

CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT (this “**Agreement**”), dated as of _____, 2017, between A. Farber & Partners Inc. in its capacity as Trustee under a Proposal (the “**Trustee**”) of Techni-Lite Systems Inc. (the “**Company**”) and _____ (the “**Interested Party**”).

RECITALS

- A. The Interested Party has expressed an interest in purchasing certain assets from the Company (the “**Proposed Transaction**”).
- B. In furtherance of the Proposed Transaction, the Trustee has agreed to disclose certain information concerning the Company’s business, business plans, intellectual property, business processes, financial engineering, systems, analysis and assets to the Interested Party which is nonpublic, confidential or proprietary in nature.
- C. In connection with the provision of such information, the Interested Party has agreed to maintain the confidentiality of, and agree to restrictions on the use of, such information.

AGREEMENT

In consideration of the premises and the mutual covenants and the agreements herein set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Definitions. As used in this Agreement, the following terms have the meanings stated:

“Evaluation Material” means (a) all information, data, agreements, documents, reports, “know-how”, interpretations, plans, studies, forecasts, projections and records (whether in oral or written form, electronically stored or otherwise) containing or otherwise reflecting information concerning the Company, any of its subsidiaries or affiliates, their respective businesses or assets and other information not available to the public generally, whether received before or after the date of this Agreement, and (b) all memoranda, notes, analyses, compilations, studies or other documents which were developed based upon or which include any such Evaluation Material (whether in written form, electronically stored or otherwise), whether prepared by the Trustee, the Company or the Interested Party or their respective Representatives or others which contain, reflect or are based on any such Evaluation Material; provided, however, that “Evaluation Material” does not include (i) information which was already in the possession of the Interested Party or its Representatives prior to the date hereof and which was not acquired

or obtained from a source that was bound by a contractual, legal or fiduciary obligation not to disclose the information, (ii) information which is obtained by the Interested Party or its Representatives from a source other than the Trustee or the Company or its Representatives unless Interested Party knows that such source is prohibited from transmitting the information to the Interested Party or its Representatives by a contractual, legal or fiduciary obligation, or (iii) information which is or becomes generally available to the public other than as a result of a disclosure by the Interested Party or its Representatives in violation of the provisions of this Agreement or by disclosure by any other Person in violation of any contractual legal, or fiduciary obligation.

“Person” means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization of any kind, including, without limitation, a governmental authority or agency.

“Representative” of the Company, Trustee or the Interested Party means their respective directors, officers, employees, partners, representatives, affiliates, advisors (legal and accounting), lenders or financing sources.

Section 2. Agreement Not to Disclose or Use Evaluation Material.

(a) Non-Disclosure of Evaluation Material. The Interested Party agrees not to, and agrees to cause its Representatives not to, directly or indirectly, disclose, reveal, divulge, publish or otherwise make known any of the Evaluation Material to any Person for any reason or purpose whatsoever, except as provided in Sections 2(c) or 3 below. In addition, the Interested Party agrees to treat the Evaluation Material as confidential at all times. The Interested Party agrees not to, and agrees to cause its Representatives not to, make any copies of the Evaluation Material except to the extent necessary or required in connection with reviewing and evaluating the Proposed Transaction.

(b) Limitations on Use of Evaluation Material. In addition, the Interested Party agrees to, and agrees to cause its Representatives to, use the Evaluation Material solely for the purpose of reviewing and evaluating the Proposed Transaction in accordance with the terms of this Agreement. The Interested Party agrees not to, and agrees to cause its Representatives not to, directly or indirectly, use, or permit any other Person to use, the Evaluation Material for any reason or purpose other than reviewing and evaluating the Proposed Transaction or in any manner adverse to, or to the detriment of, the Trustee, the Company or its Representatives.

(c) Permitted Disclosure. Notwithstanding the provisions of Section 2(a) above, the Interested Party may disclose the Evaluation Material to its Representatives who (i) need to know such information to permit the Interested Party to review and evaluate the Proposed Transaction, (ii) are informed of the confidential nature of the Evaluation Material and (iii) agree to be bound by the terms of this Agreement. Such Representatives may use the Evaluation Material only in strict accordance with the

provisions of Section 2(a) and (b) above. The Interested Party agrees to be fully responsible for any breach of this Agreement by any of its Representatives.

Section 3. Compelled Disclosure. Notwithstanding the provisions of Section 2, if the Interested Party or any of its Representatives are required to disclose any Evaluation Material pursuant to any applicable law, rule or regulation (other than in connection with a routine regulatory examination of the Interested Party's books and records by a regulatory agency with authority over the Interested Party), the Interested Party will promptly notify the Trustee in writing of any such requirement so that the Trustee, at its cost may seek an appropriate protective order or other appropriate remedy or waive compliance with the provisions of this Agreement. The Interested Party will, and will cause its Representatives to, reasonably cooperate with the Trustee to obtain such a protective order or other remedy. If such order or other remedy is not obtained on or before the date such disclosure is required by applicable law, rule or regulation, or the Trustee waives compliance with the provisions of this Agreement in writing, the Interested Party and its Representatives will disclose only that portion of the Evaluation Material which they are advised by counsel in writing that they are legally required to so disclose and will obtain reliable assurance that confidential treatment will be accorded the information so disclosed.

Section 4. Return or Destruction of Evaluation Material. Upon the written request of the Trustee, the Interested Party will, and will cause its Representatives to, return to the Trustee all Evaluation Material (whether in written form, electronically stored or otherwise), and neither the Interested Party nor any of its Representatives shall retain any copies thereof. All other Evaluation Material, including, without limitation, all memoranda, notes, analyses, compilations, studies and other documents prepared by the Interested Party or any of its Representatives, and any Evaluation Material not so requested and returned, will be destroyed. Notwithstanding the foregoing, Interested Party may retain Evaluation Material pursuant to its internal policies and procedures, provided that the obligations of confidentiality set forth in this Agreement shall continue to apply to any such retained Evaluation Material.

Section 5. No Representations and Warranties; No Liability; Definitive Agreement.

(a) No Representations and Warranties. The Evaluation Material is being provided to the Interested Party "as is" and without any representation or warranty of any kind, either express or implied. The Interested Party understands and agrees that neither the Trustee nor any of its Representatives makes any representation or warranty, express or implied, as to the accuracy or completeness of the Evaluation Material (except as may be made in a definitive agreement) nor will any of them have any liability to Interested Party or its Representatives relating to or resulting from the use of the Evaluation Material or any errors therein or omissions therefrom. The Interested Party understands and agrees that the Trustee is under no duty or obligation to provide the Interested Party with access to

any information, and nothing herein is intended to impose any such obligation on the Trustee or any of its Representatives.

(b) No Liability. The Interested Party understands and agrees that any of the Evaluation Materials prepared by the Trustee or its Representatives were prepared for their internal purposes only, and thus may not be suitable for the Interested Party's purposes. The Interested Party acknowledges and agrees that the Interested Party will make its own independent evaluation of the Proposed Transaction and will not be relying on the Trustee or any of its Representatives in connection with the Proposed Transaction and that neither the Trustee nor any of its Representatives is acting as the Interested Party's broker or advisor in connection with the Proposed Transaction. The Interested Party further agrees not to pursue any action, suit or proceeding against the Trustee or any of its Representatives arising from or relating to the provision by the Trustee or its Representatives to the Interested Party and its Representatives of the Evaluation Materials or the information contained therein.

(c) Definitive Agreement. This Agreement does not constitute a binding agreement or obligation to reach a final and definitive agreement with respect to the Proposed Transaction and no contract or agreement providing for any transaction involving the Trustee shall be deemed to exist between the Trustee and the Interested Party unless and until a final and definitive agreement satisfactory to the Trustee and the Interested Party has been negotiated, fully executed and delivered. Unless and until such a definitive agreement between the Trustee and the Interested Party has been negotiated, fully executed and delivered, neither the Trustee nor the Interested Party will be under any legal obligation of any kind whatsoever with respect to such a transaction by virtue of this Agreement, except for the matters specifically set forth herein. The Trustee reserves the right, in its sole and absolute discretion, to reject any and all offers and proposals made by the Interested Party and to terminate discussions with the Interested Party at any time.

Section 6. Specific Performance.

(a) Acknowledgment. The Interested Party hereby acknowledges and agrees that the provisions of this Agreement are of a special and unique nature, the loss of which cannot be accurately compensated for in damages by an action at law, and that the material breach or threatened breach of the provisions of this Agreement by the Interested Party or any of its Representatives would cause the Trustee irreparable harm and that money damages would not be an adequate remedy for any uncured material breach or threatened breach of the provisions of this Agreement by the Interested Party or any of its Representatives.

(b) Specific Performance. The Interested Party hereby agrees on behalf of itself and its Representatives that the Trustee shall be entitled to equitable relief, including, without limitation, an injunction or injunctions (without the requirement of posting a bond, other security or any similar requirement or proving any actual damages), to prevent material

breaches or threatened breaches of this Agreement by the Interested Party or any of its Representatives and to specifically enforce the terms and provisions of this Agreement, this being in addition to any other remedy to which the Trustee is entitled at law or in equity.

Section 7. Indemnification. The Interested Party will indemnify and defend the Trustee and its Representatives and each of their respective directors, officers, employees, managers, members, partners, shareholders, agents and affiliates (collectively, the “**Indemnified Persons**”) against and hold each Indemnified Person harmless from any and all liabilities, obligations, losses, damages, costs, expenses, claims, penalties, lawsuits, proceedings, actions, judgments, disbursements of any kind or nature whatsoever, interest, fines, settlements and reasonable attorneys’ fees and expenses that the Indemnified Persons may incur, suffer, sustain or become subject to arising out of, relating to, or due to the breach of this Agreement by the Interested Party or any of its Representatives. The provisions of this paragraph shall survive any termination or completion of any Proposed Transaction.

Section 8. Term of this Agreement. Unless otherwise specifically provided herein, the Interested Party’s obligations under Section 2 hereof shall terminate and be of no further force or effect on the date which is one (1) year from the date hereof.

Section 9. Miscellaneous.

(a) Notices. All notices, requests, demands and other communications to any party or given under this Agreement will be in writing and delivered personally, by overnight delivery or courier, by registered mail or by email to the parties at the address specified for such parties on the signature pages hereto (or at such other address as may be specified by a party in writing given at least five business days prior thereto). All notices, requests, demands and other communications will be deemed delivered when actually received.

(b) Counterparts. This Agreement may be executed simultaneously in one or more counterparts, and by different parties hereto in separate counterparts, each of which when executed will be deemed an original, but all of which taken together will constitute one and the same instrument.

(c) Amendment of Agreement. This Agreement may not be amended, modified or waived except by an instrument in writing signed on behalf of each of the parties hereto.

(d) Successors and Assigns; Assignability. This Agreement will be binding upon and inures to the benefit of and is enforceable by the respective successors and permitted assigns of the parties hereto. This Agreement may not be assigned by any party hereto without the prior written consent of all other parties hereto. Any assignment or attempted assignment in contravention of this Section will be void *ab initio* and will not relieve the assigning party of any obligation under this Agreement.

(e) Governing Law. This Agreement will be governed by, and construed in accordance with, the laws of the Province of Ontario applicable to contracts executed in and to be performed entirely within that province, without reference to conflicts of laws provisions.

(f) Integration. This Agreement contains and constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior negotiations, agreements and understandings, whether written or oral, of the parties hereto.

(g) Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement will nevertheless remain in full force and effect so long as the economic or legal substance of the initiatives contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the initiatives contemplated hereby are fulfilled to the extent possible.

(h) No Waiver; Remedies. No failure or delay by any party in exercising any right, power or privilege under this Agreement will operate as a waiver of the right, power or privilege. A single or partial exercise of any right, power or privilege will not preclude any other or further exercise of the right, power or privilege or the exercise of any other right, power or privilege. The rights and remedies provided in this Agreement will be cumulative and not exclusive of any rights or remedies provided by law.

(i) No Third-Party Rights. This Agreement is not intended, and will not be construed, to create any rights in any parties other than the Trustee and the Interested Party and no Person may assert any rights as third-party beneficiary hereunder, except for the rights of the Indemnified Persons under Section 7 hereof.

(j) Ambiguities. This Agreement was negotiated between legal counsel for the parties and any ambiguity in this Agreement shall not be construed against the party who drafted this Agreement.

In witness whereof, the parties have caused this Agreement to be executed as of the date and year first written above.

Interested Party:

Address for Notices:

By: _____
Name:
Title:

**A. Farber & Partners Inc., in its
capacity as Trustee acting *in re* the
Proposal of Techni-Lite Systems
Inc.**

Address for Notices:

150 York Street
Suite 1600
Toronto, ON M5H 3S5

Attn. Noah Litwack

By: _____

Name:

Title: