

DEVELOPMENT, SUPPLY AND MANUFACTURING AGREEMENT

This Agreement, with an effective date upon endorsement by both parties, is entered into between Security Devices International, Inc., a Delaware corporation with an address of 1101 Pennsylvania Ave NW, 6th Floor, Washington, DC 20004 ("SDI") and Micron Products, Inc., a Massachusetts corporation with an address of 25 Sawyer Passway, Fitchburg, MA 01420 ("Micron"). SDI and Micron are sometimes referred to collectively as the "parties" and individually as a "party".

In consideration of the mutual promises and undertakings set forth herein, the parties hereto agree as follows:

1. **PRODUCTS.** As used in this Agreement, "Products" or "Product" shall mean 40MM assemblies and components for use by SDI to produce less-lethal and training projectiles as described on attached Exhibit A. It is also understood that additional products, regardless of caliber, may be added to this Agreement by appendix, with the written approval of both parties.
2. **TERM.** This Agreement shall commence upon the effective date hereof and shall continue for a period of five (5) years. The term of this Agreement shall automatically extend for an additional one (1) year period commencing on the expiration date of the then-current term unless either party has provided written notice of termination prior to such date.
3. **PURCHASE AND SALE.**
 - A. SDI shall order and purchase only from Micron the Products identified in Exhibit A and Exhibit B during the term of this Agreement.
 - B. Micron shall sell all SDI's Products to SDI on an exclusive basis during the term of this Agreement.
 - C. Micron shall also be responsible for establishing and maintaining the necessary quality systems (see attached Exhibit C) manufacturing capacity and tooling necessary to meet SDI's entire product requirements, as described on Exhibit A during the term of this Agreement.
4. **PRICES AND PRICE ADJUSTMENTS.** Prices for the Products shall be as set forth in attached Exhibit B and may be adjusted for additional performance requirements in the marketplace. Any price adjustments will be reviewed and agreed to by SDI and Micron before being applied. Pricing shall also be subject to fluctuations in market price of raw materials and energy costs. Micron shall give SDI ninety (90) days written notice of any market price fluctuations or changes as described herein above, including reasoning and a full description thereto.
5. **ORDERING AND SHIPPING.**

A. SDI must place written orders for Products under this Agreement. Orders will be confirmed within two (2) working days by Micron's written acknowledgment, the terms of which will be binding upon SDI, provided, however, that where the terms and conditions of Micron's acknowledgment are inconsistent with provisions of this Agreement, the provisions of this Agreement shall control. Micron shall deliver Product in accordance with the time requested as set forth in SDI's purchase order and any releases against the purchase order, provided, Micron receives at least ten (10) business days lead time.

B. All prices are FOB Fitchburg, MA, USA. Method and route of shipment will be at the discretion of SDI. All shipments shall be at SDI's risk and shall be insured, if at all, solely at SDI's expense. Micron reserves the right to make delivery in installments and all such installments when separately invoiced shall be paid for when due per invoice, without regard to the date or subsequent deliveries.

6. **PAYMENT.**

A. Payment terms are net thirty (30) days from date of invoice. All invoices shall be rendered in duplicate, shall state purchase order number, item numbers and any applicable taxes. A bill of lading or express receipt will accompany each invoice. Invoices will also be supplied electronically to SDI via email, and a confirmation sent back to Micron via email upon receipt by SDI.

B. SDI agrees to pay for the Products and any shipping or other charges in full on the terms set forth in Micron's invoice or other documents. In addition to all other remedies Micron has under applicable law, in the event of SDI's default, Micron shall have the option to charge interest on overdue balances at the rate of one (1%) percent per month. SDI shall also pay all of Micron's costs of collection including without limitation, attorney's fees. If, in Micron's opinion, the financial condition or actions of SDI at any time indicate that payment for goods ordered may not be received, Micron may discontinue shipment and require payment in advance.

7. **FORECASTS.**

A. Each calendar quarter, SDI will provide Micron with a non-binding, written, confidential, good faith forecast of SDI's purchases of Products from Micron during the following twelve (12) month period. These forecasts are to be best estimates of anticipated purchases and not a commitment to purchase the quantities specified. Micron may use the forecasts to help plan production; however, Micron assumes all risk of use of such forecasts in connection with such planning.

B. Quarterly, SDI will provide Micron with their proposed, written forecast of SDI's purchase of Products from Micron during the following three (3) months.

8. **WARRANTIES AND INDEMNIFICATIONS.**

A. Micron warrants that all Products will be free from defects in materials and workmanship. Micron makes no other warranty of any other kind, express or implied, of merchantability, fitness for any particular purpose or otherwise. Micron's obligations hereunder shall be limited to the replacement of defective Products or, at the option of Micron, the reimbursement of the original purchase price of the Products. Any claims of defective material or workmanship must be made in writing and delivered to Micron within one hundred and twenty (120) days from the date of receipt. Micron shall have no other obligation or liability of any kind. Micron must initiate investigative measures and perform corrective actions, if required and report all findings in writing to SDI. Micron and SDI agree and understand that the price stated for the Products herein is consideration for the limitation of Micron's liability for a breach of the above-described express warranties and that such limitation represents a valid and reasonable allocation of commercial risk between the parties. In no event shall Micron be liable for any indirect, incidental or consequential damages of SDI or any third party. This paragraph states SDI's sole and exclusive remedy for breach of warranty.

B. The maximum liability, if any, of Micron for all direct damages, including without limitation contract damages and damages for injuries or death to persons or property, whether arising from Micron's breach of this agreement, breach of warranty, negligence, strict liability, product liability, use or misuse of Product by end users, or other tort with respect to the goods, or any services in connection with the goods, is limited to an amount not to exceed the price of the particular Products. In no event shall Micron be liable to SDI for any direct, incidental, consequential, or special damages, including without limitation lost revenues and profits, even if Micron has been advised of the possibility of such damages.

9. **INDEMNIFICATION.** Notwithstanding any actual or alleged defects or hazard inherent in the Products or negligence of Micron, its agents, employees or Subcontractors or end users, SDI agrees to hold Micron and its affiliates, officers and directors harmless and indemnify each of them against any and all loss, cost, damage or liability paid or incurred by them: (a) from third party claims for personal injuries, death or property damage, whether direct or indirect actual or alleged, consequential or otherwise; (b) from any recall, inspection, testing, replacement or correction of the Products, whether required by governmental authority or otherwise; (c) from the violation of any law, regulation, rule, order or restriction of any governmental authority resulting from or incident to the sale and/or delivery of the Products to SDI; or (d) from any actual or alleged infringement of any United States or foreign patent, copyright or similar common or civil law right of a third party resulting from or incident to the sale and/or delivery of the Products to SDI and from any costs of defense, attorney's fees, inspector's fees and/or costs of testing for which any of them become responsible or which are borne by any of them incident to any of the foregoing.

10. **TERMINATION.**

A. SDI shall have the right to terminate this Agreement if Micron fails to perform in accordance with this Agreement and its appendices and fails to cure such default within

sixty (60) days of written notice. Micron shall have the right to terminate this Agreement on written notice to SDI if SDI (a) has failed to make any payments required by this Agreement in the time provided therefore and (b) following sixty (60) days' notice of such failure from Micron, SDI does not pay all delinquent sums in full.

B. In addition to their respective rights set forth in this section, either party shall have the right to terminate this Agreement on written notice to the other party under the following circumstances:

- i. by mutual Agreement;
- ii. by written communication giving ninety (90) days notice;
- iii. if the other party materially defaults in the performance of any material obligation hereunder, and such default continues for more than sixty (60) business days after receiving written notice from the other party of such default; provided, however, there shall be no default under this provision if the defaulting party has cured the default within sixty (60) days after the giving of notice;
- iv. in the event that the other party is declared insolvent, or bankrupt by a court of competent jurisdiction, or a voluntary petition of bankruptcy is filed in any court of competent jurisdiction by such other party, or such other party shall make or execute an assignment for the benefit of creditors, or a receiver is appointed by a court of competent jurisdiction over all or a substantial portion of the other party's assets and such receivership is not dismissed within 30 days of appointment.

11. **CONFIDENTIAL INFORMATION.** "Confidential Information" means, without limitation, all information pertaining to the business of SDI and Micron including, but not limited to, the Product invention, ideas, trade secrets, know-how, research and development, training, software, programs, hardware configuration information, price lists, data, manuals, handbooks, sponsors, investors, business strategies and plans, marketing, sales records, drawings, specifications, designs, materials, parts lists, customer lists, consumer information, suppliers, contract terms, test criteria, vendor lists, financial information, intellectual property, and all other information or data of any kind or character relating to the business of SDI or Micron, including but not limited to, any invention, writing, idea, discovery, or improvement made or conceived by SDI or Micron directly or indirectly as a result of performing work for SDI pursuant to this Agreement, whether or not reduced to writing, and which is not generally available to the public. However, Confidential Information shall not include any of the foregoing, which has become publicly known and made generally available through no wrongful act of Micron or any third party. Prior to execution of this Agreement; the parties have executed the Mutual Nondisclosure Agreement attached hereto as Exhibit D. In the event there is a conflict between the terms of the Mutual Nondisclosure Agreement and this Agreement, this Agreement shall govern.

12. **TECHNOLOGY OWNERSHIP.** The parties agree as follows:

A. Except as stated in Section 12.B, SDI shall own all proprietary rights to the Product which shall be defined as: all inventions, improvements, discoveries, designs, data, concepts, ideas, processes, methods, techniques, know-how, and information, including schematics, and engineering drawings respecting the Product made or produced by Micron during the course of performing design, engineering, fabrication or manufacturing services under this Agreement, or made or produced as the result of the joint efforts of SDI and Micron pursuant to this Agreement.

B. Notwithstanding anything to the contrary in this Agreement, Micron shall own all of its "Technology and Manufacturing Processes" used in the manufacture and assembly of the Products, whether those processes are conceived, acquired or produced by Micron prior to or during the course of performing design, engineering, fabrication or manufacturing services under this Agreement. Micron's "Technology and Manufacturing Processes" include: proprietary electronic technology, assembly and manufacturing processes, and related technology or know-how or information including concepts, techniques, schematics, and engineering drawings. To the best of SDI's knowledge, SDI has not helped conceive, develop or modify any of Micron's "Technology and Manufacturing Processes."

C. Notwithstanding anything to the contrary in this Agreement, Micron can design, engineer, fabricate or manufacture products embodying or using Micron's Technology and Manufacturing Processes; provided that such products do not embody or use any of SDI's confidential information or the Products.

13. **MANUFACTURING.**

A. During the term of this Agreement, Micron shall timely manufacture the Product in compliance with the Product Specifications described in Exhibit A (the "Product Specifications"). Both during the term and following termination of this Agreement, in perpetuity, Micron shall not supply the Product (or any prototype thereof), or Product Specifications, to any third party whatsoever. SDI shall not manufacture the Product by itself, and SDI shall not request the production of the Product other than with Micron, during the term of this agreement.

B. During the term of this Agreement, Micron shall exclusively manufacture for SDI the Product and any improved version of the Product; and SDI shall purchase only from Micron the Product and any improved version of the Product.

14. **NOTICES.** All notices or other communications to a party required or permitted hereunder shall be in writing and shall be given by FedEx addressed to the parties at the following addresses, or to an address later noticed:

If to Micron:

Micron Products, Inc.
25 Sawyer Passway
Fitchburg, MA 01420
USA
Attn: President

If to SDI:

Security Devices International, Inc.
1101 Pennsylvania Avenue NW
6th Floor
Washington, DC 20004
Attn: President

All notices shall be deemed given on the day when actually delivered.

15. **CHANGE OF CONTROL.** In the event that SDI is acquired or merges with another organization, whereby, directly or indirectly, control in excess of 50% of the Company or all or substantially all of its business or assets is acquired by a third party in a sale or exchange of stock, merger or consolidation, sale of assets or other similar transaction and the successor corporation desires to be released from this contract, the following shall apply: SDI or the successor corporation will not pay any additional expenses other than the balance of any Non-Recurring Engineering NRE (if any) and the purchasing cost for any outstanding purchase orders at that time.

16. **REGULATORY APPROVALS.** SDI shall undertake and be responsible for the procurement of any and all regulatory approvals and/or registrations and customs approval necessary for the sale of the Product. Micron shall aid and cooperate with, where appropriate, SDI in fulfilling the responsibilities set forth in this paragraph.

17. **PUBLIC RELEASE OF INFORMATION.** Any public statement, verbal or written, regarding the other party shall be approved by the other party in advance. The foregoing shall not prevent either party from issuing a press release or making a public filing where required by law.

18. **FORCE MAJEURE.** Any delays in or failure by either party in performance of any obligations hereunder shall be excused for a period up to sixty (60) if and to the extent caused by occurrences beyond such party's reasonable control, including, but not limited to, labor strikes, fire, floods, war, governmental regulation, or delay in or inability to obtain labor, machinery, material or services through its usual and regular sources.

19. **INJUNCTIVE RELIEF.** Each party hereby expressly acknowledges and agrees that any breach or threatened breach by a party of any of the terms set forth in Section 11 hereof may result in significant and irreparable damage to the other party. Therefore, in addition to any other remedies available at law, each party shall be entitled to injunctive or other equitable relief by a court of appropriate jurisdiction in the event of any breach or threatened breach of the terms of Section 11 of this Agreement.

20. **RELATION OF PARTIES.** Nothing herein shall be deemed to constitute Micron and SDI as partners, joint ventures or otherwise associated in or with the business of the other. SDI is an independent contractor and neither party shall be liable for any debts, torts, accounts, obligations or other liabilities of the other party, its agents or employees. Neither party is

authorized to incur debts or other obligations, nor to make representations or warranties of any kind, on the part of or as agent for the other except as may be specifically authorized in writing. It is expressly recognized that no fiduciary relationship exists between the parties.

21. **APPLICABLE LAW.** This Agreement shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts without giving effect to any conflict-of-laws provisions thereof. Any action, suit or proceeding arising under this Agreement shall be brought in the U.S. District Court for the District of Massachusetts, to whose jurisdiction (including *in personam*) both parties consent. The parties hereby agree that any related ruling by a court (in the USA) shall be the fullest extent possible by any court outside the USA.

22. **MISCELLANEOUS.**

A. *Test Results:* Micron agrees to provide to SDI quality control test results and a certificate that the Products delivered meet the Product Specifications.

B. *Records:* Micron shall maintain records to demonstrate conformance to the requirements of SDI. All records will be retained so that they are readily retrievable in facilities that provide a suitable environment to prevent damage, deterioration, and loss. Records will be kept on an active file for a minimum time of five years. Records will be kept at Micron's facility and will be made available to SDI upon written notice fourteen (14) days in advance.

C. *Severability:* If any provision of this Agreement is determined to be invalid, illegal or enforceable by a federal court, such provision shall be deemed to be severable from the remainder of this Agreement, and shall not cause the invalidity, illegality or unenforceability of the remainder of the Agreement.

D. *Assignment.* Except as specifically set forth below, or in Section 15 above, this Agreement may not be assigned by either party, without the prior written consent of the other party. No assignment shall relieve the assigning party of its obligations hereunder. Notwithstanding the foregoing sentence, either party may assign its interests in this Agreement to any of its Affiliates or to any third party that acquires all or substantially all of its business, without the prior written consent of the other party. As used herein, "Affiliate" means, with respect to a party, any person or entity that controls, is controlled by or is under common control with such party. An entity is deemed to be in control of another entity (controlled entity) if the former owns directly or indirectly at least fifty percent (50%), or the maximum percentage allowed by law in the country of the controlled entity, of the outstanding voting equity of the controlled entity.

E. *Non-waiver:* The exercise by either party of any remedy or recourse available to it hereunder shall not deprive such party of any other remedy or recourse available to it under applicable law. Any waiver by either party of a breach of any term of this Agreement shall not be considered as a waiver of any subsequent breach of the same or other terms or condition hereof.

F. *Entire Agreement:* This Agreement constitutes the entire agreement between SDI and Micron with respect to the subject matter of this Agreement and supersedes any prior agreements or understandings with respect to such subject matter. This Agreement may only be amended by a writing signed by all the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed, under seal, as of the date first written above.

SECURITY DEVICES INTERNATIONAL
INC.

By: 

Title: President & CEO

Date: July 25, 2012

MICRON PRODUCTS, INC.

By: 

Title: President & CEO

Date: July 25, 2012

EXHIBIT A

PART DESCRIPTIONS & REQUIREMENTS & PRODUCT SPECIFICATIONS

- A. **BIP40*** (Blunt Impact Projectile) – This Product is a 40 millimeter less-than-lethal ammunition round (“Round”). Included within the Round is a patented collapsible head. The Round is used for pain compliance by the military and law enforcement officials. This Round is a short and long-range projectile, offering target compliance at 5 to 80+ meters. Velocity performance is measured at a minimum of 80 meters per second.
- B. **BIP40-MK*** – This Product is a 40 millimeter less-than-lethal ammunition Round. Included within the Round is a patented collapsible head. The Round is used for pain compliance and marking of targeted group leaders by the military, and law enforcement officials. This Round is a short and long-range projectile, offering target compliance at 5 to 80+ meters. Velocity performance is measured at a minimum of 80 meters per second.
- C. **BIP40-OC*** - This Product is a 40 millimeter less-than-lethal ammunition Round. Included within the Round is a patented collapsible head. The Round is used for pain compliance and the releasing of a pepper spray irritant upon impact by the military and law enforcement officials. This Round is a short and long-range projectile, offering target compliance at 5 to 80+ meters. Velocity performance is measured at a minimum of 80 meters per second.
- D. **BIP40*** – Training Round - This Product is a 40 millimeter less-than-lethal practice or training ammunition Round. The Round is used for training purposes by military and law enforcement officials. Velocity performance is measured at a minimum of 80 meters per second. This BIP40 Training Round meets the exact criteria of the BIP40 less-than-lethal ammunition Round; including but not limited to weight, size (Width, Height, Length), ballistics characteristics, and performance.

* - All versions of the BIP40 to be water resistant and ready for T&H (Temperature and Humidity) Military Requirement testing.

EXHIBIT B

PRICING

SDI BIP

Gen 1									
		Year	2012	2013	2014	2015	2016	2017	2018
Volume									
1,000									
10,000									
100,000									
200,000									
Training									
		Year	2012	2013	2014	2015	2016	2017	2018
Volume									

Items redacted in
Schedule B are
industry price
sensitive to the
Company.

EXHIBIT C

QUALITY SYSTEM



CERTIFICATE

The Certification Body of
TÜV SÜD AMERICA INC.

hereby certifies that

Micron Products, Inc.
25 Sawyer Passway
Fitchburg, MA 01453 USA

has implemented a Quality Management System
in accordance with:

ISO 13485:2003 and ISO 9001:2008

The scope of this Quality Management System includes:

ISO 9001: 2008: Manufacture of Silver – silver chloride sensors / custom injection molding of components / precision machining of metal and plastic components / discrete assembly for Defense and Medical related products.

ISO 13485:2003: Manufacture of silver – silver chloride sensors / custom injection molding of components / precision machining of metal and plastic components for the Medical related products.

Certificate Expiry Date: January 13, 2013

Certificate Registration No: S 951 10 5373

Effective Date: January 14, 2010



Gary W. Minks

Gary W. Minks
VP, Regulatory Affairs



TÜV SÜD AMERICA INC • 10 Centennial Drive • Peabody, MA 01960 USA • www.TUVamerica.com TÜV®

EXHIBIT D

NON-DISCLOSURE AGREEMENT

THIS NON-DISCLOSURE AGREEMENT (hereinafter the "**Agreement**") is made and entered into as of the 8th day of July 2010 (hereinafter the "**Effective Date**") by and between **SECURITY DEVICES INTERNATIONAL, INC.**, a Delaware corporation ("**SDI**"), and **MICRON PRODUCTS, INC.**, a Massachusetts corporation ("**MPI**") (SDI and MPI are sometimes herein collectively referred to as the "**Parties**," and individually as a "**Party**").

WHEREAS, the Parties desire to enter into certain discussions with respect to a potential business transaction between them relating to the manufacture of SDI's non-lethal munitions products (the "**Proposed Transaction**") and, in connection with the Proposed Transaction, each Party anticipates that each will disclose and provide access to the other certain confidential and proprietary information concerning its intellectual property, respective business plans, operations, systems, activities and programs; and

WHEREAS, the Parties desire to enter into this Agreement in order to ensure that each Party's confidential and proprietary information is protected from unauthorized use and disclosure by the other as provided herein.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements set forth herein, the Parties agree as follows:

1. **Confidential Information.** "**Confidential Information**" shall include all information or data in whatever form (including, without limitation, oral, written, in electronic media or otherwise) obtained from a Party disclosing such Confidential Information ("**Disclosing Party**"), whether furnished before or after the date of this Agreement, that include the business plans, capital structure, ownership, shareholders, members, operations, management, programs, patents, patent applications, know-how and other intellectual property, systems, designs, schematics, drawings, computer programs, financial data, personnel, facility site locations, referral sources or other assets, contracts or activities of the Disclosing Party and/or its Affiliates, except to the extent that such information (i) is known or becomes generally available to the general public other than as a result of unauthorized disclosure by the Party receiving the Confidential Information ("**Receiving Party**") or by Persons to whom the Receiving Party has made such information available as permitted hereunder, or as a result of conduct by others which the Receiving Party knows to have been in violation of any legal, contractual or fiduciary obligation, (ii) is received by the Receiving Party on a non-confidential basis from a third party who, to the best knowledge of the Receiving Party, lawfully possessed and disclosed such information, (iii) is independently developed by the Receiving Party without use of the Confidential Information described in this Section 1, or (iv) is required to be disclosed by law, regulation, or legal process, including under the circumstances described in Section 4 below. The Disclosing Party shall have no obligation to mark or otherwise designate or identify any of its Confidential Information as "Confidential Information" prior to providing it to the Receiving Party.

2. **Prohibition of Use and Disclosure.** The Receiving Party shall not, without the prior written consent of the Disclosing Party: (i) use any of the Confidential Information for any purpose other than the evaluation, analysis, discussion, planning, development, negotiation, documentation, financing, and/or consummation of the Proposed Transaction or (ii) disclose any Confidential Information to any Person other than affiliates, officers, directors, members, employees or agents (collectively, "**Representatives**") of the Receiving Party who need such information in order for the Receiving Party to evaluate, plan, develop, negotiate, document, finance, and/or consummate the Proposed Transaction and who have been advised of the contents hereof and have agreed to be bound by this Agreement. The Receiving Party shall not use any Confidential Information in any way detrimental to the Disclosing

Party, and the Receiving Party shall use its best efforts to prevent any disclosure of Confidential Information in breach of this Agreement and shall take all reasonable measures necessary to compel compliance by the Receiving Party and its Representatives with the provisions of this Agreement. The Receiving Party shall be responsible for any breach of this Agreement by the Receiving Party's Representatives.

3. **Return or Destruction of Confidential Information.** Confidential Information furnished under this Agreement shall remain the property of the Disclosing Party and its Affiliates and shall, to the extent in tangible form or electronic media, at the request of the Disclosing Party, be promptly returned to the Disclosing Party or be destroyed (with destruction certified by an official of Receiving Party witnessing such destruction), along with all original or copied, extracted or reproduced information containing or reflecting Confidential Information in the possession the Receiving Party and any and all Persons (as defined herein) to whom the Receiving Party has made such information available.

4. **Actions Seeking Disclosure.** In the event of any legal action or proceeding or asserted requirement under applicable law or government regulations requesting or demanding disclosure by the Receiving Party or its Representatives of Confidential Information furnished hereunder, the Receiving Party shall promptly notify the Disclosing Party in writing of such requirement, request or demand. The Receiving Party shall, upon the request of the Disclosing Party, cooperate with the Disclosing Party in contesting such request or demand (at the expense of the Disclosing Party). If in the absence of a protective order or a waiver hereunder from the Disclosing Party, in the reasonable opinion of the Receiving Party's legal counsel, the Receiving Party or its Representatives are required to disclose any Confidential Information or otherwise stand liable for contempt or suffer other penalty, the Receiving Party or its Representatives may disclose such Confidential Information as so required without liability hereunder; provided, however, that the Receiving Party and its Representatives (i) shall give the Disclosing Party written notice of the Confidential Information to be so disclosed as far in advance of its disclosure as is practicable, (ii) shall furnish only that portion of the Confidential Information which is legally required, and (iii) shall use best efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to the Confidential Information.

5. **Future Transactions.** This Agreement shall not obligate any Party to consummate the Proposed Transaction.

6. **Enforcement.** The Parties hereby agree and confirm that the subject matter of this Agreement is unique, and that it may be impossible to measure the damage which would result to the Disclosing Party from violations by the Receiving Party of the agreements set forth herein. Accordingly, in addition to any other remedies which the Disclosing Party may have at law or in equity, the Receiving Party hereby agrees that the Disclosing Party shall have the right to have all obligations and the provisions of this Agreement specifically performed by the Receiving Party and its Representatives, and that the Disclosing Party shall have the right to obtain preliminary and permanent injunctive relief to secure specific performance, and to prevent a breach or contemplated breach, of this Agreement, without proof of irreparable injury or inadequacy of legal remedies and without bond.

7. **Term.** This Agreement will commence on the date first set forth above and will remain in effect for three (3) years from the date of last disclosure of Confidential Information by the Disclosing Party, at which time it will terminate.

8. **Choice of Law; Forum.** In the event of legal action hereunder, the Parties agree that jurisdiction and venue of such action shall be in a state or federal court in Delaware, and the Parties each submit to exclusive personal jurisdiction of such court concerning any action or dispute arising out of this

Agreement. This Agreement shall be interpreted and governed by the laws of the State of Delaware, (exclusive of internal conflicts of law principles).

9. **Other Provisions.** This Agreement shall be binding upon the Parties hereto and their successors and permitted assigns. This Agreement may be amended only by a writing duly executed by all Parties. This Agreement shall be enforceable only by the Parties hereto and their successors and permitted assigns, and shall give rise to no third party rights. No delay or forbearance by a Party in enforcing or asserting rights under this Agreement shall impair or be deemed a waiver of any such right. This Agreement constitutes the entire Agreement of the Parties with respect to the subject matter hereof. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by facsimile or other electronic transmission.

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed by its duly authorized representative.

SECURITY DEVICES INTERNATIONAL

By: 

Name: Gregory Sullivan
Title: President

MICRON PRODUCTS, INC.

By: 

Name: Mark R. LaViolette
Title: VP Sales

