

CONFIDENTIALITY AGREEMENT
BETWEEN
POLYMER, INC.
&
EURO-OPTICS

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Signature Block

CONFIDENTIALITY AGREEMENT BETWEEN POLYMER, INC. & EURO-OPTICS

Governing Law: State of Illinois, United States of America

Party: Polymer, Inc. and its Representatives

Party: Euro-Optics and its Representatives

Law Firm: Golden Consulting, LLC

Lawyer: Eric Goldspiel

Introduction

This Confidentiality Agreement (the "Agreement") between Polymer Inc. with its respective subsidiaries, affiliates and divisions, (the "Company") and Euro-Optics with its respective subsidiaries, affiliates and divisions, (the "Licensee") in response to a request by the Licensee to enter into negotiations for a possible exclusive licensing agreement between the Company and the Licensee (the "Transaction"). It is understood and agreed that this Agreement creates no obligation to enter into any Transaction or into any agreement relating to a Transaction. The Company is willing to enter into negotiations (the "Negotiations") with the Licensee only for the purpose of evaluating the Transaction pursuant to the terms of this Agreement.

The Licensee agrees that any information the Company or its "Representatives" (as hereinafter defined) furnishes to the Licensee or its Representatives, including any technical, financial, operational, trade secret or other proprietary oral, written or electronic information ("Confidential Information") of the Company with which the Licensee or its Representatives may come into contact in the course of the Negotiation,, together with any reports, analyses, compilations, memoranda, notes and any other oral, written or electronic materials prepared by the Euro-Optics or its Representatives which contain, reflect or are based upon such Confidential Information (collectively, the "Evaluation Material"), will be kept confidential and used by the Licensee for the sole purpose of evaluating the Transaction. Confidential Information and Evaluation Material will not be used by the Licensee or its Representatives to recruit, hire or contact any contractor, employee, officer, director or other natural person associated with the Company (the "Employees") for the purposes of employment or use Confidential Information and Evaluation Material in any other way detrimental to the Company or its affiliates.

It is understood that the Licensee will cause its Representatives to treat all Confidential Information and Evaluation Material in a confidential manner and in accordance with the terms of the Agreement. As used in this Agreement, a "Representative" shall include

the agents, partners or advisors of the Company and the Licensee who are not Employees including, without limitation: attorneys, accountants, consultants, bankers, financial advisors and potential sources of financing through equity or debt.

Recitals

WHEREAS, the Company and the Licensee and its successors and assignees, if any (the "Parties") have determined that the Agreement is necessary to clarify the Parties' obligations thereunder; NOW, THEREFORE, the Agreement is stated to read in its entirety as follows.

1. Definitions

- 1.1.** The descriptive headings of the provisions of this Contract are formulated and used for convenience only and will not be deemed to affect the meaning or construction of any such provision.
- 1.2.** Agreement: This Confidentiality Agreement, in its entirety
- 1.3.** Company: The Company is defined as Polymer, Inc., a corporation registered in the State of Illinois, United States of America, and its Employees.
- 1.4.** Confidential Information: Information belonging to the Company, including but not limited to, any Intellectual Property, financial data, operational, trade secret or other proprietary oral, written or electronic information, technical or non-technical data, a formula, pattern, compilation, program, device, method, technique, drawing, process, Employee home contact information, Employee non-compete agreements, or list of actual or potential customers or suppliers, that: (i) is sufficiently secret to derive economic value, actual or potential, from not being generally known to other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy or confidentiality.
- 1.5.** Date/Time Format: The ISO 8601 date notation, i.e. YYYY-MM-DD. Time shall be in Greenwich Mean Time (GMT) twenty-four (24) format,
- 1.6.** Employee: Contractor, staff member, be they exempt or nonexempt, officer, director or other natural person associated with either Party
- 1.7.** Evaluation Material: The term "Evaluation Material" shall be deemed to include all notes, analyses, compilations, studies, interpretations or other documents prepared by either the Licensee or its Representatives which contain, reflect or are based upon, in whole or in part, the Confidential

information furnished to the Licensee or its Representatives pursuant hereto.

- 1.8.** General Counsel: The chief legal officers representing the interests of the Company and of the Licensee and who are Employees of such Party
- 1.9.** Improper Means: Theft, bribery, misrepresentation, breach or inducement of a breach of a confidential relationship or other duty to maintain secrecy or limit use, or espionage through electronic or other means. Reverse engineering or independent development shall not be considered improper means.
- 1.10.** Intellectual Property: Intellectual Property shall consist of Copyrights, patents and trademarks
- 1.11.** Licensee: Euro-Optics, a corporation registered in the Netherlands, and its Employees; approved to conduct business in the State of Illinois, United States of America.
- 1.12.** Misappropriation:
 - 1.12.1.** Acquisition of a trade secret of a person by another person who knows or has reason to know that the trade secret was acquired by improper means; or
 - 1.12.2.** Disclosure or use of a trade secret of a person without express or implied consent by another person who:
 - 1.12.2.1.** used improper means to acquire knowledge of the trade secret; or
 - 1.12.2.2.** at the time of disclosure or use, knew or had reason to know that knowledge of the trade secret was:
 - 1.12.2.2.1.** derived from or through a person who utilized improper means to acquire it;
 - 1.12.2.2.2.** acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use; or
 - 1.12.2.2.3.** derived from or through a person who owed a duty to the person seeking relief to maintain its secrecy or limit its use; or
 - 1.12.2.3.** before a material change of position, knew or had reason to know that it was a trade secret and that knowledge of it had been acquired by accident or mistake.
- 1.13.** Parties: The Company, the Company's Representatives, the Licensee, the Licensee's Representative and their mutually agreed upon successors and assignees in the entirety.
- 1.14.** Party: The Company and the Company's Representatives, or the Licensee and the Licensee's Representative

- 1.15. Negotiation: Communication, in any form, between the Parties for the express, implied or apparent purpose of effecting the Transaction, upon conclusion of the Agreement and notice given as defined in the terms of the Agreement.
- 1.16. Representative: An agent, partner or advisors of the Company and of the Licensee, be it a natural or legal person, who is not an Employee including, without limitation: attorneys, accountants, consultants, bankers, financial advisors and potential sources of financing through equity or debt.
- 1.17. Transaction: Transaction shall be defined as Euro-Optics' proposed exclusive licensing agreement to sell Polymer, Inc's patented products. with limitations as established in such licensing agreement

2. Nature and Scope of Agreement

The Licensee agrees that the Licensee and such Licensee's Representatives shall use the Confidential Information and Evaluation Material solely for the purpose of evaluating a possible Transaction between the Company and the Licensee; that the Confidential Information and Evaluation Material will be kept confidential; and that the Licensee and the Licensee's Representatives will not disclose any Confidential Information and Evaluation Material in any manner whatsoever; provided that any of the Confidential Information and Evaluation Material may be disclosed to Licensee's Representatives to the extent of their need to know such information for the sole purpose of assisting the Licensee in the evaluation of a possible Transaction between the Company and the Licensee on the condition that such Licensee's Representatives are informed by the Licensee of the confidential nature of such information and that by receiving such information they are agreeing to be bound by the confidentiality obligations in this agreement. In any event, the Licensee agrees to be responsible for any breach of this letter agreement by the Licensee or any of the Licensee's Representatives. At all times, the Company reserves the sole right to register its Intellectual Property in the United States of America or any other nation, including, but not limited to, the Netherlands, as recognized under the Patent Law Treaties Implementation Act (Public Law 112-211, 126 Stat. 1527) and the Patent Cooperation Treaty (28 UST 7645; TIAS 8733).

3. Use of Confidential Information

The Licensee agrees that such Licensee and such Licensee's Representatives shall use the Confidential Information and evaluation Material solely for the purpose of evaluating a possible Transaction between the Company and the Licensee; that the Confidential Information and Evaluation Material will be kept

confidential; and that the Licensee will not disclose any Confidential Information or Evaluation Material in any manner whatsoever; provided that any of such Confidential Information and Evaluation Material may be disclosed to the Licensee's Representatives to the extent of their need to know such information for the sole purpose of assisting the Licensee in the evaluation of a possible Transaction between the Company and the Licensee on the condition that such Licensee's Representatives are informed by the Licensee of the confidential nature of such information and that by receiving such information they are agreeing to be bound by the confidentiality obligations in this agreement. The Licensee agrees that any other use of Confidential Information and Evaluation Material other than provided for in this Agreement shall constitute Misappropriation under Illinois law. The Licensee acknowledges that a non disclosure provision without time or geographic limitation is enforceable under the Illinois Trade Secrets Act (765 Ill. Comp. Stat. 1065/8(b)). In any event, the Licensee agrees to be responsible for any breach of this letter agreement by any of the Licensee's Representatives.

4. Nondisclosure of Discussion

The Licensee and the Licensee's Representatives acknowledge that, without the prior written consent of the Company, the Licensee and the Licensee's Representatives will not make any public announcement or public statement concerning, or disclose to any other person, the fact that any Confidential Information has been made available, that discussions or negotiations are taking place concerning a possible Transaction involving the Company and the Licensee or any of the terms, conditions or other facts with respect thereto (including the status of such discussions); provided that the Licensee may make such public announcement, public statement or disclosure if in the opinion of the Company's outside counsel or General Counsel, such public announcement, public statement or disclosure is necessary to avoid committing a violation of law or of any rule or regulation of any securities association, stock exchange or national securities quotation system on which the Company's or Licensee's securities are listed or traded. In such event, the Licensee shall use its best efforts to give advance notice to the Company and to consult with the Company on timing and content of any such public announcement or public statement or disclosure.

5. Nonsolicitation

For a period of five (5) years from the date hereof, the Licensee agrees that the Licensee and the Licensee's Representatives will not directly or indirectly solicit

to employ any current or future Employee of the Company. The foregoing shall include, but not be limited to:

5.1: Any such Employee who has left the employment of the Company prior to the commencement of such solicitation

5.2 Any such Employee who has been terminated in good faith and with good cause

5.3: Generalized searches for employees by use of advertisements in the media.

5.4: Notwithstanding the terms of this Agreement, General Counsel and outside counsel of the Parties will not be restricted from practicing law in accordance with Ill. R. Prof'l Conduct 5.6

provided that the Parties agree that nonsolicitation of Employees is reasonable as it: (i) Is ancillary to a valid employment relationship; (ii) Is no greater than required for the protection of a legitimate business interest of the Employer; (iii) Does not impose an undue hardship on the Employee and (iv) Is not harmful to the public.

6. Standstill

For a period of three (3) years from the date hereof, the Parties agree that neither it nor any of its affiliates (as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) will (nor will it assist, provide or arrange financing to or for others or encourage others to)directly or indirectly, acting alone or in concert with others, unless specifically requested in writing in advance by the other Company's Board of Directors, Chairman or Chief Executive Officer.

6.1 Acquire or agree, offer, seek or propose to acquire, ownership (including, but not limited to, beneficial ownership as defined in Rule 13d-3 under the Exchange Act) of more than 1% of any class of voting securities issued by the Parties, or any rights or options to acquire such ownership (including from a third party);

6.2 Propose a merger, consolidation or similar transaction involving the Parties;

6.3 Offer, seek or propose to purchase, lease or otherwise acquire all or a substantial portion of the assets of the other Party;

6.4 Seek or propose to influence or control the management or policies of the other Party or to obtain representation on the other Party's Board of Directors, or solicit or participate in the solicitation of any proxies or consents with respect to the securities of the other Party;

6.5 Enter into any discussions, negotiations, arrangements or understandings with any third party with respect to any of the foregoing; or

6.6 Seek or request permission to do any of the foregoing or seek any permission to make any public announcement with respect to any of the foregoing.

provided that (i) it is understood that the provisions of this paragraph shall not prohibit the ongoing discussions continuing to be pursued by the management of the respective Parties in accordance with the provisions of this agreement, and (ii) if the Company or Licensee enters into a definitive agreement with a third party pursuant to which such third party will make a tender or exchange offer for, or otherwise acquire (by merger, consolidation, purchase or otherwise) 50% or more of the common stock or other equity interests, assets or earning power of such other Party, then the other Party shall be permitted to contact privately the chairman of the board of directors of such Company (or any person designated by such chairman) and submit to such chairman or other person an offer to acquire voting securities or assets of such Company and/or a request to negotiate with either the Company or the Licensee with respect to such an offer.

7. Commonality of Interest

To the extent that any Confidential Information or Evaluation Material may include materials subject to the attorney-client privilege, work product doctrine or any other applicable privilege concerning pending or threatened legal proceedings or governmental investigations, the Company and the Licensee understand and agree that the Parties have a commonality of interest with respect to such matters and it is the desire, intention and mutual understanding of the Parties that the sharing of such material is not intended to, and shall not, waive or diminish in any way the confidentiality of such material or its continued protection under the attorney-client privilege, work product doctrine or other applicable privilege. All Confidential Information and Evaluation Material provided by the Parties that is entitled to protection under the attorney-client privilege, work product doctrine or other applicable privilege shall remain entitled

to such protection under these privileges, this agreement, and under the joint defense doctrine

8. Required Disclosure

In the event that either the Licensee or any of Licensee's Representatives are requested or required (by oral questions, interrogatories, requests for information or documents in legal proceedings, subpoena, civil investigative demand or other similar process) to disclose any Confidential Information, Evaluation Material or any of the facts disclosure of which is prohibited under paragraphs two (2) and three (3) of this agreement, such Licensee shall provide the Company with prompt written notice of any such request or requirement so that the Company may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this agreement at the Company's sole discretion. After notification, if the Company elects not to pursue a protective order or other remedy or grant a waiver, the Licensee or any of the Licensee's Representatives are, in the agreement of the Company's General Counsel or outside counsel and Licensee's General Counsel, legally compelled to disclose Confidential Information or Evaluation Material or else stand liable for contempt or suffer other censure or penalty, the Licensee or Licensee's Representatives may, without liability hereunder disclose only that portion of the Confidential Information Evaluation Material and which such counsel advises is legally required to be disclosed; provided that such Licensee shall exercise reasonable efforts to preserve the confidentiality of the Confidential Information and Evaluation Material, including, without limitation, by cooperating with the Company to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information and Evaluation Material.

9. Compliance with Securities Laws

The Licensee, acknowledges and agrees that the Licensee and the Licensee's Representatives are aware, upon receipt of any Confidential Information or Evaluation Material, of the restrictions imposed by the United States federal securities laws and other applicable foreign and domestic laws on a person possessing material nonpublic information about a public company and that such Licensee and such Licensee's Representatives will comply with such laws.

10. No Waiver

Any forbearance or delay by either party in exercising any right, power or privilege under the terms of this Agreement shall not be construed as a waiver thereof or of a right thereafter to enforce the same.

11. No Representation or Warranty

The Company and the Licensee mutually understand and acknowledge that neither the Company, nor the Company's Representatives, makes any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information and Evaluation Material furnished by or on behalf of such Company and shall have no liability to the Licensee or to any of such Licensee's Representatives relating to or resulting from the use of the Confidential Information furnished to, and Evaluation Material prepared by, the Licensee. Nor does the Company or the Company's Representatives have any liability for any errors therein or omissions therefrom the Confidential Information and Evaluation Material. Only those representations or warranties which are made in a final definitive agreement regarding any Transaction contemplated hereby, when, as and if executed, and subject to such limitations and restrictions as may be specified therein, will have any legal effect.

12. Severability

If any provision of this Agreement or its application to any person or circumstances is held invalid, the invalidity does not affect other provisions or applications of the Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable.

13. Choice of Law

This Agreement shall be governed by the substantive laws of the State of Illinois, United States of America, without giving effect to principles of conflicts of laws. To the extent that it may be applicable, the Parties agree to exclude the application of the United Nations Convention on Contracts for the International Sale of Goods.

14. Choice of Forum

Any dispute, controversy or claim arising out of or relating to this contract, including the formation, interpretation, breach or termination thereof, including whether the claims asserted are arbitrable, will be referred to and finally determined by arbitration in accordance with the JAMS International Arbitration Rules. The tribunal will consist of three (3) arbitrators. The place of arbitration will

be in Chicago, Illinois, United States of America. The language to be used in the arbitral proceedings will be English. Judgment upon the finding rendered by the arbitrators shall be binding and conclusive upon the Parties and may be entered by any court located in the State of Illinois, United States of America.

15. Modification

This Agreement cannot be modified except by a writing signed by both the Company's and the Licensee's Board of Directors or General Counsel hereto.

16. Merger

The Parties to this Agreement intend this writing to be the final, complete, and exclusive expression of all the terms of their agreement. No course of dealing or usage of trade or course of performance may be used to supplement the terms of this Agreement including, but not limited to, Confidential Information, Evaluation Material, Licensee, Misappropriation, Non-Solicitation, Party, Parties or Representative.

17. Successors and Assigns

No assignment allowed without the express written consent of both Parties. With such consent established, this Agreement shall inure to the benefit of the Parties hereto and shall be binding upon their respective successors and assigns.

18. Termination of Discussions

The Company and the Licensee acknowledge and agree that each reserves the right, in its sole and absolute discretion, to reject any and all proposals and to terminate discussions and Negotiations with the other at any time subject to the provisions set forth herein. If either the Company or the Licensee decides that it does not wish to proceed with discussions or negotiations relating to a Transaction with the other, The Company or the Licensee will promptly notify the other of that decision. In that case, or at any time upon the request of either party for any reason, the Licensee will promptly deliver to the Company all Confidential Information (and all copies thereof) provided for in its capacity as a Licensee or as a Licensee's Representative. In the event of such a decision, all other Evaluation Material prepared by the Licensee and the Licensee's Representatives shall, at the Licensee's option, be destroyed or returned to the Company and no copy thereof shall be retained and the Licensee shall provide to the Company a certificate of compliance with this sentence. Notwithstanding the return or destruction of the Evaluation Material, the Licensee and the Licensee's Representatives will continue to be bound by such Licensee's respective

obligations of confidentiality and other obligations hereunder for a period of five (5) years from the date hereof.

19. Material Breach

The Licensee's or the Licensee's Representative's acquisition, use or dissemination of the Company's Confidential Information or Evaluation Material in violation of the terms of this Agreement or by Improper Means or through Misappropriation shall constitute a material breach and be just cause for termination of the Transaction and cause for seeking relief.

20. Injunctive Relief

It is further understood and agreed that money damages would not be a sufficient remedy for any breach of this Agreement by either the Company or the Licensee or any of its Representatives and that the non-breaching Party shall be entitled to equitable relief, including injunction and specific performance, as a remedy for any such breach. Such remedies shall not be deemed to be the exclusive remedies for a breach of this letter agreement but shall be in addition to all other remedies available at law or equity. Such relief shall be available within five (5) years of a breach of this Agreement having been discovered or would have been discovered under reasonable due diligence.

21. Miscellaneous

The Company and the Licensee agree that unless and until a definitive agreement between the Parties with respect to this Transaction has been executed and delivered, the Company will not be under any legal obligation of any kind whatsoever with respect to the Transaction by virtue of this or any written or oral expression with respect to such a Transaction by any of the Parties' respective Representatives except for the matters specifically agreed to in this Agreement. The Company and the Licensee further acknowledge that neither Party shall have any obligation to pursue with the other any transaction.

22. Notices / Consent

Any notice or consent called for by this Agreement shall be in English, either by writing or by means of an electronic communication method which produces a written record, and shall be sent or transmitted to the respective Parties at the address shown below:

If to Polymer: Polymer, Inc.
3130 N Lake Shore Dr

Apt 700
Chicago, IL 60657-4916
Attention: Chief Executive Officer

If to Euro-Optics: Euro-Optics
Marinus van Meelweg 22,
5657 AND Eindhoven
Netherlands
Attention: Chief Executive Officer

If you are in agreement with the foregoing, please sign, date and return one (1) copy of this Confidentiality Agreement which will constitute our Agreement with respect to the subject matter of this Transaction hereof.

Very truly yours,
Polymer, Inc.
/s/ John A. Smith

John A. Smith
President and Chief Executive Officer

Date

CONFIRMED AND AGREED TO:

Euro-Optics.
/s/ John C.. Doe

John C. Doe
President and Chief Executive Officer

Date