

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

THIS AGREEMENT is made as of the ___ day of _____, 2016

B E T W E E N :

DELOITTE RESTRUCTURING INC., solely in its capacity as the court-appointed receiver of Drytech International Inc. and 6892639 Canada Inc. and not in its personal capacity

(the “**Disclosing Party**”)

- and -

_____,
a corporation incorporated under the laws of _____,
/_____
an individual residing at _____

(the “**Recipient**”)

CONTEXT

- A.** The Disclosing Party was appointed as receiver of the assets, undertakings and property (the “**Property**”) of Drytech International Inc. (“**Drytech**”) and 6892639 Canada Inc. (collectively with Drytech, the “**Debtors**”) acquired for, or used in relation to the business carried on by the Debtors (the “**Business**”), effective April 11, 2016, pursuant to an order of the Ontario Superior Court of Justice (the “**Order**”).
- B.** Pursuant to the Order, the Receiver was empowered and authorized to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale.
- C.** The Disclosing Party wishes to disclose confidential information relating to the Property and Business to the Recipient in accordance with terms and conditions of this Agreement in connection with the Recipient’s consideration of a possible transaction between the Recipient and the Disclosing Party for all or a portion of the Property and/or Business (the “**Purpose**”).

THEREFORE, the Parties agree as follows:

**ARTICLE 1
CONFIDENTIALITY AND NON-DISCLOSURE**

1.1 Confidentiality

The Recipient hereby agrees that, in consideration for, and as a condition of the Disclosing Party furnishing such information, it shall treat and keep as secret and confidential all information it receives relating to the Debtors' Business, Property, operations, services, finances, intellectual property, systems, patents, trade secrets, commercial proprietary, samples, drawings, data, techniques, analyses, compilations, studies, knowledge, processes, systems, ideas, know-how, written material, photographs, models, manuals and other information whether communicated in written form, orally, visually, demonstratively, technically or by any other means or other media, or committed to memory, and whether or not designated, marked, labelled or identified as confidential or proprietary, including all analyses, compilations, records, data, reports, correspondence, memoranda, specifications, materials, applications, technical data, studies, derivative works, reproductions, copies, extracts, summaries or other documents containing or based upon, in whole or in part, any of the information provided by the Disclosing Party (the "**Confidential Information**") but excluding information which:

- 1.1.1 was available to or known by the public before the disclosure contemplated by this Agreement;
- 1.1.2 is or was properly and lawfully obtained from a source other than the Disclosing Party, any representative of the Disclosing Party, or any person bound by a duty of confidentiality to the Disclosing Party or to the Debtors; or
- 1.1.3 is or becomes available to or known by the public other than as a result of improper disclosure by the Recipient or any representative of the Recipient.

1.2 Use of Confidential Information

The Recipient agrees that, without the prior written consent of the Disclosing Party, it shall not:

- 1.2.1 use the Confidential Information except for the Purpose;
- 1.2.2 disclose the Confidential Information to any person other than its directors, officers, employees, or professional advisors ("**Representatives**") who need to know such information for the Purpose, provided such Representatives are informed of the confidential nature of such Confidential Information and agree to be bound by all the provisions that are binding on the Recipient hereunder; and
- 1.2.3 disclose to any person other than its Representatives who need to know such information for the Purpose, the fact that discussions or negotiations are taking place, any of the terms, conditions or other facts with respect to the Purpose, including the status thereof, or the existence and terms of this Agreement.

1.3 Reproduction

The Recipient agrees that it shall not, except as necessary for the Purpose, copy or store any Confidential Information without the prior written consent of the Disclosing Party.

1.4 Protection

Recipient shall protect the confidentiality of the Confidential Information with at least the same degree of care as Recipient normally uses to protect its own confidential information, which in no event shall be less than a reasonable and prudent degree of care.

1.5 Permitted Disclosure

The Recipient or its Representatives may disclose the Confidential Information if such disclosure is required pursuant to a court order or applicable law (including pursuant to applicable securities laws and regulations or stock exchange rules), provided:

- 1.5.1 unless expressly prohibited by such court order or applicable law, the Recipient first advises the Disclosing Party of such requirement to disclose the Confidential Information and provides the Disclosing Party with a reasonable opportunity to seek a protective order or other remedy with respect to the disclosure, including to ensure that such Confidential Information as is required to be disclosed is afforded confidential treatment; and
- 1.5.2 in the event that such protective order or other remedy is not obtained, the Recipient or its Representative(s) furnish only that portion of the Confidential Information which is legally required to be disclosed.

1.6 Ownership of Information

The Disclosing Party is and will remain the owner of all the Confidential Information being disclosed, and no property rights in or licenses over any Confidential Information shall be obtained by the Recipient.

1.7 Return of Information

Upon the request of the Disclosing Party at any time, the Recipient shall promptly, and within ten (10) days of receipt of such request, at the Disclosing Party's option, either return or destroy all copies of the Confidential Information including any analyses, compilations, forecasts, studies or other documents prepared by the Recipient or its Representatives.

1.8 Term

This Agreement shall apply in respect of disclosures made during the period of one (1) year following the date first noted above subject, however, to the proviso that either party may terminate this Agreement at any time upon prior written notice to the other party. Notwithstanding the expiry or termination of this Agreement for any reason, the terms of this Agreement, including without limitation, the obligations of confidentiality and restrictions on use

shall continue to apply to all Confidential Information, until such time as such information is no longer Confidential Information in accordance with Section 1.1 above.

1.9 No Warranty

The Disclosing Party makes no representation or warranty, nor can any such representation or warranty be implied, as to the accuracy or completeness of any Confidential Information and the Disclosing Party has no obligation to provide Confidential Information to Recipient or to enter into any proposed agreements or transactions.

ARTICLE 2 GENERAL

2.1 Entire Agreement

This Agreement constitute the entire agreement between the parties pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no representations, warranties or other agreements between the parties, express or implied, in connection with the subject matter of this Agreement except as specifically set out in this Agreement. No party has been induced to enter into this Agreement in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Agreement.

2.2 Amendment and Waiver

No amendment, discharge, modification, restatement, supplement, termination or waiver of this Agreement or any section of this Agreement is binding unless it is in writing and executed by each party. No waiver of, failure to exercise or delay in exercising, any section of this Agreement constitutes a waiver of any other section (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

2.3 Enurement

This Agreement shall be binding upon and enforceable against the parties and their successors and permitted assigns.

2.4 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the parties to this agreement irrevocably submits to the jurisdiction of the courts of the Province of Ontario.

2.5 Severability

If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the terms and provisions of this agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

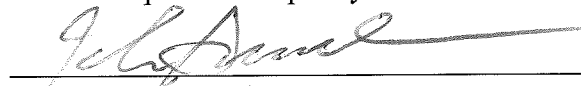
2.6 Counterparts and Electronic Delivery

This Agreement may be executed and delivered by the parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

[Signature page to Follow]

Each of the parties has executed and delivered this Agreement, as of the date noted at the beginning of the Agreement.

DELOITTE RESTRUCTURING INC.,
solely in its capacity as the court-appointed receiver
of Drytech International Inc. and 6892639 Canada
Inc. and not in its personal capacity

By: 
Name: John Saunders
Title: Vice-President

[Name of corporate Recipient]

By: _____
Name:
Title:

Witness:

[Name of individual Recipient]