

APPLICATIONS LABORATORY SAMPLE EVALUATION, CONFIDENTIALITY & NON-DISCLOSURE AGREEMENT

This will affirm the Agreement between _____, having a place of business at _____, (hereinafter referred to as the "COMPANY") and
_____ MFIC

Corporation, a Delaware, U.S. corporation together with its Microfluidics Division, both having a principal place of business at 30 Ossipee Road, Newton, MA 02464-9101 U.S.A. and a European sales office and facility located at Lampertheim, Germany (hereinafter referred to as "MFIC") with respect to certain proprietary information and formulations of the COMPANY embodied within and constituting a

_____ size sample of _____ (hereinafter referred to as the "Information" or the "Sample") which the COMPANY is furnishing to MFIC for processing on MFIC's patented and trademarked Microfluidizer® materials processing equipment for the purpose of so treating said Sample and measuring the particle size and distribution after such treatment which is to be carried out within _____ () month(s) of the date of this Agreement.

With respect to the Sample\Information MFIC agrees, undertakes and binds itself:

1. To use the Sample solely within its laboratory, applying all reasonably necessary measures to prevent access to or use of the Sample by persons who are not MFIC's employees having a reasonable need to handle, inspect the Sample in the performance of their respective duties;

2. To take reasonable steps to ensure that its employees will at all times preserve the confidentiality of the Information and the Sample;

3. Not to analyze the content of the Sample (unless otherwise instructed by the COMPANY in writing), nor to provide or disclose the Sample nor the Information to third parties, nor to use the Sample for commercial purposes, nor to use the Sample for any purpose except for the prescribed treatment and/or evaluation of the Sample set forth above;

4. Not to derive directly or indirectly from the possession or use of the Sample any right, title or interest therein nor claim any legal rights either by means of patent applications or otherwise with regard to the processes derived from or based upon the Sample;

5. To indemnify and save harmless COMPANY from and against liability, loss, damages or expenses that MFIC or its employees may sustain or incur as a result of its treatment and processing of the Sample after the COMPANY's submission of Material Safety Data Sheets and MFIC's decision based thereon to proceed with Sample testing. Notwithstanding the foregoing, MFIC will not provide such indemnification should COMPANY negligently or willfully withhold information regarding the Sample's environmental or other toxic hazard and handling hazards.

6. To return to the COMPANY, at the COMPANY's sole expense, the Sample and all Information and all waste and contaminated materials requiring disposal, immediately upon completion of the prescribed treatment and/or evaluation of the Sample set forth above.

With respect to the Sample, the Company agrees, warrants and represents that it will refrain from providing any product or formulation made on Microfluidizer® processor equipment in MFIC's Applications Laboratory for consumption or use in or on humans or animals, whether for clinical trials or any other purpose.

The Information \ Sample is submitted to MFIC in confidence and MFIC agrees that it will not (without prior written consent of the COMPANY) for a period of three (3) years from the date hereof disclose to any third party any of the Information. All Information submitted or provided in writing must be marked "Confidential" if it is intended to be treated as confidential. The provisions of this paragraph shall not apply to the Sample or any Information:

(a) which is now or which becomes public knowledge through no fault of MFIC;

(b) which is properly provided to the MFIC without restriction by an independent third party, not under written confidentiality restriction with COMPANY or;

(c) which MFIC can show by its written records was already in its possession at the time of the receipt of the Information/Sample from COMPANY or was developed independently by MFIC after the date of the disclosure as can be evidenced in writing by MFIC's laboratory notes, journals, contemporaneous memoranda and data.

The exceptions of the preceding paragraph shall not apply to any specific information merely because it is included in more general non-confidential information, nor to any specific combination of information merely because individual elements, but not the combination, are included in non-confidential information.

Notwithstanding the above restrictions on disclosure, if MFIC must disclose the Information, based upon advice of counsel, in order to comply with applicable law or regulation or with any requirement imposed by judicial or administrative process. In such event the MFIC: (i) shall immediately notify COMPANY in writing of such legally required disclosure prior to making same, and shall afford COMPANY the opportunity, at COMPANY's election and expense, to respond to such request and /or to attempt to block such disclosure. Further, if such disclosure is compelled MFIC shall disclose only the minimum of the Information that is required to be disclosed to comply with such order, law or regulation.

Neither this Agreement nor anything contained herein shall have the effect of or be construed so as to (i) create any joint venture or other collaborative undertaking or similar legal relationship between the parties hereto, or (ii) create any obligation to conduct future business between the parties, including the purchase of equipment from MFIC by COMPANY.

Neither this Agreement nor the provision to MFIC of any Sample hereunder shall be construed as granting to MFIC any license or grant of intellectual property rights.

This Agreement represents the entire agreement between the parties relating to the subject matter hereof and supersedes any previous understanding or agreement.

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts excluding such state's rules relating to conflicts of laws, and the parties to this Agreement specifically consent to the jurisdiction of the Courts of such jurisdiction for the resolution of all disputes arising under this Agreement.

The parties agree that the provisions of this Agreement are severable. If any provision hereof shall be declared to be invalid or unenforceable for any reason, such unenforceability shall not affect the enforceability of the remaining provisions of the Agreement, and such provision shall be reformed and construed to the extent permitted by law so that the remainder is valid and enforceable.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Signed as a sealed instrument in duplicate this _____ day of _____ 2004.

MFIC Corporation
on behalf of its Microfluidics Division

By: _____	By: _____
Print Name: <u>Christina Schneider</u>	Print Name: _____
Title: <u>European Sales Manager</u>	Title: _____