
Sample Mutual Confidentiality Agreement

Mutual Confidentiality Agreement

THIS AGREEMENT, is entered into this _____ day of _____, 20____, by and between _____ [defined name], a [state of organization and business structure], and _____ [defined name], a [state of organization and business structure], (each a “Party” and collectively the “Parties”).

WHEREAS, the Parties will be having discussions concerning their respective business operations and future business opportunities (the “Authorized Purpose”), which discussions will require the disclosure of information that the Parties deem proprietary and confidential;

WHEREAS, the Parties wish to protect their respective confidential information against any unauthorized use and any unauthorized or uncontrolled disclosure.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

- A. As used throughout this Agreement, the term “Confidential Information” means information not generally known to third parties and which is proprietary to the Party disclosing such information (the “Disclosing Party”) including information relating to product strategies, financing strategies, organizational strategies, site location strategies, permitting strategies, design/build and other contract discussions and strategies, technical know-how, trade secret information, financial information, plant specifications, prospective investor lists and strategies, pricing policies, operational methods, marketing information including without limitation strategy, sales, finance and business systems and techniques, business plans, and other business affairs of the Disclosing Party. All information of the Disclosing Party that is disclosed to the other Party (the “Receiving Party”) or to which the other Party obtains access, whether originated by the Receiving Party or by the Disclosing Party or others, shall be presumed to be Confidential Information.
- B. It is understood that unauthorized disclosure or use, whether intentional or unintentional, of any of the Confidential Information would be detrimental to the Disclosing Party. Accordingly, each Party agrees:
1. Not to disclose to any third party the object and scope of the discussions between the Parties, except as required by law or as may be necessary to enforce the terms hereof.
 2. Not to use any of the Confidential Information for any purpose other than for or in connection with the Authorized Purpose.
 3. To maintain all of the Confidential Information in confidence and not to disclose any portion of the Confidential Information to any person or entity not authorized hereunder without the prior written consent of the Disclosing Party
 4. That any dissemination of Confidential Information shall be only in connection with the Authorized Purpose, and shall be only to the employees, agents or affiliates of Receiving Party who have a need to know said Confidential Information in order for the Receiving Party to carry out proper purposes and responsibilities related to the Receiving Party’s discussions with the Disclosing Party and

Reviewed April 2023

[COMPANY NAME]

CONFIDENTIALITY AGREEMENT

the Authorized Purpose and who have been advised of the confidential nature of such information. Further, the Receiving Party shall cause such employees, agents and affiliates who have access to the Confidential Information to comply with the terms and provisions of this Agreement in the same manner as each party is bound hereby, with the Receiving Party remaining responsible for the actions and disclosures of such representatives.

5. That, upon termination of the discussions between the Parties or upon the Disclosing Party's request, all records, any compositions, articles, documents and other items which contain, disclose and/or embody any Confidential Information (including, without limitation, all copies, reproductions, summaries and notes of the contents thereof), regardless of the person causing the same to be in such form, shall be returned to the Disclosing Party or destroyed by the Receiving Party, and the Receiving Party will certify that the provisions of this paragraph have been complied with.
- C. The obligations pursuant to Section B above shall not apply to information which:
1. Is or becomes a part of the public domain through no act or omission of the Receiving Party;
 2. Can be shown to be already possessed by the Receiving Party as of the date of disclosure;
 3. Shall be made available to the Receiving Party on a non-confidential basis by a third party having a right to do so;
 4. Is disclosed by order of a court of competent jurisdiction; or
 5. The Disclosing Party authorizes, in writing, for release.
- D. If the Receiving Party or its representatives receives a request to disclose all or any part of the Confidential Information under the terms of a valid and effective subpoena or order issued by a court of competent jurisdiction or by a governmental body, the Receiving Party agrees to:
1. Immediately notify the Disclosing Party of the existence, terms and circumstances surrounding such a request, so that it may seek an appropriate protective order and/or waive the Receiving Party's compliance with the provisions of this Agreement; and
 2. If disclosure of such Confidential Information is required in the opinion of the Receiving Party's counsel, to the extent possible cooperate with the Disclosing Party in obtaining reliable assurances that confidential treatment will be accorded to the disclosed Confidential Information.
- E. The Parties hereto acknowledge that each Party's Confidential Information is the property of the Disclosing Party and the disclosure of the Confidential Information to the Receiving Party does not convey any right, title or license in the Confidential Information to the Receiving Party. The Receiving Party shall not appropriate the Confidential Information to its own use or to the use of any third party.
- F. It is further understood and agreed that no failure or delay by the Disclosing Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.
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[COMPANY NAME]

CONFIDENTIALITY AGREEMENT

- G. The termination of the discussions or relationship between the Parties shall not relieve either Party or its employees, agents or affiliates of the obligations of nonuse or nondisclosure hereunder or the obligation to return or destroy certain materials.
- H. The Parties agree that money damages would not be sufficient remedy for any breach of this Agreement, and the nonbreaching Party shall be entitled to enforce this Agreement by injunctive and other available relief, including without limitation specific performance.
- I. This Agreement shall be governed by and construed and interpreted in accordance with the substantive laws of the State of **[governing law]**. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision hereof shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. All obligations and rights of the Parties expressed herein shall be in addition to, and not in limitation of, those provided by applicable law. This Agreement may be modified or waived only by a separate writing by the Parties expressly so modifying or waiving such. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. References to the Parties shall be deemed to include each of their affiliates, if any. Any disputes arising out of this Agreement shall be venued in federal or state district court in the State of **[governing law]**, and each Party hereby consents to the jurisdiction of such court. This Agreement shall be binding upon the Parties hereto and their successors and assigns.

IN WITNESS WHEREOF, the Parties acknowledge their agreement to the foregoing as of the date first set forth above by execution of the Agreement by their respective authorized representatives.

[COMPANY NAME]

CONTACT:

By (signature)

By (signature)

Printed Name

Printed Name

Title

Title

Date

Date

For an explanation of this agreement see Information File C5-80, [Overview of Confidentiality Agreement](http://www.extension.iastate.edu/agdm/wholefarm/pdf/c5-80.pdf), www.extension.iastate.edu/agdm/wholefarm/pdf/c5-80.pdf. This sample agreement does not constitute legal advice. Parties negotiating and contemplating entering into a confidentiality agreement should consult with competent legal advisors.

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Original author Joe R. Thompson