

Cedaron Medical, Inc.  
1644 Da Vinci Court  
Davis, CA 95618

Re: Confidential Information

Dear Ms. Bond:

I am engaged in discussions with Cedaron Medical, Inc. ("Cedaron") regarding employment by Cedaron. We have discussed certain terms of employment and I have been advised of Cedaron's policy prohibiting misuse of any trade secrets or confidential information of my prior employers in performing services as an employee of Cedaron. In consideration of my employment by Cedaron, I hereby represent and warrant to Cedaron as follows:

1. I have discussed my projected role as an employee of Cedaron and the tasks and the projects on which I am expected to work and I have no reason to believe that such tasks or efforts will require me to disclose any confidential information or trade secret of any prior employer or any other person.
2. My employment by Cedaron, the performance of my services for Cedaron, and the use of such information and skills that I expect are to be required in connection with my services at Cedaron are not and will not be in breach of any agreements or duties, express or implied, with any prior employer or other person.
3. I have not and will not furnish nor have I revealed any confidential information or trade secrets of any prior employer or other person to Cedaron.
4. I understand that in order to remain compliant with our Customer Contracts and Business Associate Agreements we are **NOT to use Open Source Code without approval** in our products.
5. Representatives of Cedaron have explained to me in detail and I fully understand the policy of Cedaron forbidding employees from misusing confidential information of other businesses. **I have received and read Attachment A: SAFEGUARDS FOR THE PROTECTION OF PROTECTED HEALTH INFORMATION ("PHI").**
6. I have never taken and will not take or arrange to be removed any proprietary files, records, documents, drawings, specifications or similar items from any former employer or other person.
7. I understand and agree that I will be executing **Attachment B: EMPLOYEE CONFIDENTIALITY, NON-COMPETITION AND INVENTION AGREEMENT** with Cedaron in consideration of my employment by Cedaron.
8. I also understand that I can and should contact Cedaron to discuss any concerns I might have regarding the applicability of the forgoing provisions to any specific task I might undertake. I will advise Cedaron of any correspondence or other communication I receive regarding these matters from any prior employer or other person.

Regards,

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Employee Signature

Print Name: \_\_\_\_\_

Date Signed: \_\_\_\_\_

**Attachment A: SAFEGUARDS FOR THE PROTECTION OF PROTECTED HEALTH INFORMATION (“PHI”)**

Typical language in a client Business Associate Agreement that we agree to follow includes:

1. In relation to its collection, Use or Disclosure of PHI in its capacity as Associate under the Agreement, Cedaron Medical, Inc. (“Associate”) agrees to:
  - 1.1. Not Use or further Disclose the information other than as permitted or required by the Services Agreement or as Required by Law.
  - 1.2. Implement Administrative, Physical and Technical Safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of the electronic PHI that it receives, maintains or transmits on behalf of Provider. Associate agrees to document and keep these safeguards current.
  - 1.3. Mitigate to the extent practicable any harmful effects that are known to associate related to any Use or Disclosure of PHI that is inconsistent with the terms and conditions set forth in the Agreement, any successful Security Incident, or Breach of Unsecured Protected Health Information.
  - 1.4. Return to Provider or destroy, in accordance with standards approved by the Department of Health and Human Services, within thirty (30) days of the termination of the Services Agreement, all PHI collected, received, used and/or disclosed in relation to Associate’s provision of services to Provider within Associate’s possession in any form and to retain no copies. Associate agrees to destroy all backup data collection, including backup tapes, of PHI collected, received, used and/or disclosed in relation to the Agreement. In the event that Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Provider written notification of the conditions that make it infeasible. Upon receipt of written notification that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.
  - 1.5. Disclose to its subcontractors, agents or other third parties, and request from Provider, only the Minimum Necessary amount of PHI to perform or fulfill a specific function required or permitted hereunder.
  - 1.6. Appropriately inform all of its employees, agents, representatives and members of its workforce (including any volunteers) whose services may be used to fulfill obligations under the Services Agreement of the terms of this Addendum.
  - 1.7. Report to Provider’s Privacy Officer, via a telephone call to Provider and express mail to Provider, any Breach of Unsecured Protected Health Information, successful Security Incident, or Use, Disclosure, or Unauthorized Access of PHI that is not permitted by the Agreement or the Privacy Rule within five (5) days following Discovery of such incident.
  - 1.8. Refer all media queries and queries from the public related to any Breach of Unsecured Protected Health Information reported pursuant to Section 1.6., to Provider for response.
  - 1.9. Make available to the Secretary of the Department of Health and Human Services all records, books, agreements, policies, procedures and other similar documentation relating to the Agreement and to the collection, Use and/or Disclosure of PHI from or on behalf of Provider to or by Associate for purposes of determining Provider’s compliance with the Privacy and Security Rules.

**Attachment B: EMPLOYEE CONFIDENTIALITY, NONCOMPETITION  
AND INVENTION AGREEMENT**

THIS EMPLOYEE CONFIDENTIALITY, NONCOMPETITION AND INVENTION AGREEMENT is made as of \_\_\_\_\_ by and between Cedaron Medical, Inc., a California corporation ("the Company"), and the undersigned employee (the "Employee").

The Employee, as a result of his or her employment by the Company, has had or will have access to and has or will become acquainted with various trade secrets and other proprietary and confidential information and property of the Company, the disclosure or use of which for any purposes other than in the Company's business would unreasonably and unfairly impair the Company's ability to conduct its business profitably.

THEREFORE, as a condition of and in consideration of the Company's employment or continuation of employment of the Employee, the Employee agrees with the Company as follows:

1. Certain Definitions. For purposes of this Agreement, the terms defined below have the meanings indicated.

1.1 "Affiliate". "Affiliate" means and includes any of the Company's subsidiaries (whenever formed or acquired), and any corporation, partnership, joint venture, association or other entity in which the Company owns or comes to own more than twenty percent of the voting stock or other ownership interest or which owns or comes to own twenty percent or more of the Company's outstanding common stock, and any of the Company's clients, licensees, licensors, franchisees and franchisors.

1.2 "Confidential Information and Materials". "Confidential Information and Materials" means and includes the following:

Various technical, financial and operating data and other proprietary and confidential information of the Company consisting of marketing data, equipment, test data, formulas, designs, processes, documents, files, computer software and hardware, inventions, technology, improvements, papers, compilations of information, records and specifications, names, buying habit and practices of existing and potential customers, marketing methods, operating practices and related information regarding the Company's existing and potential joint venture partners, licensees, licensors, vendors, suppliers and distributors, costs of materials, prices the Company obtains or has obtained or at which it sells, has sold or intends to sell its products or services, lists or other written records used in the Company's business, information regarding the Company's financial condition, compensation paid to the Company's consultants and employees and other terms of employment, and any of the forgoing that may have been or may be conceived, originated, discovered or developed by the Company or the Employee or any other employees or consultants of the Company or on the basis of or using any Confidential Information and Materials.

All of the foregoing are owned and held in strict confidence by the Company or by Affiliates to which the Company has a duty of confidentiality. Nevertheless, "Confidential Information and Materials" excludes any of the forgoing that has entered the public domain through no fault of the Employee, that an authorized executive officer of the Company has authorized for public dissemination, that was known to or possessed by the Employee prior to his or her employment by the Company and other than through disclosure or delivery by the Company, or that was learned or obtained by the Employee from sources having no duty of confidentiality to the Company that were or are unconnected with and unrelated to his or her employment by the Company.

2. Nondisclosure, Competition, Solicitation, Property.

2.1 Nondisclosure. The Employee acknowledges and agrees that, as an employee of the Company, he or she has had or will have access to and has or will become acquainted with Confidential information and Materials, all of which the Employee will regard and protect as trade secrets owned by the Company and all of which are used or contemplated to be used in the Company's business. The Employee represents, warrants and agrees that, except as required by the Company in the course of his or her employment with the Company, he or she will not at any time, whether during or after his or her employment by the Company, directly or indirectly, use or permit others to use, or disclose or communicate to any person or entity, any of the Confidential Information and Materials, without the prior written consent of an executive officer of the Company in the particular case.

Notwithstanding the foregoing, the Defend Trade Secrets Act of 2016 (DTSA) provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (iii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, DTSA provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order.

2.2 Competition, Solicitation. The Employee further acknowledges and agrees that, as an employee of the Company he or she has or will participate in important aspects of the Company's research, development, creative work, planning, operations and other activities, and that the conduct by him or her of any business or activity directly or indirectly competing with the Company's business necessarily would constitute trading on the Company's good will and reputation developed through the Company's expenditure of very substantial efforts and moneys, would involve the use by the Employee of Confidential Information and Materials and would unreasonably and unfairly impair the Company's ability to conduct its business profitably.

The Employee therefore further acknowledges and agrees that he or she will not at any time during his or her employment with the Company directly or indirectly own an interest in, join, operate, control, participate in or be connected, as an officer, employee, agent, independent contractor, consultant, partner, shareholder (except as a shareholder of a corporation in the management and affairs of which the Employee has no control and which is the issuer of shares that are actively traded in a national securities market) or principal, with any corporation, partnership, joint venture, proprietorship, association or other entity or person engaged in developing, producing, designing, providing, soliciting orders for, selling, distributing or marketing products or services that directly or indirectly compete with the Company's products, services or other business, in any markets in which the Company is now doing business, contemplates doing business or does business during his or her employment. As further protection for the Confidential Information and Materials, the Employee agrees that during the term of employment and for a period of one year after the date of termination of such employment, he or she will not, directly or indirectly, and whether or not for compensation, divert or attempt to divert from the Company any business in which the Company is engaged or contemplates engaging or induce or attempt to solicit or induce any employee of the Company to leave the Company's employ.

2.3 Property. The Employee agrees that he or she will not make or retain any originals, copies or reproductions of or excerpts from any of the Confidential Information and Materials for his or her use or the use of others and, on request by the Company or on termination of the Employee's employment with the Company, the Employee will deliver to the Company all tangible property that is or embodies any of the Confidential Information and Materials, whether prepared or developed by or with the assistance of the Employee or otherwise coming into his or her possession, control or knowledge.

2.4 Legal Duties. The Employee acknowledges and agrees that his or her agreements herein are intended to implement the Employee's duties under Federal and state laws, such as California Labor Code section 2860, which provides:

"EVERYTHING WHICH AN EMPLOYEE ACQUIRES BY VIRTUE OF HIS EMPLOYMENT, EXCEPT THE COMPENSATION WHICH IS DUE TO HIM FROM HIS EMPLOYER, BELONGS TO THE EMPLOYER, WHETHER ACQUIRED LAWFULLY OR UNLAWFULLY, OR DURING OR AFTER THE EXPIRATION OF THE TERM OF HIS EMPLOYMENT."

This Agreement shall not be interpreted or construed as limiting the Employee's obligations or the Company's rights under any of such laws.

2.5 Nondisclosure to the Company. The Employee further represents and warrants that the Employee has not disclosed and will not disclose to the Company or any Affiliate any trade secrets or other proprietary or confidential information that may not lawfully be so disclosed by the Employee, by virtue of the ownership of the same by another person or entity or otherwise.

3. Inventions, Designs and Patents.

3.1 Disclosure and Assignment of Inventions. The Employee agrees that he or she will promptly and fully disclose to the Company, and the Company agrees to keep confidential, all inventions, designs, creations, processes, technical or other developments, improvements, ideas and discoveries (collectively, "Inventions"), whether patentable or not, of which the Employee obtains knowledge or information during his or her employment with the Company and for a period of one year thereafter and which relate to the existing or contemplated products, services or business of or to any research or experimental, developmental or creative work carried on or contemplated by the Company, whether or not conceived, originated, made, developed or reduced to practice by the Employee alone or with others during regular working hours or at other times. All such Inventions are and shall remain the exclusive property of the Company. The Employee agrees and hereby does assign, to the Company or its designee, all of the Employee's right, title and interest in and to all Inventions, whether patentable or not, conceived, originated, made, developed or reduced to practice by the Employee, alone or with others, during the term of his or her employment with the Company.

3.2 Cooperation. The Employee agrees to assist the Company to obtain any and all patents, copyrights, trademarks and service marks relating to Inventions and to execute all documents and do all things necessary to obtain letters patent and copyright, trademark and service mark registrations therefor, to vest the Company or its designee with full and exclusive title thereto and to protect the same against infringement by others, all as and to the extent the Company may request and at the Company's expense, for no consideration to the Employee other than the Employee's salary or wages.

3.3 Exceptions. Sections 3.1 and 3.2 shall not, however, apply to an Invention developed entirely on the Employee's own time without using the Company's equipment, supplies, facilities or trade secret information except for those Inventions that either (a) relate at the time of conception or reduction to practice of the Invention to the Company's business or demonstrably anticipated research or development of the Company, or (b) result from any work performed by the Employee for the Company. The employee acknowledges and agrees that the preceding sentence constitutes the notification required by California Labor Code section 2872. The Employee has listed on the Attachment to this Agreement, which the Company agrees to keep confidential, all unpatented Inventions owned, conceived, originated, made, developed or reduced to practice by the Employee (whether or not prior to the Employee's employment with the Company) qualifying for the exception in the first sentence of this section 3.3.

4. Injunctive Relief. The Employee acknowledges and agrees that his or her failure to perform any of his or her covenants in this Agreement would cause irreparable injury to the Company and cause damages to the Company which would be difficult or impossible to ascertain or quantify. Accordingly, without limiting any remedies that may be available with respect to any breach of this Agreement, the Employee consents to the entry of an injunction to restrain any breach of this Agreement.

5. Trade Secrets of Third Parties. The Employee acknowledges and understands that, in dealing with existing and potential Affiliates, suppliers, contracting parties and other third parties with which the Company has business relations or potential business relations, the Company frequently receives confidential and proprietary information and materials from such third parties subject to the Company's understanding that the Company will maintain the confidentiality thereof and will require its employees and consultants to do so. The Employee agrees to treat all such information and materials as Confidential Information and Materials subject to this Agreement.

6. Severability. The invalidity or unenforceability of any provision, word, phrase, clause, sentence, paragraph or section hereof shall in no way affect the validity or enforceability of any other provision, word, phrase, clause, sentence, paragraph of section hereof.

7. Attorneys' Fees. If suit is brought to enforce or interpret this Agreement, the prevailing party shall be entitled to recover as an element of costs of suit, and not as damages, reasonable attorneys' fees and expenses and all expert witness fees and expenses incurred by the prevailing party. In such event, the "prevailing party" shall be the party that is entitled to recover costs of suit, whether or not the suit proceeds to final judgment, the party not entitled to recover costs shall not recover attorneys' or expert witness fees or expenses and no sum for attorneys' and expert witness fees and expenses shall be counted in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover costs or attorneys' or expert witness fees or expenses.

8. Headings. The section headings in this Agreement are for convenience of reference only and are not part of this Agreement.

9. Notices. Any notice, consent or other communication to be given under or in connection with this Agreement shall be in writing and shall be deemed duly given when delivered personally, when transmitted by facsimile transmission, one day after being deposited with Federal Express or other nationally recognized overnight delivery service or three days after being mailed by first class mail, charges or postage prepaid, properly addressed, if to the Company, at 1655 Da Vinci Court, P.O. Box 2100, Davis, California 95616 (facsimile number:530-759-1699), and if to the Employee, at his or her address set forth below his or her signature. Either the Company or the Employee may change its or his or her address for this purpose from time to time by notice to the other.

10. Successors. This Agreement shall inure to the benefit of and bind the Company and the Employee, and their respective successors, assigns, heirs, legates, devisees and personal representatives.

11. Entire Agreement. This Agreement contains the entire agreement of the Company and the Employee and supersedes all prior negotiations, correspondence, understandings and agreements between them, with respect to the subject matter hereof.

12. Survival. All agreements, representations, warranties and acknowledgments herein shall survive and termination of the Employee's employment with the Company for any reason.

13. The Company's Right to Terminate. Nothing contained herein shall be interpreted to impair or otherwise affect the right and power of the Company to terminate its employment of the Employee.

14. THE EMPLOYEE HEREBY WARRANTS AND ACKNOWLEDGES THAT HE OR SHE HAS CAREFULLY READ AND UNDERSTANDS ALL OF THE PROVISIONS OF THIS AGREEMENT.

\*\*Signature page attached\*\*

CEDARON MEDICAL, INC.

EMPLOYEE:

By: \_\_\_\_\_

Signature: \_\_\_\_\_

It's: President & CEO \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_