

CONFIDENTIAL DISCLOSURE AGREEMENT

DATE: _____, 20____

BETWEEN: **Spin Master Ltd.**, a company having its head office at 225 King Street West, Suite 200, Toronto, Ontario M5V 3M2, and its affiliates or subsidiaries (“Spin Master”)

and

_____ (“Inventor”)

WHEREAS Inventor owns certain confidential information, including but not limited to designs and prototypes, relating to a product concept described as: _____

_____ (“Confidential Information”);

AND WHEREAS Spin Master is in the business of manufacturing and selling toys and games;

AND WHEREAS Inventor desires to disclose to Spin Master the Confidential Information and Spin Master desires to review the Confidential Information to evaluate whether to pursue a license from Inventor;

NOW, THEREFORE, in consideration of the mutual promises made herein, the parties agree as follows:

1. Inventor warrants that it is the sole owner of the Confidential Information and that its disclosure or any grant of rights thereto to Spin Master shall not violate the rights of any third party.
2. Spin Master accepts the Confidential Information for the sole purpose of evaluating it for a potential business relationship or license with Inventor. All information intended by Inventor to be protected under this Agreement shall be in writing, in such forms as text, pictures, drawings, videos, and physical forms such as samples and prototypes, and clearly marked as confidential at the time of disclosure or within fifteen (15) days thereafter. All oral disclosures summarized in writing within fifteen (15) days shall also be covered by this Agreement. Spin Master shall not use the Confidential Information, except for evaluation purposes, and shall not disclose the Confidential Information to any third party without Inventor’s consent. Spin Master shall take all reasonable steps to maintain the confidentiality of the Confidential Information.
3. Inventor recognizes that Spin Master may be required to disclose the Confidential Information to members of Spin Master’s organization for evaluation. Spin Master will exercise reasonable care in the selection of its members who are granted access to the Confidential Information, and will inform every such member of the obligation to protect the Confidential Information.
4. Inventor acknowledges that Spin Master receives numerous submissions that may be similar or identical to the Confidential Information, and the adoption by Spin Master of any alternative submission (as opposed to the Confidential Information submitted by Inventor) may be due to market conditions at the time such alternative submission is received and/or the positioning of the submission by the party making it, as well as to any inherent merit of the submission. Selection by Spin Master of alternative submissions shall be without obligation to Inventor. Where the submission is of a general concept for consideration as part of a Spin Master established brand or line extension, Inventor acknowledges that many concepts

are considered for line extensions (i.e. "Air Hogs™" and flying toys) and that any similarity between Inventor's submission and a possible Spin Master created line extension shall not by itself be considered Confidential Information unless there is a direct borrowing from Inventor of a technical or mechanical innovation presented to Spin Master as part of the submission.

5. Spin Master shall have no obligation to keep confidential any of the Confidential Information which Spin Master can show: (i) was known to Spin Master prior to disclosure by Inventor; (ii) was or becomes known to the public or generally available to the public through no act of Spin Master contrary to this Agreement; (iii) is or was disclosed by Inventor to any third party without obligation to maintain confidentiality; (iv) is or was independently developed by Spin Master or one of its divisions or affiliates; (v) is received in good faith by Spin Master from a third party and is not subject to an obligation of confidentiality owed by that third party to Inventor; (vi) or is required to be disclosed in a judicial or governmental proceeding.
6. No license under any intellectual property right is either granted or implied by the conveyance of the Confidential Information. Neither this Agreement nor the receipt of the Confidential Information shall constitute or imply any promise, intention or commitment by Spin Master to pursue a business relationship or license with Inventor.
7. Inventor acknowledges and agrees that it is aware of, and Inventor will advise its representatives who are informed as to the subject matter of this Agreement, that there may be information in connection with this Agreement disclosed by Spin Master to Inventor which may include material non-public information and that applicable securities laws impose restrictions on and prohibit a person from trading in Spin Master's securities when in possession of such information and from communicating such information to any other person.
8. The parties do not intend for this Agreement to create an agency or partnership relationship between them. This Agreement represents and expresses the entire Agreement of the parties and supersedes all prior agreements. Any amendment or modification of any provision must be in writing and executed by both parties. If any provision or part of any provision of this Agreement is found to be unlawful or unenforceable for any reason, it shall be severed without affecting the validity of the balance of the Agreement. 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. All disputes arising out of the covenants hereunder shall be submitted to the exclusive jurisdiction of the federal and provincial courts located in the Province of Ontario.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

SPIN MASTER LTD.

INVENTOR

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____