

Template: Confidentiality Clause for Merger Deals

1. Definition of Confidential Information

For purposes of this Agreement, “Confidential Information” means all non-public, confidential, or proprietary information, including but not limited to business operations, strategies, plans, financial data, intellectual property, and trade secrets, disclosed by either Party (the “Disclosing Party”) to the other (the “Receiving Party”), whether in oral, written, electronic, or any other form, and whether marked as confidential or not.

2. Obligation of Confidentiality

The Receiving Party shall keep all Confidential Information strictly confidential and shall not disclose, publish, or otherwise reveal any Confidential Information to any third party without the prior written consent of the Disclosing Party, except as expressly permitted by this Agreement.

3. Permitted Disclosure

Disclosure of Confidential Information is permitted only to those directors, officers, employees, affiliates, or representatives who need to know such information for the purpose of evaluating or consummating the proposed merger, provided that they are bound by confidentiality obligations at least as restrictive as those contained herein.

4. Exceptions

The obligations of confidentiality shall not apply to information that:

- Is or becomes publicly available without breach of this Agreement;
- Was lawfully known to the Receiving Party prior to disclosure;
- Is lawfully obtained from a third party without restriction or breach of any duty;
- Is independently developed by the Receiving Party without use of or reference to the Confidential Information;
- Is required to be disclosed by law, regulation, or valid court order (provided that the Receiving Party notifies the Disclosing Party promptly in advance and cooperates in seeking protective measures).

5. Duration

This confidentiality obligation shall remain in effect for a period of [insert number] years following the termination or completion of the merger discussions or the execution of the final merger agreement, whichever is later.

6. Return or Destruction of Information

Upon termination of discussions or upon written request by the Disclosing Party, the Receiving Party shall promptly return or destroy all Confidential Information and any copies thereof, except as required to be retained by law or regulatory obligations.

7. Remedies

Each Party acknowledges that unauthorized disclosure or use of Confidential Information may cause irreparable harm to the Disclosing Party, entitling the Disclosing Party to seek injunctive relief and any other remedies available at law or in equity.

8. No Obligation

Nothing in this Clause shall obligate either Party to proceed with any transaction or agreement, and each Party reserves the right, in its sole discretion, to terminate discussions at any time.

[Insert Parties' Names]

[Insert Date]