

Exclusive Strategic Relationship Agreement

This Exclusive Strategic Relationship Agreement ("Agreement") is being entered into as of this 1st day of October, 2015 ("Effective Date"), by and between Network Integrity Systems, Inc., a North Carolina corporation, with its principal offices located at 1937 Tate Blvd. SE, Hickory, North Carolina 28602 (hereinafter referred to as "NIS"), and Cyber Secure IPS, LLC, a Maryland limited liability company, with its principal place of business located at 551 Commerce Drive, Suite B, Upper Marlboro, MD 20774 (hereinafter referred to as "CS"). NIS and CS sometimes are referred to hereinafter collectively as the "Parties" and each, individually, as a "Party."

RECITALS

WHEREAS, CS is in the business of developing, manufacturing, marketing and selling the CS Products (as defined below), and providing services related to the CS Products, including the design, installation, support, maintenance and operation of CS Products and software integration, equipment upgrades, training, design and installation services ("CS Services");

WHEREAS, NIS is in the business of developing, manufacturing, marketing and selling various products "NIS Products", and providing services related to the design, installation, maintenance and operation of Products, including, but not limited to, engineering, design and installation services ("NIS Services");

WHEREAS, CS and NIS would like to exclusively integrate each of their respective products and services into separate Solutions (as defined below) and jointly develop, market and sell the Solutions in the Market (as defined below) to Customers.

NOW, THEREFORE, in consideration of the mutual covenants contained herein the Parties hereby agree as follows:

1. Definitions.

The following definitions shall apply to this Agreement:

- 1.1 "Affiliates" shall mean an entity that directly or indirectly, through one (1) or more intermediaries, controls, is controlled by, or is under common control with, the designated Party. For purposes of this Section 1.1, a Party shall be deemed to control a stock entity if such Party owns shares to which are attached (without the occurrence of any contingency) more than fifty percent (50%) of the votes that may be cast for the election of directors of such stock entity. For purposes of this Section 1.1, a Party shall be deemed to control a non-stock entity if it is allocated either more than fifty percent (50%) of the interests in the profits or losses of such non-stock entity.

- 1.2 "CS Products" shall mean all Cyber Secure Infrastructure Monitoring System hardware and software products manufactured and sold by CS.
- 1.3 "NIS Products" shall mean the products manufactured and services offered and sold by NIS as described in Schedules 1 and 3.
- 1.4 "Solution Services" shall mean services, on-site or off-site, related to the supply, installation, provisioning, maintenance, upgrade and operation of Solution.
- 1.5 "Solutions" shall mean the various branded NIS Products Interceptor™ or Vanguard™ and other electrical devices manufactured by NIS, integrated with CS Product Cyber Secure IMS, a hardware and software system manufactured by CS.
- 1.6 "Market" shall mean the Network Infrastructure Physical Cyber Security market.
- 1.7 "Customers" shall mean Federal, State and Local Government Agencies, U.S. and foreign military branches, defense contractors, and private enterprises.
- 1.8 "Term" shall mean a term of three (3) years beginning on the date this date as first written above, which is subject to extension pursuant to Section 7 below.

2. Development, Supply and Purchase of Solution and Services

- 2.1 The parties shall work together to integrate their respective products and services into the Solutions. The Solutions will be branded and referred to by the parties as "Interceptor CS™," "Interceptor CS-OSP™," "Vanguard CS™," and "Vanguard CS-OSP™." The above brands and trademarks shall be jointly owned by the parties. CS will brand the Interceptor CS-OSP™ solution independently.
- 2.2 Subject to the terms and conditions of this Agreement, CS grants to NIS an exclusive worldwide right and license during the Term to market and sublicense the CS Products solely as part of a Solution to prospective Customers directly or through its distributors in the Market and receive purchase orders from NIS authorized distributors and Customers for purchases and license of the Solution. The Parties may agree in writing from time to time to allow CS to act as the point-on-sale for specific opportunities.
- 2.3 Subject to the terms and conditions of this Agreement, NIS grants to CS an exclusive worldwide right and license during the Term to market and sublicense the NIS Services solely as part of a Solution to prospective Customers directly or through its distributors or integrators in the Market and receive purchase orders from NIS authorized distributors and Customers for purchases and license of the Solution Services.
- 2.4 Subject to the following, the price of the Solutions and Solution Services to distributors and Customers shall be as listed in the attached Schedule 1 or as

otherwise negotiated between the Parties in writing. The Parties agree to evaluate the prices sixty (60) days after the Effective Date, and further agree to modify the prices at that time if both Parties agree that a price adjustment is necessary based upon the assessment of information received after the initial offerings of the Solutions to Customers. The Parties agree to evaluate the prices on an annual basis (on the anniversary of the Effective Date of the Agreement) and further agree to modify the prices at that time if both Parties agree that a price adjustment is necessary based upon the assessment of information received from the Market.

- 2.5 NIS will issue a purchase order to CS for the CS Products sold to distributors as part of the Solutions no later than five (5) business days after receipt of the distributor's purchase order by NIS. Promptly following receipt of NIS' purchase order, CS shall acknowledge and confirm the order. Confirmed purchase orders shall be governed by the terms set forth herein. Each party shall coordinate the shipping and distribution of their respective portion of the Solution in accordance with the terms of the Purchase Order. NIS shall make payment to CS for the CS Products sold to distributors as part of the Solution as set forth in Schedule 2. Full payment shall be due from NIS to CS within 15 days of the date that NIS receives payment for the Solution by NIS's distributor.
- 2.6 CS will be the exclusive "point-of-sale" for the Services associated with the installation and maintenance of the Solutions and receive purchase orders from authorized CS integrators and contractors for purchases of the Services. For sales of the Solutions for which the Customer purchases CS Services ("Silver Support," "Gold Support," "Platinum Support," and Platinum Plus Support), CS will offer all customers the NIS Interceptor-CS Support Plan as a bundled component of the CS Services. Prices and part numbers for the Interceptor-CS Support Plan are attached as Schedule 3.
- 2.7 CS will issue a purchase order to NIS for NIS' portion of the Interceptor-CS Support Plan sold to authorized CS integrators and contractors no later than five (5) business days after receipt of the integrator's or contractor's purchase order to CS. NIS shall collect payment for sales of Interceptor-CS Support Plans purchased by CS from NIS as set forth in Schedule 2 in the form of a credit against invoices as set forth in Section 2.5, unless there are no credits available, in which case full payment shall be due from CS to NIS within 15 days of the date that CS receives payment for the Solution Services.
- 2.8 NIS will authorize CS to perform "field upgrades" of NIS Products as necessary to bring such NIS Products up to standards deemed by both parties necessary to function properly as part of the Solution. CS agrees to comply with any and all requirements, as well as purchase at its own expense, any and all required NIS Products, tools and equipment designated by NIS for the purpose of performing such field upgrades. This authorization is subject to a CS representative's or representatives' successful completion of a field-upgrade training course conducted by NIS. Only those CS representatives who have completed the training are

authorized to perform field upgrades. Prior to the performance of a field upgrade, CS must provide NIS with the serial number of the NIS Product subject to the upgrade.

3. Other Commercial Terms

- 3.1 During the Term of the Agreement, CS grants NIS the right in the Market to propose, include in quotes, recommend and in general promote to Customers the sale of other CS Products as listed in Schedule 4. CS will compensate NIS for sales received by CS as a result of NIS's promotion of the other CS Products, as set forth in Schedule 4. NIS will provide CS with a list of all quotes submitted to Customers for CS Products included in Schedule 4 no later than fifteen (15) days after the quote is submitted.
- 3.2 NIS shall collect payment for sales of other CS Products listed in Schedule 4 in the form of a credit against invoices as set forth in Section 2.5, unless there are no credits available, in which case full payment shall be due from NIS to CS within 15 days of the date that CS receives payment for the Solution Services.
- 3.3 During the Term of the Agreement, the Parties, as part of their activities to promote the sale of the Solution, agree to confer periodically on matters relating to market conditions, sales, forecasting, product planning, and update, promotional and marketing strategies. The Parties agree to engage in joint-marketing activities to promote sales of the Solutions, including but not limited to the development of printed and digital product literature, printed and digital product advertising, trade show attendance and sponsorships, promotional items and press releases. The nature and scope of such joint-marketing activities is subject to agreement by both Parties. The Parties agree to share on an equal basis the total costs of all joint-marketing activities once agreed upon.
- 3.4 Either Party may, as its sole option, prior to and/or after its use, review all of the other Party's promotion and advertising materials that utilize any of the Party's trademarks or trade names. The Parties agree not to use or to withdraw and retract any promotion or advertising, which utilizes any of the other Party's trademarks or trade names that the Party finds unsuitable. The Parties agree not to unreasonably withhold its approval of any promotion or advertising that utilizes any of the other Party's trademarks or trade names.
- 3.5 The Parties agree to independently hire and compensate sales agents to sell the Solutions in the Market to Customers. Such agents may include full time employees of the Parties and independent contractors such as Manufacturer's Representatives. In the case of Manufacturer's Representatives, the Parties will make a best faith effort to hire the same companies. Compensation for such companies will be structured by and is the responsibility of each Party.

4. Term and Termination

- 4.1 This Agreement shall become effective on the date as first written above and continue for a period of three (3) years. Thereafter this Agreement shall automatically renew for successive one (1) year terms unless either Party provides the other with at least ninety (90) days written notice of such Party's intention to terminate the Agreement prior to the end of the initial term or any renewal term.
- 4.2 If either Party materially breaches any provision of this Agreement at any time, the other Party will have the right to terminate this Agreement, provided that such Party notifies that other Party in writing of such material breach, gives the breaching Party ten (10) days to cure such material breach, and the material breach is not cured to the other Party's satisfaction within such ten (10) day period.
- 4.3 Either Party may terminate this Agreement immediately upon written notice to the other Party in the event of the filing of a petition for bankruptcy by the other Party or by a third party against such Party or if such Party shall be declared bankrupt or otherwise shall make any general arrangement with its creditors similar to the actions in a bankruptcy filing.
- 4.4 Either Party may terminate this Agreement, for its convenience and without penalty, upon one-hundred and eighty (180) days prior written notice to the other party, provided that all purchase orders in process prior to such date of termination shall be honored by each party in accordance with the terms and conditions of this Agreement.
- 4.5 CS may terminate this agreement for its convenience and without penalty, upon ninety (90) days prior written notice to NIS in the event that Mr. Kevin Frazier's employment by NIS is involuntarily terminated (not at the will of Mr. Frazier). CS may terminate this agreement for its convenience and without penalty, upon ninety (90) days prior written notice to NIS in the event that Mr. Frazier's employment by NIS is voluntarily terminated (at the will of Mr. Frazier) due to a breach by NIS of Mr. Frazier's Employment Agreement.
- 4.6 In the event that this Agreement expires or is terminated for any reason, the parties agree to continue their cooperation in order to effect an orderly termination of their relationship. Each party shall immediately cease representing itself as a seller of the Solutions.
- 4.7 Notwithstanding the termination of this Agreement as a result of a breach hereunder or otherwise, the obligations of the Parties in Sections 6 through 20 shall survive such termination and the termination shall not prejudice any rights of the parties hereto which may have accrued up to and including the date of termination.

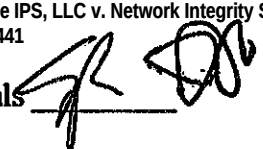
Initials 

5. Restrictions and Non-Compete

- 5.1 During the Term of the Agreement, CS agrees not to offer CS Products for sale, or provide as a sample, demo or trial version in the Market unless the CS Product is sold or provided as a component of the Solution. CS may offer for sale CS Products separate from the Solution to support NIS Products that are sold and distributed from the inventory of NIS Products owned by WESCO as of the Effective Date of the Agreement. CS may offer for sale in the Market CS Products separate from the Solution when NIS Products are not required as part of the customer's technical specifications and or requirements.
- 5.2 During the Term of the Agreement, NIS agrees not to design, develop, manufacture, private label, or offer for sale, any product that can reasonably be considered to perform and/or provide the same functionality as the CS hardware and software Products included as part of the Solution.
- 5.3 During the Term of the Agreement, CS agrees not to design, develop, manufacture, private label, or offer for sale, any product that can reasonably be considered to perform and/or provide the same functionality as the NIS Products listed in Schedules 1 and 3.
- 5.4 During the Term of the Agreement, NIS agrees not to modify, revise, iterate, or customize NIS Products or develop new versions of NIS Products to effect or support the interoperability of NIS Products with products that can reasonably be considered to perform and/or provide the same functionality in the Market as the CS hardware and software Products included as part of the Solution.
- 5.5 During the Term of the Agreement, CS agrees not to modify, revise, iterate, or customize CS Products or develop new versions of CS Products to effect or support the interoperability of CS Products with products that can reasonably be considered to perform and/or provide the same functionality in the Market as the NIS Products listed in Schedules 1 and 3.
- 5.6 During the Term of the Agreement, CS agrees not to offer CS Products for sale, or provide as a sample, demo or trial version to any company, entity or organization which manufacturers and or offers for sale products that can reasonably be considered to perform and or provide the same functionality in the Market as any the NIS Products listed in Schedules 1 and 3.

6. Intellectual Property Rights

- 6.1 The Parties agree that any technology and/or technical data, design, trade secrets, know-how, patent rights, trademarks, moral rights, and copyrights ("Intellectual Property Rights") invented, generated, developed or acquired by a Party prior to signature of this Agreement or independent of the performance of this Agreement, shall remain the sole property of that Party.



- 6.2 The Parties agree that each Party retains ownership of all Intellectual Property Rights in its products. The Intellectual Property Rights created by NIS as a consequence of the development of interfaces from NIS Products to the CS Products used as part of the Solution shall be the sole property of NIS. The Intellectual Property Rights created by CS as a consequence of the development of interfaces from CS Products to the NIS Products used as part of the Solution shall be the sole property of CS.
- 6.3 The Parties agree that Intellectual Property rights in inventions ("Inventions") created by one party while working with the products or services of the other party as part of the Solution and within the domain of the other party and its products or services, shall be passed to said second party for implementation and ownership of said Intellectual Property Rights in such Inventions shall be held by the second party.
- 6.4 For the Term of the Agreement, each Party hereby grants to the other a worldwide, royalty-free, non-sub-licensable license to the other for the use of the foregoing interfaces between each party's products and services to the other party's products and services used in the Solution, provided that such license shall be limited to Solutions sold during the term of this Agreement and shall not apply to any other devices or periods. In the event that any further joint development is agreed upon between the parties, a separate agreement between NIS and CS shall cover such joint development and such agreement shall require the signature of the Parties Chief Executive Officer to be effective.

7. Protection of Confidential Information

- 7.1 Each Party has acquired, developed, will continue to develop, and owns certain valuable information which it deems confidential. From time to time during the term of the Agreement, the Parties, for their mutual benefit, may wish to disclose to each other certain information, some of which may be Confidential Information as defined below.
- 7.2 This Agreement sets forth the conditions and obligations governing the use, duplication or disclosure of any Confidential Information that may be disclosed by one Party ("Disclosing Party") to the other ("Receiving Party") from and after the date of this Agreement. When used herein, a reference to a Party shall include, individually and collectively, its officers, directors, and employees. The foregoing Recitals are a part of this Agreement.
- 7.3 The Receiving Party shall hold in confidence and withhold from third parties, any and all Confidential Information disclosed by the Disclosing Party and shall use such Confidential Information only for the purpose(s) of the terms of the Agreement and for no other purpose, unless the Disclosing Party shall otherwise agree in writing. The Receiving Party shall take reasonable and appropriate measures to safeguard any Confidential Information received from the Disclosing Party from theft, loss, and negligent disclosure to others, and to limit access to Confidential Information to those officers, directors, and employees within the Receiving Party's organization who reasonably require such access to accomplish the aforesaid purposes. Notwithstanding

the foregoing, the Receiving Party may disclose Confidential Information received from the Disclosing Party to the extent required by law or court order, provided that the Receiving Party shall provide written notice to the Disclosing Party before the required disclosure to permit the Disclosing Party to intervene or seek a protective order or other appropriate remedy and further provided that such disclosure shall be strictly limited to requirements of the applicable law or court order.

7.4 The term "Confidential Information" as used in this Agreement, shall mean trade secret, proprietary or confidential information disclosed by the Disclosing Party to the Receiving Party, including, without limitation, all information and property which relates to business practices, employees, contractors, vendors, affiliates, and subsidiaries, and computing and communications infrastructure and configuration, as well as their research programs and procedures, including but not limited to procurement, financing, recruitment and the personal identities of their agents, employees, and contractors, trade secrets, specifications and data, financial information, projections, formulae, know-how, designs, marketing plans and strategies, customer and supplier lists, and any other business or intellectual information and property. Notwithstanding the foregoing, "Confidential Information" as used in this Agreement, shall not include information which:

- a. is or becomes a part of public knowledge or literature without breach of this Agreement by the Receiving Party; or
- b. is known to the Receiving Party without restriction as to further disclosure when received; or
- c. is independently developed by the Receiving Party without the use, directly or indirectly, of information received under this Agreement or other obligation of secrecy with the Disclosing Party; or
- d. becomes known to the Receiving Party from a third party who had a lawful right to disclose it.

7.5 The points of contact for transmitting, receiving and controlling Confidential Information disclosed and notices provided hereunder are designated by the respective parties as follows:

Network Integrity Systems, Inc.
Attn. Angela Guittard
1937 Tate Blvd. SE
Hickory, NC 28602

Cyber Secure IPS
Attn. Scott Rye
551 Commerce Drive, Suite B
Upper Marlboro, MD 20774

Each party may change its designee or address by written notice to the other.

7.6 The Receiving Party will promptly notify the Disclosing Party of any breach of this Agreement or of the loss of any Confidential Information, and upon request of the

Disclosing Party, the Receiving Party shall surrender any part or all of the Confidential Information to the Disclosing Party.

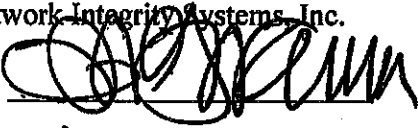
- 7.7 Upon termination of this Agreement, the Receiving Party shall stop using all Confidential Information furnished to it hereunder and shall, upon written direction of the Disclosing Party, use its good faith efforts to return to the Disclosing Party or destroy all such Confidential Information, together with all copies made thereof by the Receiving Party. Upon request, the Receiving Party shall send the Disclosing Party written confirmation of the Receiving Party's compliance with the requirements of this paragraph. Notwithstanding the other provisions of this paragraph, each party may make and retain one copy of such Confidential Information for archival purposes only.
- 7.8 The Receiving Party acknowledges that the Confidential Information governed by this Agreement is subject to U.S. export laws and regulations ("Regulations") and that any use or transfer of the Confidential Information or products incorporating the Confidential Information must be authorized under those laws and regulations. The Receiving Party further acknowledges that it will not transfer without appropriate authorization the direct product of such Confidential Information, if the direct product is subject to the export control laws and regulations of the U.S. and other governments. The Receiving Party further agrees not to export or re-export the Confidential Information in violation of any other provision of the export laws of the U.S. or other relevant governments. This provision shall survive the expiration or earlier termination of this Agreement.
8. Consequential Damages. SUBJECT TO THE EXCLUSIONS IN THIS PARAGRAPH, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, (A) IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE, SPECIAL, CONSEQUENTIAL OR SIMILAR DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT, INCLUDING ANY LOSS OF BUSINESS, PROFITS, OR REVENUE, AND (B) THE TOTAL CUMULATIVE LIABILITY OF A PARTY ARISING OUT OF AND RELATED TO THIS AGREEMENT SHALL NOT, REGARDLESS OF THE NUMBER OF INCIDENTS OR CAUSES GIVING RISE TO ANY SUCH LIABILITY, EXCEED THE GREATER OF THE TOTAL AMOUNTS PAID OR PAYABLE FOR PRODUCTS DELIVERED OR SERVICES PERFORMED UNDER THIS AGREEMENT. THE LIMITATIONS ON LIABILITY IN THIS PARAGRAPH SHALL APPLY REGARDLESS OF THE CAUSE OF ACTION OR BASIS OF LIABILITY (WHETHER IN CONTRACT, TORT, OR OTHERWISE), AND EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; PROVIDED, HOWEVER, THE LIMITATIONS SHALL NOT APPLY TO OR LIMIT THE LIABILITY OF A PARTY FOR THE FOLLOWING CAUSED BY SUCH PARTY: (I) GROSS NEGLIGENCE, FRAUD OR WILLFUL OR INTENTIONAL MISCONDUCT; (II) A MATERIAL BREACH OF CONFIDENTIALITY, OR VIOLATION OF THE OTHER PARTY'S PROPRIETARY RIGHTS; (III) PAYMENTS OR REIMBURSEMENTS EXPRESSLY DUE AND OWING UNDER THIS AGREEMENT; (IV) PERSONAL INJURY, DEATH, OR DAMAGE TO OR DESTRUCTION OF TANGIBLE PERSONAL PROPERTY; OR (V) A PARTY'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 9 BELOW. THESE LIMITATIONS ON LIABILITY ARE AN ESSENTIAL PART OF THIS AGREEMENT, AND SHALL BE VALID AND BINDING EVEN IF ANY REMEDY IS DEEMED TO FAIL OF ITS ESSENTIAL PURPOSE.

9. Indemnification. Each party shall at its expense indemnify, defend and hold harmless the other party and its officers, directors employees and agents and pay any all damages, costs and expenses of whatsoever kind or character, including, but not limited to, reasonable attorneys' fees and expenses from any claim, demand, action, or legal proceeding asserted or brought by a third party such party arising out of or resulting from (i) a breach of this Agreement, (ii) a claim that the other party's products or services infringe or misappropriate a copyright, trade secret, patent or other intellectual property right, and (iii) any damages caused by the other party's products or services.
10. No Obligation. Each Party shall bear its own costs and expenses incurred under or in connection with the Agreement. Nothing in this Agreement shall be construed as an obligation by either party to contract or form a business relationship with the other party.
11. No Assignment. Neither party shall assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party, except to a successor in ownership of substantially all of the assets of a party, which successor in ownership shall expressly assume in writing the performance of the terms and conditions of this Agreement. Any unauthorized assignment shall be void.
12. Injunctive Relief. Each party agrees that money damages would not be a sufficient remedy for any breach of this Agreement and that the parties shall be entitled to seek injunctive or other equitable relief to remedy or prevent any breach or threatened breach of this Agreement. Such remedy shall not be the exclusive remedy for any breach of this Agreement, but shall be in addition to all other rights and remedies available at law or in equity.
13. Relationship of Parties. The relationship of the parties shall be that of independent contractors and nothing contained herein shall be deemed to create any relationship of agency, joint venture or partnership. Neither party shall have any power to commit, contract for or otherwise obligate the other party or any third party.
14. Choice of Law. The validity, interpretation, and effect of this shall be governed by the substantive laws of the State of North Carolina, United States, without regard to principles of conflicts of law. The parties expressly consent to the personal jurisdiction of the state and federal courts located in the State of North Carolina, United States, which shall be the exclusive venue for adjudication of any claim or dispute arising under this Agreement.
15. Entire Agreement. This is the entire Agreement between the parties supersedes any prior or contemporaneous written or oral agreements. This Agreement may not be amended or modified, except by subsequent agreement in writing signed by the duly authorized representatives of both parties.
16. No Waiver. No failure or delay by a party in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or future exercise thereof, or the exercise of any other right, power or privilege hereunder.

17. Severability. If any term, covenant or condition in this Agreement shall, to any extent, be invalid or unenforceable, the remainder of this Agreement and the covenants contained herein shall not be affected thereby and the remainder shall be valid and enforceable to the fullest extent permitted by law.
18. Working With Others. This Agreement will not preclude a party from working with others in any connection, so long as the party complies with the obligations stated in this Agreement.
19. Legends. The rights and obligations provided by this Agreement shall take precedence over specific legends or statements associated with Confidential Information when received.
20. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign or transfer this Agreement by operation of law or otherwise, to any other person or entity without the prior written consent of the other party.

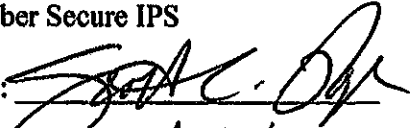
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in duplicate originals by their duly authorized representatives as of the date and year first above written.

Network Integrity Systems, Inc.

By: 

Title: President + CEO

Cyber Secure IPS

By: 

Title: President / CEO

Initials 