



Velocity Software Systems Ltd.

March 18, 1997

XYZ Corp.
Suite 111
1234 West 23rd Ave.
Anywhere, B.C.
Canada

Attention: Mr. John Smith

Dear Sirs:

Re: Discussions between Velocity Software Systems Ltd. ("Velocity") and XYZ Corp. ("XYZ")

During the forthcoming discussions (the "Discussions") between Velocity and XYZ (collectively the "parties"), we expect the parties may exchange certain information regarding their respective businesses and affairs, which should be kept confidential. We provide this letter to confirm our agreement that all information previously exchanged or to be exchanged with respect to these Discussions be kept confidential both during and after completion of the Discussions. To confirm that you are in agreement with the terms of this letter, please sign a copy of this letter and return it to the attention of the undersigned.

Our agreement (the "Agreement") as set forth in this letter includes the following:

1. The term "parties" shall include Velocity and XYZ and their respective representatives of any kind whatsoever including, but not limited to, their respective directors, officers, employees, agents and contractors.
2. Subject to paragraph 3 below, the term "Confidential Information" shall include, with respect to the Discussions, all discussions and communications and information communicated therein of any kind whatsoever between the parties and all written and printed materials of any kind whatsoever that have or will be exchanged by the parties with each other.
3. The term "Confidential Information" shall not include, or shall cease to include as the case may be, any information of one party obtained by the other party (the "Recipient Party"), or written or printed materials of any kind whatsoever of one party obtained by the Recipient Party which:
 - (a) was in the public domain at the time it was obtained by the Recipient Party; or
 - (b) entered into the public domain at the same time or after it was obtained by the Recipient Party through no fault of the Recipient Party; or
 - (c) was rightfully provided to the Recipient Party by a third party, or legitimately obtained by the Recipient Party from a source other than the other party, free of any obligation of confidentiality.
4. The parties covenant and agree each with the other that each party shall:
 - (a) not intentionally disclose the Confidential Information of the other party to a third party except if required by any rule, regulation or law of any kind whatsoever to which it is subject or by which it is bound or except with the consent of the other party; and

- (b) use its best efforts to ensure that the Confidential Information of the other party is not accidentally disclosed to a third party; and
- (c) not use the Confidential Information or disclose it within its own organization except to such employees and professional advisors as required in order to carry out the Discussions between the parties; and
- (d) proceed with the Discussions honestly, fairly and in good faith.

5. Subject to paragraph 6 below, either party may terminate this Agreement by providing the other with written notice of termination at their address above and the content of all discussions and communications of any kind whatsoever between the parties and all written and printed materials of any kind whatsoever exchanged between the parties after the date (the "Termination Date") such notice is delivered shall not be Confidential Information and shall not be governed by the terms of this Agreement.

6. The termination of this Agreement shall not relieve either party from the obligations contained herein with respect to the Confidential Information exchanged prior to the termination Date and this Agreement shall remain in full force and effect with respect to such Confidential Information unless the parties mutually agree otherwise.

7. All written and printed materials of any kind whatsoever including, without limitation, all documents, drawings, writings, lists and notes shall remain the property of the party providing them and shall be returned by the Recipient Party to the party providing them, together with all copies made by or on behalf of the Recipient Party, at any time on the request of the party providing them and in any event forthwith after the Termination Date. All rights, title and interest in the Confidential Information shall remain the exclusive property of the party providing it.

8. This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia.

9. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors.

Please indicate your agreement to the terms and conditions of this letter by signing and returning the enclosed duplicate copy of this letter to the attention of the undersigned.

Yours truly,
 Velocity Software System Ltd.
 Per:

Les Mulder, C.E.O.

I, _____, a duly authorized signatory of XYZ, do hereby agree on behalf of XYZ to the terms and conditions of the Agreement provided for herein.

Dated this _____ day of _____, 1999.

XYZ Corp.
 Per:

_____, _____ (Title)