

MUTUAL NONDISCLOSURE AGREEMENT

This Mutual Nondisclosure Agreement (the “Agreement”) is made as of _____, 2024 by and between Preferred Strategies, Inc. (the “Company”), a California corporation, having a principal place of business at 2425 Porter Street, Suite 20, Soquel, CA 95073, and _____ (“Third Party”), a _____ business entity, having a principal place of business at _____.

1. Purpose. The Company and Third Party wish to explore a possible business opportunity of mutual interest regarding their respective products and services (the “Relationship”) in connection with which each party has disclosed and/or may further disclose its Confidential Information (as defined below) to the other. This Agreement is intended to allow the parties to continue to discuss and evaluate the Relationship while protecting each party’s Confidential Information including any Confidential Information previously disclosed to the other party against unauthorized use or disclosure. If the parties decide to enter into a Relationship, the parties will specify the terms of this Relationship in a formal agreement and the formal agreement may incorporate this Agreement by reference.

2. Definition of Confidential Information. “Confidential Information” means any oral, written, graphic or machine-readable information including, but not limited to, that which relates to trademarks, logos and graphics, service names, trade and service names, copyrighted material, patents, patent applications, research, product plans, products, developments, inventions, processes, designs, drawings, engineering, formula, markets, software (including source and object code), hardware configuration, computer programs, algorithms, worksheets, templates, template names, template descriptions, field names, column headings, Web pages, computer screens, computer icons, user interfaces, business plans, marketing information and descriptions, agreements with third parties, services, customers, marketing or finances of the disclosing party, which Confidential Information is: (a) designated in writing to be confidential or proprietary; (b) if given orally, is confirmed in writing as having been disclosed as confidential or proprietary within a reasonable time (not to exceed thirty (30) days) after the oral disclosure; or (c) all information disclosed by Company to Third Party, and propriety information of the Company received by the Third Party through any other party (including, without limitation, contractors, licensees, and customers of the Company whether or not marked that is of a nature that should reasonably be considered confidential, including, without limitation, information regarding Company’s products and services.

3. Nondisclosure of Confidential Information

(a) The Company and Third Party each agree not to use any Confidential Information disclosed to it by the other party for its own use or for any purpose other than to carry out discussions concerning, and the undertaking of, the Relationship.

Neither party shall disclose or permit disclosure of any Confidential Information of the other party to third parties or to employees of the party receiving Confidential Information, other than directors, officers, employees, consultants, and agents who are required to have the information in order to carry out the discussions regarding the Relationship. Each party has had or

will have its directors, officers, employees, consultants, and agents who have access to Confidential Information of the other party sign a nondisclosure agreement in content substantially similar to this Agreement. Each party agrees that it shall take all reasonable measures to protect the secrecy of and avoid disclosure or use of Confidential Information of the other party in order to prevent it from falling into the public domain or the possession of persons other than those persons authorized under this Agreement to have any such information. Such measures shall include, but not be limited to, the highest degree of care that the receiving party utilizes to protect its own Confidential Information of a similar nature, which shall be no less than reasonable care. Each party agrees to notify the other in writing of any actual or suspected misuse, misappropriation, or unauthorized disclosure of Confidential Information of the disclosing party, which may come to the receiving party's attention.

(b) Exceptions. Notwithstanding the above, neither party shall have liability to the other with regard to any Confidential Information of the other, which the receiving party can prove:

(i) was in the public domain at the time it was disclosed or has entered the public domain through no fault of the receiving party;

(ii) was rightfully known to the receiving party, without restriction, at the time of disclosure, as demonstrated by files in existence at the time of disclosure;

(iii) is disclosed with the prior written approval of the disclosing party;

(iv) was independently developed by the receiving party without any use of the Confidential Information of the disclosing party and by employees of the receiving party who have not had access to the Confidential Information, as demonstrated by files created at the time of such independent development;

(v) becomes rightfully known to the receiving party, without restriction, from a source other than the disclosing party without breach of this Agreement by the receiving party and otherwise not in violation of the disclosing party's rights; or

(vi) is disclosed generally to third parties by the disclosing party without restrictions similar to those contained in this Agreement.

A disclosure of Confidential Information shall not be considered a breach of this Agreement if the disclosure is pursuant to the order or requirement of a court, administrative agency, or other governmental body; provided, however, that the receiving party shall provide prompt notice of such court order or requirement to the disclosing party to enable the disclosing party to seek a protective order or otherwise prevent or restrict such disclosure.

4. Return of Materials. Any materials or documents containing or constituting Confidential Information that have been furnished by one party to the other in connection with the Relationship shall be promptly returned by the receiving party, accompanied by all copies of such documentation, within ten (10) days after (a) the Relationship has been rejected or concluded or (b) the written request of the disclosing party.

5. **No Representations or Warranties.** The receiving party acknowledges and agrees that party disclosing Confidential Information is not making any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information or non-infringement, except for such representations or warranties which are made in a separate agreement regarding any transactions contemplated hereby, when, as, and if executed, and subject to such limitations and restrictions as may be specified therein.

6. **Authorized Means of Written Notice.** Authorized means of providing written notice to the other party will be by confirmed e-mail (with read receipt or reply email) and mail.

7. **No Rights Granted.** Nothing in this Agreement shall be construed as granting any rights under any patent, copyright, or other intellectual property right of either party, nor shall this Agreement grant either party any rights in or to the other party's Confidential Information other than the limited rights with respect to the Relationship set forth hereunder.

8. **Term.** This Agreement will be effective from the Effective Date and will continue until the earlier of: (i) termination of the Relationship and any commercial agreement governing the Relationship and (ii) when a party provides written notice of termination to the other party. A party's obligations under this Agreement will survive as set forth below:

| <i>Type of Confidential Information</i> | <i>Time Period</i> |
|---|--|
| Personal data | In perpetuity |
| Trade secret | For as long as it is a trade secret by law |
| All other Confidential Information | 5 years from termination of the Agreement |

9. **Successors and Assigns.** The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties, except that the receiving party may not assign this Agreement without the prior written consent of the disclosing party except to a successor by way of merger or acquisition of all or substantially all of its assets or stock. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

10. **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (a) such provision shall be excluded from this Agreement, (b) the balance of the Agreement shall be interpreted as if such provision were so excluded and (c) the balance of the Agreement shall be enforceable in accordance with its terms.

11. **Independent Contractors.** The Company and Third Party are independent contractors, and nothing contained in this Agreement shall be construed to constitute the Company and Third Party as partners, joint venturers, co-owners, or otherwise as participants in a joint or common undertaking.

12. Governing Law; Jurisdiction. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed, and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law. Each of the parties irrevocably consents to the exclusive personal jurisdiction of the federal and state courts located in Santa Clara and Santa Cruz Counties, California, as applicable, for any matter arising out of or relating to this Agreement. Additionally, notwithstanding anything in the foregoing to the contrary, a claim for equitable relief arising out of or related to this Agreement may be brought in any court of competent jurisdiction. If a proceeding is commenced to resolve any dispute that arises between the parties with respect to the matters covered by this Agreement, the prevailing party in that proceeding is entitled to receive its reasonable attorneys' fees, expert witness fees and out of pocket costs, in addition to any other relief to which that prevailing party may be entitled.

13. Remedies. The Company and Third Party each agree that its obligations set forth in this Agreement are necessary and reasonable in order to protect the disclosing party and its business. The Company and Third Party each expressly agree that due to the unique nature of the disclosing party's Confidential Information, monetary damages would be inadequate to compensate the disclosing party for any breach by the receiving party of its covenants and agreements set forth in this Agreement. Accordingly, the Company and Third Party each agree and acknowledge that any such violation or threatened violation shall cause irreparable injury to the disclosing party and that, in addition to any other remedies that may be available, in law, in equity or otherwise, the disclosing party shall be entitled to seek to obtain injunctive relief against the threatened breach of this Agreement or the continuation of any such breach by the receiving party, without the necessity of proving actual damages.

14. Amendment and Waiver. Any term of this Agreement may be amended with the written consent of the Company and Third Party. Any amendment or waiver effected in accordance with this Section shall be binding upon the parties and their respective successors and assigns. Failure to enforce any provision of this Agreement by a party shall not constitute a waiver of any term hereof by such party.

15. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

16. Entire Agreement. This Agreement is the product of both of the parties hereto and constitutes the entire agreement between such parties pertaining to the subject matter hereof, and merges all prior negotiations and drafts of the parties with regard to the transactions contemplated herein. Any and all other written or oral agreements existing between the parties hereto regarding such transactions are expressly canceled.

17. No Publicity. Neither the Company nor Third Party shall, without the prior consent of the other party, disclose to any other person the fact that Confidential Information of the other party has been and/or may be disclosed under this Agreement, that discussions or negotiations are taking place between the Company and Third Party, or any of the terms, conditions, status or other facts with respect thereto.

18. No Modification. The Company and Third Party each agree that it shall not modify, reverse engineer, decompile, create other works from, or disassemble any software programs contained in the Confidential Information of the other party unless permitted in writing by the disclosing party.

The parties have executed this Mutual Nondisclosure Agreement as of the date first above written.

Preferred Strategies, Inc.

By: _____

Name: _____

(print)

Title: _____

Address: 2425 Porter Street, Suite 20
Soquel, CA 95073
USA
Phone/Fax: (888) 232-7337

(Third Party)

By: _____

Name: _____

(print)

Title: _____

Address: _____

