

AAR [_____]
CONFIDENTIALITY & IP ASSIGNMENT AGREEMENT

This Confidentiality & IP Assignment Agreement (this “Agreement”) is made and entered into by and between AAR [_____] and its affiliates (“Company”), and _____ (“Employee”).

RECITALS

WHEREAS, the Company engaged in the business of providing aviation services to commercial and government customers globally;

WHEREAS, the Company desires to employ Employee or continue to employ Employee and Employee desires to be employed or remain employed by the Company;

WHEREAS, as an employee of the Company, Employee will be exposed to and develop a familiarity with, and expertise in, the operations and business of the Company including, but not limited to, Confidential Information (as defined below) of the Company; and

WHEREAS, the Company would not employ Employee, continue to employ Employee or permit employee access to the Company’s Confidential Information without Employee executing, delivering and agreeing to be bound by this Agreement, Employee’s execution and delivery of this Agreement being, therefore, an express condition of Employee’s employment or continued employment with the Company;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements contained herein and for other good and valuable consideration, the sufficiency of which is hereby mutually acknowledged by the Company and Employee, the Company and Employee intending to be legally bound hereby, agree as follows:

IT IS HEREBY AGREED THAT:

1. **Consideration.** Employee enters into this Agreement in exchange for employment and/or continued employment with the Company, and in consideration of the compensation and benefits provided through such employment. Employee further enters into this Agreement in exchange for the provision of Confidential Information (as defined below) to Employee as part of Employee’s employment with the Company and access to valuable and protected business relationships of the Company. Employee and the Company hereby stipulate that this Agreement is supported by full, adequate and valuable consideration.

2. **No Alteration of At-Will Employment.** This Agreement does not, and shall not be construed, to create or imply any contract of employment for any fixed or certain period of time. Employee understands and agrees that the status of Employee’s employment is, and shall hereafter continue to be “at will,” meaning that Employee may voluntarily leave the employ of the Company at any time, for any reason or no reason (with or without cause), and that the Company may discharge Employee from the Company’s employ at any time with or without cause or reason or notice. Subject to the limitations in Section 6 of this Agreement, while employed by the Company, Employee will at all times remain loyal to the Company and will not knowingly engage in conduct that would violate Company policy, be competitive with the Company, detrimental to, or in conflict with, the Company’s

business interests, nor will Employee engage in conduct that creates a conflict of interest, including but not limited to engaging in competition with the Company or assisting others do so.

3. **Non-Disclosure of Confidential Information.** Employee hereby acknowledges that during, and solely by the reason of, Employee's employment by the Company, Employee will learn or develop Confidential Information (as defined below) in trust and confidence, and exclusively for the purpose of advancing and protecting the Company's business. Employee acknowledges that unauthorized disclosure or use of Confidential Information, other than in the discharge of Employee's duties on behalf of the Company, will cause the Company irreparable harm and commercial injury. In order to protect these interests of the Company, which Employee acknowledges to be legitimate, valuable, protectible and protected, Employee agrees as follows:

(a) For purposes of this Agreement, the term "Confidential Information" means confidential and proprietary information that relates to the business conducted by the Company and that Employee becomes privy to by virtue of employment. Subject to the foregoing, Confidential Information includes non-public: (1) business and marketing plans, practices and strategies; (2) internal methods of operation, systems and processes; (3) collected or compiled customer, supplier and vendor information, including non-public contact information and customer lists maintained by the Company, and their business dealings with the Company; (4) non-published cost, pricing, sales, margin and financial information; (5) customer, supplier, vendor and other third-party contracts, bids, proposals, needs and preferences; (6) technical information, including proprietary computer hardware and software, inventions, discoveries and other Company intellectual property; and (7) confidential personnel information, including performance evaluations, excluding such information pertaining to Employee. The term "Confidential Information" also includes any information to which Employee had access by reason of Employee's employment with Company and which meets the definition of "trade secret" set forth in the *California Uniform Trade Secret Act*, Cal Civ. Code § 3426, et seq., and/or the *Defend Trade Secrets Act*, 18 U.S.C. §1839 ("Company Trade Secrets"). Employee acknowledges and agrees to ask Company for clarification about what constitutes Confidential Information if, at any time, Employee is uncertain about whether any particular information is intended to be protected hereunder as Confidential Information. Notwithstanding the foregoing, Confidential Information does not include information that: (x) has become available in the public domain or generally known within the applicable industry (other than Confidential Information that became public as a result of a breach of a duty of confidentiality); (y) was known to Employee prior to first receipt of or access to such information in the course of employment; or (z) is rightfully received by Employee outside the course of employment from a third party who does not owe the Company a duty of confidentiality with respect to such information. Confidential Information also does not include general skills and common industry knowledge learned by Employee by virtue of Employee's employment.

(b) Employee will use Confidential Information exclusively on behalf of the Company and, except in the normal and proper course of employment, will not, directly or indirectly through another person or entity or by assisting others, disclose such information in any manner or use such information for Employee's benefit or on behalf of any other person or entity. The foregoing obligation shall apply at all times during employment with the Company and for a period of five (5) years thereafter. Notwithstanding the foregoing, Employee will not, at any time, in any manner or for any purpose other than a purpose expressly permitted by law, directly or indirectly, divulge or disclose, use, transmit, copy, create, access or retain any Company Trade Secrets.

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(c) Employee will not copy, duplicate or reproduce, or allow others to copy, duplicate or reproduce, any Confidential Information for any purpose other than for use by or on behalf of the Company.

(d) Employee will comply with all Company policies, procedures and practices pertaining to Confidential Information and will take all commercially reasonable steps to protect and maintain the secrecy thereof.

(e) If Employee is requested, becomes legally compelled or is otherwise required by law to make any disclosure that is prohibited by this Section, Employee will promptly notify the Company no later than fourteen (14) days prior to such disclosure so that the Company may seek a protective order or other appropriate remedy if the Company deems such protection or remedy necessary under the circumstances. Subject to the foregoing, Employee may furnish only that portion of Confidential Information that Employee is legally compelled or required by law to disclose.

4. **Intellectual Property Rights.** Employee acknowledges and agrees that all inventions, technology, processes, innovations, ideas, improvements, developments, methods, designs, analyses, trademarks, service marks, and other indicia of origin, writings, audiovisual works, concepts, drawings, reports and all similar, related, or derivative information or works (whether or not patentable or subject to copyright), including but not limited to all patents, copyrights, copyright registrations, trademarks, and trademark registrations in and to any of the foregoing, along with the right to practice, employ, exploit, use, develop, reproduce, copy, distribute copies, publish, license, or create works derivative of any of the foregoing, and the right to choose not to do or permit any of the aforementioned actions, which relate to the Company's actual or anticipated business, research and development or existing or reasonably anticipated future products or services and which are conceived, developed or made by Employee while employed by the Company, its subsidiaries or any of their predecessors (collectively, the "Work Product") belong to the Company. All Work Product created by Employee while employed by the Company or any of its predecessors will be considered "work made for hire," and as such, the Company is the sole owner of all rights, title, and interests therein. All other rights to any new Work Product and all rights to any existing Work Product, including but not limited to all of Employee's rights to any copyrights or copyright registrations related thereto, are hereby conveyed, assigned and transferred to the Company pursuant to this Agreement, except for those inventions that are excluded from assignment pursuant to California Labor Code section 2870, as described in the Written Notification to Employee attached to this Agreement as Addendum A. Employee will promptly disclose and deliver such Work Product to the Company and, at the Company's expense, perform all actions reasonably requested by the Company (whether during or after the Employment Period) to establish, confirm and protect such ownership (including, without limitation, the execution of assignments, copyright registrations, consents, licenses, powers of attorney and other instruments). Employee further grants the Company Power of Attorney to effectuate any assignment referenced in this Section, which shall be used only in the event that Employee fails to comply with Employee's obligations as set forth herein.

5. **Reasonableness of Restrictions and Remedies.** Employee agrees that the terms of Sections 3 and 4 of this Agreement are intended to protect and preserve legitimate business interests of Company and are reasonable and necessary for that purpose. It is further agreed that any breach of Sections 3 and 4 of this Agreement will cause the Company irreparable harm. In the event of a breach or threatened breach by Employee, Employee acknowledges and agrees that the Company's remedies at law may be inadequate and that Company shall be entitled to injunctive and other equitable relief

against any threatened or continued breach of this Agreement by Employee, without the necessity of showing actual monetary damages or the posting of a bond or other security. In the event a court of competent jurisdiction determines that any provision of this Agreement is excessively broad, it is expressly agreed that this Agreement shall be construed so that the remaining provisions hereof shall not be affected by any such determination, but shall remain in full force and effect, and any such overbroad provision(s) shall be deemed, without further action on the part of any party, to be modified, amended and/or limited, but only to the extent necessary to render the same valid and enforceable in such jurisdiction.

6. Reservation of Rights

(i) Employee understands that notwithstanding anything herein to the contrary, under the Federal Defend Trade Secrets Act of 2016, an individual may not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Nothing herein is intended, or should be construed, to affect the immunities created by the Defend Trade Secrets Act of 2016.

(ii) Employee shall not, by virtue of any provisions of this Agreement, or any other policy or agreement of Company, be prohibited from: (i) filing a charge or complaint with any governmental or administrative agency, including but not limited to the Department of Justice, the SEC, Congress or any agency Inspector General; (ii) reporting to any governmental agency, legislative body or judicial authority any concerns Employee may have regarding Company's practices (including any alleged unlawful employment practices or criminal conduct); (iii) participating in or cooperating with any investigation or proceeding conducted by any administrative, legislative, governmental or judicial body; (iv) providing testimony in any administrative, legislative or judicial proceeding concerning alleged criminal conduct or unlawful employment practices when required or requested to attend the proceeding pursuant to a court order, subpoena, or written request from an administrative agency or the legislature; (v) making disclosures required by law, regulation or compulsory legal process; or (vi) requesting or receiving confidential legal advice. Further, nothing in this Agreement prohibits Employee from making truthful statements or disclosures about any alleged unlawful employment practice, including, but not limited to, discrimination, harassment or retaliation.

7. Return of Company Property. Upon termination of employment with the Company for any reason, or at any earlier time that the Company requests, Employee shall return to the Company all keys, telephone calling cards, cellular telephones, computers, printers, access cards and other Company property and equipment. Employee shall also return originals and all copies of all business records and other documents, including Confidential Information, (including information stored on computer hard drives, flash or thumb drives, or any other medium) relating to the Company in Employee's possession, custody or control, other than documents relating solely to Employee's own compensation or benefits. Employee agrees to refrain from accessing any Company records or other documents stored on any personal computer hard drive, tablet, smartphone, electronic data storage device, email or other web-based data storage account or service after termination of employment with the Company and shall inform the Company of all such media, and shall permanently delete and erase any Company records and other documents stored on such personal media, or preserve the same for inspection by and return to the Company at the Company's election.

8. **Miscellaneous:**

(a) *Governing Law, Venue and Jurisdiction.* This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to conflicts-of-laws principles, rules or statutes of any jurisdiction. The exclusive venue for any claim brought by Employee arising out of this Agreement shall be the state or federal courts located in Cook County, Illinois, and Employee hereby consents to any such court's exercise of personal jurisdiction over Employee for such purpose.

(b) *Attorneys' Fees.* If any action at law or in equity, including an action for injunctive relief, is brought to enforce or interpret the terms, covenants or provisions of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorneys' fees from the other party, which may be set by the court overseeing such action or may be enforced by a separate action brought for that purpose, and which fees shall be in addition to any other relief which may be awarded.

(c) *Entire Agreement.* Except as otherwise stated herein, or in any written Company policies, this Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof and replaces and supersedes as of the date hereof any and all prior agreements and understandings, whether oral or written, between the parties hereto with respect to the subject matter hereof. This Agreement may only be modified by an amendment in writing executed by the parties hereto.

(d) *Binding Effect.* This Agreement shall be binding upon and inure to the benefit of the heirs, legal representatives, successors in interest and assigns of the respective parties.

(e) *Counterparts.* This Agreement may be executed in one or more counterpart, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(f) *Assignment.* This Agreement is not assignable by Employee. This Agreement is assignable by the Company without Employee's consent.

(g) *No Strict Construction.* The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any person.

(h) *Effective Date.* This Agreement shall be effective as of the date it is signed by Employee.

(i) *Future, Prospective Employment.* Employee agrees to provide a complete and accurate copy of this Agreement to any prospective or future employer to which Employee may apply for employment. Employee also hereby consents to the Company providing a complete and accurate copy of this Agreement to any prospective or future employer of Employee.

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IN WITNESS WHEREOF, the parties have signed this Agreement as of the date first written below.

EMPLOYEE

AAR [_____]

By: _____

By: _____

Dated: _____

Its: _____

Dated: _____

**ADDENDUM A
WRITTEN NOTIFICATION TO EMPLOYEE**

In accordance with California Labor Code section 2872, you are hereby notified that pursuant to California Labor Code section 2870, your assignment of Work Product as set forth in Section 4 of your Confidentiality & IP Assignment Agreement does not require you to assign to the Company any invention for which no equipment, supplies, facilities, or trade secret information of the Company was used and that was developed entirely on your own time, except for those inventions that relate to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or which result from any work performed by you for the Company.

Following is the text of California Labor Code section 2870:

“(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to this or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.”