE AGREEMENT

This Non-disclosure Agreement (this "**Agreement**") is made effective as of (date) _____ (the "**Effective Date**"), by and between Security Management Inc. (the "**Company**"), of 24950 Avenue Kearny, Valencia, California 91355, and (Employee name) _____ (the "**Recipient**"), of (address) _____.

To protect both present and future company business interests and customer privacy, Security Management Inc. has requested, and the Recipient agrees that the Recipient will protect any and all company business, confidential material, and company information which may be disclosed between the company and the Recipient. Therefore, the parties agree as follows:

I. CONFIDENTIAL INFORMATION. The term "Confidential Information" means any information or material which is proprietary to the Company, whether or not owned or developed by the Company, which is not generally known other than by the Company, and which the Recipient may obtain through any direct or indirect contact with the Company. Regardless of whether specifically identified as confidential or proprietary, Confidential Information shall include any information provided by the Company concerning the business, technology and information of the Company and any third party with which the Company deals, including, without limitation, business records and plans, trade secrets, technical data, product ideas, security measures, techniques tactics and procedures (TTPs), entry codes, lock combinations, video surveillance procedures, unmanned drone usage, contracts, financial information, pricing structure, discounts, computer programs and listings, source code and/or object code, copyrights and intellectual property, inventions, sales leads, strategic alliances, partners, and customer and client lists. The nature of the information and the manner of disclosure are such that a reasonable person would understand it to be confidential.

A. "Confidential Information" does not include:

- matters of public knowledge;
- information rightfully received by the Recipient from a third party without a duty of confidentiality;
- information independently developed by the Recipient;
- information disclosed by operation of law;
- information that both parties agree in writing is not confidential.

II. PROTECTION OF CONFIDENTIAL INFORMATION. The Recipient understands and acknowledges that the Confidential Information has been developed or obtained by the Company by the investment of significant time, effort and expense, and that the Confidential Information is a valuable, special and unique asset of the Company which provides the Company with a significant competitive advantage and needs to be protected from improper disclosure. In consideration for the receipt by the Recipient of the Confidential Information, the Recipient agrees as follows:





A. No Disclosure. The Recipient will hold the Confidential Information in confidence and will not disclose the Confidential Information to any person or entity without the prior written consent of the Company.

B. No Copying/Modifying. The Recipient will not copy or modify any Confidential Information without the prior written consent of the Company.

C. Unauthorized Use. The Recipient shall promptly advise the Company if the Recipient becomes aware of any possible unauthorized disclosure or use of the Confidential Information.

D. Application to Employees. The Recipient shall not disclose any Confidential Information to any employees of the Recipient, except those employees who are required to have the Confidential Information in order to perform their job duties in connection with the limited purposes of this Agreement. Each permitted employee to whom Confidential Information is disclosed shall sign a non-disclosure agreement substantially the same as this Agreement at the request of the Company.

III. UNAUTHORIZED DISCLOSURE OF INFORMATION - INJUNCTION. If it appears that the Recipient has disclosed (or has threatened to disclose) Confidential Information in violation of this Agreement, the Company shall be entitled to an injunction to restrain the Recipient from disclosing the Confidential Information in whole or in part. The Company shall not be prohibited by this provision from pursuing other remedies, including a claim for losses and damages.

IV. NON-CIRCUMVENTION. For a period of two (2) years after the end of the term of this Agreement, the Recipient will not attempt to do business with, or otherwise solicit any business contacts found or otherwise referred by Company to Recipient for the purpose of circumventing, the result of which shall be to prevent the Company from realizing or recognizing a profit, fees, or otherwise, without the specific written approval of the Owner. If such circumvention shall occur the Company shall be entitled to any commissions due pursuant to this Agreement or relating to such transaction.

V. RETURN OF CONFIDENTIAL INFORMATION. Upon the written request of the Company, the Recipient shall return to the Company all written materials containing the Confidential Information. The Recipient shall also deliver to the Company written statements signed by the Recipient certifying that all materials have been returned within five (5) days of receipt of the request.

VI. RELATIONSHIP OF PARTIES. Neither party has an obligation under this Agreement to purchase any service or item from the other party, or commercially offer any products using or incorporating the Confidential Information. This Agreement does not create any agency, partnership, or joint venture.

VII. NO WARRANTY. The Recipient acknowledges and agrees that the Confidential Information is provided on an "AS IS" basis. THE COMPANY MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE CONFIDENTIAL INFORMATION AND HEREBY EXPRESSLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL THE COMPANY BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THE PERFORMANCE OR USE OF ANY PORTION OF THE CONFIDENTIAL INFORMATION. The Company does not represent or warrant that any product or business plans disclosed to the Recipient will be marketed or carried out as disclosed, or at all. Any





actions taken by the Recipient in response to the disclosure of the Confidential Information shall be solely at the risk of the Recipient.

VIII. LIMITED LICENSE TO USE. The Recipient shall not acquire any intellectual property rights under this Agreement except the limited right to use as set forth above. The Recipient acknowledges that, as between the Company and the Recipient, the Confidential Information and all related copyrights and other intellectual property rights, are (and at all times will be) the property of the Company, even if suggestions, comments, and/or ideas made by the Recipient are incorporated into the Confidential Information or related materials during the period of this Agreement.

IX. INDEMNITY. Each party agrees to defend, indemnify, and hold harmless the other party and its officers, directors, agents, affiliates, distributors, representatives, and employees from any and all third-party claims, demands, liabilities, costs and expenses, including reasonable attorney's fees, costs and expenses resulting from the indemnifying party's material breach of any duty, representation, or warranty under this Agreement.

X. ATTORNEY'S FEES. In any legal action between the parties concerning this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

XI. TERM. The obligations of this Agreement shall survive throughout employment from the Effective Date or until the Company sends the Recipient written notice releasing the Recipient from this Agreement. After that, the Recipient must continue to protect the Confidential Information that was received during the term of this Agreement from unauthorized use or disclosure for an additional 12 months.

XII. GENERAL PROVISIONS. This Agreement sets forth the entire understanding of the parties regarding confidentiality. Any amendments must be in writing and signed by both parties. This Agreement shall be construed under the laws of the State of California. This Agreement shall not be assignable by either party. Neither party may delegate its duties under this Agreement without the prior written consent of the other party. The confidentiality provisions of this Agreement shall remain in full force and effect at all times in accordance with the term of this Agreement. If any provision of this Agreement is held to be invalid, illegal or unenforceable, the remaining portions of this Agreement shall remain in full force and effect and construed so as to best effectuate the original intent and purpose of this Agreement.

XIII. SIGNATORIES. This Agreement shall be executed by Ronald Reppenhagen, the Company President, on behalf of Security Management Inc. and delivered in the manner prescribed by law as of the date first written above.





Security Management Inc.

By: _____ Date: _____

Bettina Schafnitz

RECIPIENT:

Title: _____

By: _____ Date: _____

Print Name: _____



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