

## **ARN/AHG CONFIDENTIALITY and NON-DISCLOSURE AGREEMENT**

This CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT is hereby entered into as of the date last written below (“Effective Date”) by and between American Rheumatology Network, LLC (“ARN”), Articularis Healthcare Group, Inc. (“AHG”) and \_\_\_\_\_ (the “Interested Party”). ARN, AHG and the Interested Party may be each be referred to individually as a “Party” and collectively as the “Parties”.

WHEREAS, ARN is a South Carolina based national network which provides group purchasing, data analytics, and other value-added services to its members, independent medical practices throughout the United States specializing in the diagnosis and treatment of rheumatologic disorders;

WHEREAS, AHG is a private medical practice headquartered in Summerville, South Carolina, specializing in the diagnosis and treatment of rheumatologic disorders;

WHEREAS, the Interested Party wishes to enter into discussions with ARN or AHG (the “Discussions”) in contemplation of a potential business relationship between the Interested Party and ARN or AHG;

WHEREAS, during the course of the Discussions, the Parties may exchange, have access to, or have disclosed to them various material, documents, and information proprietary and confidential to the other Parties (collectively “Confidential Information”); and

WHEREAS, the Parties desire to set forth in this Agreement their obligations with respect to this Confidential Information.

NOW, THEREFORE, in consideration of the opportunity to enter into the Discussions and to receive or be allowed access to Confidential Information of the other Parties, the foregoing recitals, the mutual covenants contained herein and such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties acknowledge and agree as follows:

1. **Compliance with Applicable Laws.** The Parties agree to comply with all applicable local, state, and federal laws.

2. **Confidentiality.** Each Party acknowledges that, during the Discussions, it will be gaining, or has gained, access to Confidential Information, including, but not limited to, financial and strategic plans and processes, financial information and data, operations information, personnel information, compensation information, patient lists, vendor lists, as well as various other data, documents and information associated with the operation of the respective Party, and that any further dissemination of any of the Confidential Information and any use of the Confidential Information for any

purpose other than the Discussions could cause irreparable harm to the Party to whom the Confidential Information belongs. The terms of this Agreement shall apply to any documents or information exchanged between the Parties prior to the execution of this Agreement, but which were intended to be exchanged in furtherance of the Discussions. Each Party shall (a) treat and hold as confidential all Confidential Information and other information concerning the business and affairs of the other Parties that is not then generally available to the public, (b) refrain from using any of the Confidential Information except in connection with the Discussions, and, (c) if any Party decides not to proceed with the Discussions, deliver promptly to the disclosing Party or destroy, at the written request and option of the disclosing Party, all of the Confidential Information which is in its possession. Each Party will limit the disclosure of each other Party's Confidential Information to only those persons who reasonably need access thereto in order to perform their functions with respect to the Discussions. All advisors retained by the Parties shall be subject to this confidentiality requirement. In the event that any Party is required by law or action of a court of competent jurisdiction to disclose any Confidential Information, such Party will notify the other Parties promptly of the request or requirement so that the other Parties may seek appropriate relief or, in such Party's sole discretion, waive compliance with the provisions of this section. No Party shall have any obligation to maintain the confidentiality of any Confidential Information that becomes generally available to the public from a source other than the Party that has received it pursuant to this Agreement.

3. **Limited Exceptions to Confidentiality Obligations.** The obligations under Paragraph 2 shall not apply to Confidential Information which: (a) is known to the receiving Party prior to disclosure as evidenced by written documentation in the possession of the receiving Party; (b) is or hereafter becomes known to the general public without breach or fault on the part of the receiving Party; (c) is disclosed to the receiving Party by a third party without restriction on disclosure and without breach of any nondisclosure obligation; or (d) is independently developed by the receiving Party's personnel having no access to related information disclosed by another Party. The burden of proof with respect to all of the foregoing exceptions shall be on the receiving Party.

4. **Term.** The term of this Agreement shall extend until the Discussions have been concluded with respect to the Parties hereto, including the conclusion of any arrangements between the Interested Party and ARN or AHG arising out of the Discussions, if any; provided, however, that the obligations set forth in Section 2 shall continue to apply, and the Parties shall be bound to such terms, for an additional period of three (3) years following the conclusion of the Discussions with respect to the Parties hereto.

5. **Attorney-Client Privilege.** The Parties acknowledge that in the course of the Discussions, each Party has a common interest and may disclose information or other materials that may be subject to an attorney-client privilege in favor of a Party,

that such disclosure is appropriate and necessary to enable the Parties to pursue the Discussions expeditiously and efficiently; and that such disclosure is agreed to herein on the express condition that no Party shall lose its attorney-client privilege as a result thereof. Each Party agrees that it will not assert in any proceeding that such disclosure results in any waiver or other loss of such privilege, and that each Party will limit its distribution of such privileged materials to only those persons who reasonably need access to the materials or information in order to perform their functions with respect to the Discussions. The Parties expressly do not waive any attorney/client privilege as to the dissemination of information to third parties who are not associated with the Discussions. Notwithstanding this provision or any other in this Agreement, no Party shall be obligated to disclose to any other Party any information protected by the attorney-client privilege or the attorney-work-product doctrine.

6. **Press Releases and Public Announcements.** Interested Party shall not issue any press release or make any public announcement referencing AHG or ARN relating to the subject matter of the Discussions without the prior written approval of AHG or ARN, as applicable.

7. **Advisors.** Each Party acknowledges that it has engaged competent and qualified advisors and that it will not rely on the other Party for information as to the advisability of entering into the Discussions or any agreements or other relationships that may arise from the Discussions.

8. **Succession and Assignment.** This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Party.

9. **Definitive Agreement.** Unless and until one or more definitive written agreements between the Interested Party and AHG or ARN effectuating a transaction has been executed and delivered, no Party shall be under any legal obligation of any kind whatsoever to conduct a transaction by virtue of this Agreement. Except as set forth in a definitive written agreement as described above, the disclosing Party makes no representation or warranty as to the completeness or accuracy of any Confidential Information disclosed hereunder (it being understood that certain of the Confidential Information will be estimates, generalizations, summaries, or forward-looking).

10. **Former Employer's Confidential Information.** Interested Party represents and warrants that he shall not disclose any confidential information he obtained from any third party unless he has provided AHG and ARN with such third party's written consent. To the extent Interested Party is subject to any noncompetition, nonsolicitation, or confidentiality obligation, Interested Party agrees to comply with each such obligation. AHG and ARN do not intend to interfere with any such obligation.

11. **Remedies.** The Parties acknowledges and agree that: (a) the restrictions contained in this Agreement are reasonable in scope and duration and (b) if this Agreement is breached, each non-breaching Party will suffer immediate and irreparable harm for which the award of monetary damages alone will be an insufficient remedy. Accordingly, each non-breaching Party, in addition to any other remedy to which it may be entitled at law or in equity, shall be entitled to seek injunctive relief and specific performance, without the necessity of posting a bond or other security. The Party found to be in breach of this Agreement shall reimburse the non-breaching Party or Parties for all costs and expenses, including reasonable attorneys' fees, it incurs if the non-breaching Party or Parties successfully enforces this Agreement.

12. **Governing Law; Dispute Resolution.** Any and all claims or actions arising out of or relating to this Agreement shall be brought only in a court of competent jurisdiction located in Charleston County, South Carolina. The parties consent to and avail themselves of the courts located in Charleston County, South Carolina. If case is pending in state court, venue shall be Charleston County Circuit Court. If any such claims or action case is pending in federal court, venue shall be in the U.S. District Court, District of South Carolina, Charleston Division. The parties further agree that any and all claims or actions arising out of or relating to this Agreement shall be tried non-jury and that the parties hereby expressly waive any and all rights to have such claims or actions tried before a jury. The parties hereby waive any right to claim or receive punitive, exemplary, multiplied or consequential damages, or attorneys' fees and costs.

13. **Survivability.** Sections 2, 3, 4, 5, 6, 8, 9, 10, 11 and 12 shall survive the expiration or earlier termination of this Agreement.

**Signature page follows on page 5**

**The remainder of this page is intentionally left blank**

IN WITNESS WHEREOF, the undersigned Parties have executed, sealed and delivered this Agreement as of \_\_\_\_\_.

ARN/AHG

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

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

Its: \_\_\_\_\_

INTERESTED PARTY

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

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

Its: \_\_\_\_\_

For Entity:

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

Print Name of Authorized Signer: \_\_\_\_\_

Its: \_\_\_\_\_