

## Nondisclosure Agreement

This Agreement is entered into by and between Information Spectrum, Inc. (hereinafter "ISI"), a corporation with offices at 7611 Little River Turnpike, Annandale, Virginia 22003, and SmartMetric, Inc., a corporation with offices at 67 Wall Street, Level 22, New York, New York 10005 (hereinafter "SmartMetric").

1. "Proprietary Information" is defined as information that the disclosing party at the time of disclosure identified in writing as Proprietary Information by means of a proprietary or confidential legend, marking, stamp, or other positive written notice identifying the information to be proprietary or confidential. In order for information disclosed orally or visually by a party to this Agreement to be considered Proprietary Information protected hereunder, the disclosing party shall identify the information as proprietary at the time of the disclosure and, within ten (10) days after such oral or visual disclosure, reduce the subject matter of disclosure to writing, properly stamped with a proprietary legend, marking, stamp or other positive written notice, and submit it to the receiving party.
2. Proprietary Information disclosed hereunder may be used only for mutual benefit of SmartMetric and ISI in conducting discussions and exchanging information relating to fingerprint biometric, biometric smartcard with fingerprint storage, high-capacity memory cards, contact and contactless identification cards, and the processing of information on these identification cards, and then only in strict accordance with the terms of this Agreement.
3. It is agreed that for a period of five (5) years following the receipt of Proprietary Information, each party will use such information only for the purpose(s) set out in Paragraph 2 above and shall take reasonable efforts to preserve the confidentiality of such Proprietary Information, and prevent disclosure thereof to third parties. Each party agrees that it will use the same reasonable efforts to protect the other's Proprietary Information as are used to protect its own, but, in any event, not less than reasonable care.
4. The obligation to protect Proprietary Information, and the liability for unauthorized disclosure or use of Proprietary Information, shall not apply with respect to: such information that is now available or becomes available to the public without breach of this Agreement; information lawfully received without restrictions from other sources, including the U.S. Government; information published or disclosed by the disclosing party to others, including the U.S. Government, without restriction; information developed by the receiving party independent of and without use of the information disclosed by the disclosing party; or information that is required to be disclosed pursuant to any law or judicial or governmental demand, requirement or order, provided that the receiving party shall give reasonable notice to the disclosing party of such order to enable the disclosing party to seek legal protection of the Proprietary Information.
5. The parties agree that disclosures of Proprietary Information shall be restricted to those individuals directly participating in the effort set out in Paragraph 2 who have a need to know been made aware of and consent to abide by the restrictions contained herein concerning the disclosure and use of such information. The receiving party agrees to provide the disclosing party a list of those individuals to whom such disclosures have been made upon request of the disclosing party.
6. This Agreement shall expire two (2) years after the effective date of this Agreement, but may be terminated earlier by either party giving thirty (30) days notice in writing to the other party of its intention to terminate. Termination shall not, however, affect the rights and obligations contained herein with respect to Proprietary Information disclosed hereunder prior to termination.
7. Upon termination or expiration of this Agreement or upon the written request of either party at any time, each party will, within a reasonable period of time thereafter, not to exceed thirty (30) days, return all Proprietary Information received from the other party and copies made thereof by the receiving party under this Agreement, or certify by written memorandum that all such Proprietary Information has been destroyed.
8. Except as expressly provided herein, neither the execution and delivery of this Agreement nor the furnishing of any Proprietary Information shall be construed as granting either expressly or by implication, estoppel or otherwise, any license under any copyright, invention, improvement, discovery or patent, or trademark now or hereafter owned or controlled by a party disclosing Proprietary Information hereunder.
9. This Agreement, and the rights and obligations hereunder, may not be transferred or assigned by one party without the prior written approval of the other party hereto.
10. Each party warrants that it has the right to disclose the Proprietary Information disclosed to the other party hereunder for the purpose set out in Paragraph 2 above.
11. Neither party shall export, transmit or otherwise convey any Proprietary Information disclose under this Agreement in contravention of any laws, ordinances or regulations of the U.S. Government.
12. The laws of the Commonwealth of Virginia shall govern this Agreement, without regard to its conflict of law rules.
13. This Agreement shall not be construed as a teaming, joint venture, or other such arrangement; rather, the parties hereto expressly agree that this Agreement is for the purpose of protection of Proprietary Information only.

14. Neither party has an obligation to supply Proprietary Information hereunder.

15. The parties agree that the terms and conditions of this Agreement are reasonable and necessary for the protection of Proprietary Information and to prevent damage or loss to ISI and SmartMetric. Each party agrees that any breach or threatened breach by it, of the foregoing terms and conditions, will cause irreparable injury to the other party for which there is no adequate remedy at law. Therefore, each party expressly agrees that the party that may be harmed shall be entitled, in addition to any other remedies available, to injunctive or other equitable relief to require specific performance or to prevent a breach of this Agreement.

16. This Agreement contains the entire understanding between the parties relative to the protection of Proprietary Information and supersedes all prior and collateral communications, reports, and understandings between the parties in respect thereto. No change, modification, alteration, or addition to any provision hereof shall be binding unless in writing and signed by authorized representatives of both parties.

17. All notices shall be in writing, shall bear the addresses of the parties to this Agreement and shall be dispatched by certified or registered mail, return receipt requested. A notice sent by facsimile shall be effective when received, provided that it is promptly confirmed by certified or registered mail, return receipt requested.

IN WITNESS WHEREOF, the parties hereto have caused this Nondisclosure Agreement to be executed as of the date and year indicated below.

INFORMATION SPECTRUM, INC.

SMARTMETRIC, INC.

By: /s/ William T. Alsbrooks  
Name: William T. Alsbrooks  
Title: Executive Vice President  
Date: August 5, 2003

By: /s/ Colin Hendrick  
Name: Colin Hendrick  
Title: President and CEO  
Date: August 5, 2003