CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

This Agreement is made and entered into this ___ day of _____ 20__, between _____, ("Recipient") with offices located at _____, and Farmers Group, Inc. (collectively "Discloser"), with offices located at 4680 Wilshire Boulevard, Los Angeles, California 90010.

Recipient and Discloser, by this Agreement, have entered into a relationship under which Discloser may disclose to Recipient, as a bona fide lender or lienholder as to customers and policyholders of Discloser, Confidential Information of Discloser. The purpose of such disclosure is to enable Recipient to evaluate compliance by borrowers under the borrowers' debt instrument(s) held by Recipient based on the records of Discloser, without the benefit of a further agreement governing the treatment of information requested by Recipient and given by Discloser.

Discloser and Recipient agree as follows:

1. **Confidential Information Defined.** As used in this Agreement the term "Confidential Information" means all non-public information pertaining to Discloser or its Affiliate, whether written, oral, recorded on tapes or in any other media or format, as described below:

a. Confidential Information includes, without limitation, product drawings, specifications, bills of material, manufacturing information, business or marketing information, strategies or plans, computer hardware, computer software and data or reports, employee data, vendor and customer lists, independent contractor or agent lists, Customer Information as described in subsection (b) below, financial statements, information concerning accounts receivable and payable, trade secrets, or material (proprietary information or material being tangible or intangible information or material owned by Discloser or its Affiliates(s) (as defined below), or in which Discloser or its Affiliate(s) has any right of ownership, for example as lessee or licensee), information pertaining to plans or acquisitions, research and development efforts, business forecasts, other clients if such information would, to a reasonable person, appear to be confidential. The term "Affiliate(s)" means and shall include any existing or future "person" (as hereinafter defined) that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control or management with the Discloser, where "control" or "controlled" or "controlling" means and shall be deemed to exist if a person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other person, either through contract, or by owning a controlling interest of the voting rights or the equity capital of such other person or of other ownership interests, or otherwise possesses or is able to exert a controlling influence over such other person by virtue of (i) having the ability to elect a majority of the board of directors of such other person, (ii) having the ability to appoint the management of such other person, (iii) having a contract to manage such other person (including reciprocal or inter-insurance exchanges and mutual insurers), (iv) having the power to direct the day-to-day business or affairs of such other person, (v) being appointed to act as attorney-in-fact for such other person, or (vi) control through other comparable means (including conforming to the local definition of control, if any). The term "person" means an individual, firm, corporation wherever incorporated, trust, joint venture (whether or not having a separate legal existence), partnership, limited liability company, association (whether incorporated or note), or any other entity, or subdivision, agency, or authority thereof, as the case may be.

b. "Customer Information" includes any non-public, private or personal information (as defined by the Gramm-Leach-Bliley Act or other laws on privacy of personal information) related to a customer or that can be identified with respect to a customer, including the fact that an individual is a customer of the Discloser or an Affiliate(s). With respect to such non-public private or personal information received from Discloser, or an Affiliate(s) such information shall be

considered Confidential Information for purposes of this Agreement, even if it appears as public information. For avoidance of doubt and as an example, Discloser's customer's names and addresses may appear in telephone directories. If such names and addresses are received by Recipient pursuant to this Agreement, such information is to be treated as Confidential Information.

c. Confidential Information may be made known to Recipient in oral, written, electronic, or other form and may include information visually available to Recipient at Discloser's premises or facilities.

d. Confidential Information may be either owned by Discloser or its Affiliate(s) or the property of a third party and made available to Discloser under license or other arrangements.

e. Confidential Information need not be expressly labeled or identified as such to be entitled to the treatment required by this Agreement.

f. Confidential Information includes all memorializations, copies or reproductions of Confidential Information, material incorporating Confidential Information, or materials derived from Confidential Information.

2. **Exclusions to Definition.** Notwithstanding anything contained in Article 1 above to the contrary, Confidential Information does not include the following:

a. Information that is or becomes in the public domain, other than as a result of Recipient's breach of its obligations under this Agreement;

b. Information known to Recipient independently of its relationship with Discloser, including information learned by Recipient from a third party that Recipient believes is entitled to disclose it, or information known by Recipient prior to its relationship with Discloser; or

c. Information independently developed by Recipient without use of or reliance upon Discloser's Confidential Information.

3. **Treatment of Confidential Information.** The parties agree that Confidential Information shall be treated as follows:

a. Recipient shall use Confidential Information only for the purpose for which such Confidential Information is provided and for no other purpose whatsoever;

b. Recipient will not disclose, divulge, or transfer, either directly or indirectly, the Confidential Information to any third party without the written consent of Discloser, except that Recipient may disclose Confidential Information to third party contractors, consultants or employees of a legal entity that Recipient controls, controls Recipient or is under common control with Recipient and such party has a need to know the information provided such contractors, consultants and employees agree in writing to be bound by appropriate confidentiality agreements at least as protective of Confidential Information as this Agreement.

c. Recipient will maintain the confidentiality of the Confidential Information by using the same degree of care (which shall be no less than reasonable care) as Recipient uses to protect its own confidential information of a similar nature, and will restrict dissemination of the Confidential Information to those of its personnel or advisors (including contractors and consultants) who have a need to know the Confidential Information in connection with the purposes for which this Agreement has been entered into and accepted by Company and Vendor;

d. All Confidential Information shall remain the property of the Discloser and Recipient will do nothing to compromise or diminish Discloser's rights in any Confidential Information. Without limiting the generality of the foregoing, Recipient will not attempt to transfer or encumber any Confidential Information. At the conclusion of the relationship between the parties, or upon Discloser's or its Affiliates' request, Recipient will (a) return the Confidential Information to Discloser, or (b) at Discloser's or its Affiliates' option destroy such Confidential Information and any notes, memoranda, compilations or other documents concerning or containing any of the Confidential Information and (c) promptly send to Discloser or its Affiliate written certification of such destruction; and

e. Recipient shall promptly notify Discloser in writing of any unauthorized, negligent or inadvertent disclosure of Confidential Information of the Discloser. Recipient shall be liable under the Agreement to the Discloser for any disclosure in violation of this Agreement by Recipient or its affiliates, employees, attorneys, accountants, consultants, contractors, or other advisors or agents.

1 **Limitations on Recipient's Obligation.** In the event that Recipient or its Representative become legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process by court order of a court of competent jurisdiction, or in order to comply with applicable requirements of any government department or agency or other regulatory authority) to disclose any of the Confidential Information provided by Discloser, Recipient shall provide Discloser with prompt written notice of such requirements so that the Discloser may seek a protective order or other appropriate remedy or waive compliance with the terms of this Agreement. In the event that such protective order or other remedy is not obtained or that Discloser waives compliance with the provisions hereof, Recipient agrees to provide only that portion of the Confidential Information provided by the Discloser which is legally required and to exercise its reasonable efforts to obtain assurances that confidential treatment will be afforded to such Confidential Information.

2 **Termination.** This Agreement shall have a term of three (3) years unless extended by mutual agreement or terminated pursuant to the succeeding sentence. Either party may terminate this Agreement by giving the other party five (5) business days written notice. The rights and obligations of the parties hereunder with respect to any Confidential Information disclosed or obtained prior to termination shall survive any termination of this Agreement or any return of Confidential Information received under this Agreement for a period of ten (10) years.

3 **Intellectual Property.** No license, under any trademark, patent, copyright, mass work protection right, or any other intellectual property right, is either granted or implied by the conveying of Confidential Information to Recipient. None of the Confidential Information that may be disclosed shall constitute any representation, warranty, assurance, guarantee, or inducement by a party to Recipient of any kind, and in particular, with respect to the non-infringement of trademarks, patents, copyrights or any intellectual property rights or other rights of third parties.

4 **Audit.** Discloser reserves the right, at reasonable times in a reasonable manner and upon reasonable prior notice, to monitor and confirm compliance with the provisions of this Agreement as to Recipient's treatment of the Confidential Information delivered to or obtained by Recipient. Recipient will cooperate with the requesting party's exercise of its rights under this Article 7.

5 **Remedies.** Recipient acknowledges and understands that the use or disclosure of the Confidential Information in any manner inconsistent with this Agreement may cause the Discloser irreparable damage. The Discloser shall have the right to: (a) seek equitable and injunctive relief to prevent such unauthorized, negligent or inadvertent use or disclosure; and (b) recover the amount of all such damage (including attorneys' fees and expenses) as awarded by a court to the Discloser with respect to such use or disclosure. In the event that any court of competent jurisdiction determines that any

provision of this Agreement is too broad to enforce as written, such court is authorized and directed to construe, modify or reform such provision to the extent reasonably necessary to make such provision enforceable. Nothing in this Agreement shall be construed to prohibit Discloser from pursuing any other available remedies for breach or threatened breach of this Agreement, including the recovery of damages. No failure or delay by Discloser in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of Discloser's rights preclude the exercise of any other right, power or privilege under this Agreement.

1 **Severability.** If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions shall remain in full force and effect.

2 **Assignment.** This Agreement may not be assigned by either party without the prior written approval of the other party.

3 **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without application of its principles of conflicts of laws.

4 **Publicity**. Neither party shall issue or release any articles, advertising or publicity or other matter relating to this Agreement or identifying, mentioning or using the name of the other party or Discloser's Affiliate(s), except with such other party's prior written approval.

5 **Exclusive and Entire Agreement.** This Agreement reflects the exclusive and entire understanding of the parties relative to the subject matter hereof, and may not be modified except by another written agreement, signed with the same formality as this Agreement.

6 **General.** Discloser is not making any representation or warranty, expressed or implied, as to the accuracy or completeness of any Confidential Information nor shall the Discloser have any liability to the Recipient or to any other person resulting from the Recipient's use of the Confidential Information. All parties shall comply with all state and federal privacy laws, including the provisions of the GrammLeach-Bliley Act.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

#164364

FARMERS GROUP, INC.	**"RECIPIENT"** _____
By: _____	By: _____
Name: Phil Moore	Name: _____
Title: Vice President – Farmers	Title: _____
Title: Head of Operational Processing and Billing Strategy	
Date: _____	Date: _____