MUTUAL NON-DISCLOSURE AGREEMENT

THIS MUTUAL NON-DISCLOSURE AGREEMENT (this **"Agreement"**) is entered into as of the date of the last signature below (the **"Effective Date"**) by and between:

**Tanglement.ai ("Disclosing Party" or "Company")**

[Your Company Address]

[Your Company Email]

**AND**

**[Receiving Party Name] ("Receiving Party")**

[Receiving Party Address]

[Receiving Party Email]

(Each a **"Party"** and collectively, the **"Parties"**)

# RECITALS

**WHEREAS,** the Parties wish to explore a potential business relationship (the **"Purpose"**) involving discussions, evaluations, or collaborations related to distributed systems, large language model routing technologies, peer-to-peer networks, and related technologies and business opportunities;

**WHEREAS,** in connection with the Purpose, each Party may disclose to the other Party certain confidential and proprietary information, including but not limited to technical specifications, system architectures, algorithms, source code, business plans, economic models, go-to-market strategies, and other intellectual property;

**WHEREAS,** the Parties desire to protect the confidentiality of such information and to define their rights and obligations with respect to such information;

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

1. **DEFINITION OF CONFIDENTIAL INFORMATION**
   1. **"Confidential Information"** means any and all information, data, materials, ideas, concepts, technologies, designs, specifications, documentation, source code, object code, algorithms, processes, procedures, methods, techniques, formulas, compositions, compounds, models, prototypes, samples, financial information, business plans, marketing plans, customer lists, supplier lists, pricing information, cost information, sales information, strategic plans, forecasts, budgets, analyses, compilations, studies, and any other information of any kind whatsoever, whether tangible or intangible, in any form or medium, whether oral, written, graphic, electronic, or otherwise, that is disclosed by one Party (the **"Disclosing Party"**) to the other Party (the **"Receiving Party"**), either directly or indirectly, including without limitation:
2. **Technical Information:** All technical data, specifications, designs, architectures, system designs, network topologies, routing algorithms, distributed hash table implementations, protocol specifications, API designs, data structures, encryption methods, cryptographic implementations, performance metrics, benchmarks, test results, source code, object code, software, firmware, hardware, components, interfaces, integrations, and all documentation related thereto;
3. **Business Information:** All business plans, strategies, models, forecasts, financial information, revenue projections, cost structures, pricing strategies, marketing plans, sales strategies, customer information, supplier information, partner information, market analyses, competitive analyses, and all related documentation;
4. **Intellectual Property:** All inventions, discoveries, innovations, improvements, works of authorship, trade secrets, know-how, proprietary processes, proprietary methods, proprietary techniques, proprietary algorithms, patents, patent applications, trademarks, service marks, copyrights, and all other intellectual property rights and applications therefor;
5. **Network and Infrastructure Information:** All information related to peer-to-peer network architectures, distributed hash table (DHT) implementations, WireGuard mesh networking configurations, Signal Protocol implementations, token-based economic models, node management systems, routing optimization algorithms, geographic distribution strategies, load balancing mechanisms, failover procedures, and redundancy protocols;
6. **Economic and Token Models:** All information related to token economics, utility token designs, contribution credit systems, proof-of-work mechanisms, anti-gaming algorithms, behavioral analysis systems, incentive structures, cross-subsidization models, and all related financial and economic modeling;
7. **Strategic Information:** All go-to-market strategies, customer acquisition strategies, partnership strategies, competitive positioning, product roadmaps, development timelines, resource allocation plans, and strategic objectives;
8. **Third-Party Information:** All information received from third parties that the Disclosing Party is obligated to keep confidential;
9. **Derivative Information:** All notes, analyses, compilations, studies, summaries, extracts, and other materials or documents prepared by or for the Receiving Party that contain, reflect, or are based upon, in whole or in part, any Confidential Information;
10. **Work in Progress:** All prototypes, proof-of-concepts, alpha versions, beta versions, development versions, test versions, and any other pre-release or in-development materials, systems, or technologies.
    1. Confidential Information shall be deemed Confidential Information whether or not marked, designated, or otherwise identified as **"confidential"** and regardless of the form or medium in which it is disclosed or maintained.
    2. Information disclosed orally shall be considered Confidential Information if (a) it is identified as confidential at the time of disclosure, or (b) it would reasonably be understood to be confidential given the nature of the information and the circumstances of disclosure, or (c) it is confirmed in writing as confidential within thirty (30) days of oral disclosure.
11. **EXCLUSIONS FROM CONFIDENTIAL INFORMATION**
    1. Confidential Information shall not include information that the Receiving Party can demonstrate by written records:
12. Was in the Receiving Party's lawful possession prior to disclosure by the Disclosing Party and was not obtained directly or indirectly from the Disclosing Party;
13. Is or becomes generally available to the public through no breach of this Agreement by the Receiving Party;
14. Is lawfully obtained by the Receiving Party from a third party who is not under any confidentiality obligation to the Disclosing Party with respect to such information;
15. Is independently developed by the Receiving Party without use of or reference to the Disclosing Party's Confidential Information, as evidenced by contemporaneous written records; or
16. Is required to be disclosed by law, regulation, court order, or other legal process, provided that the Receiving Party provides the Disclosing Party with prompt written notice of such requirement prior to disclosure and cooperates with the Disclosing Party in seeking a protective order or other appropriate remedy.
    1. The burden of proving that any information falls within an exclusion set forth in Section 2.1 shall rest solely with the Receiving Party.
17. **OBLIGATIONS OF RECEIVING PARTY**
    1. **Protection of Confidential Information.** The Receiving Party shall:
18. Hold all Confidential Information in strict confidence and protect it from unauthorized disclosure or use using the same degree of care that it uses to protect its own confidential information, but in no event less than reasonable care;
19. Not disclose any Confidential Information to any third party without the prior written consent of the Disclosing Party;
20. Limit access to Confidential Information to those of its employees, officers, directors, agents, consultants, contractors, and advisors (collectively, **"Representatives"**) who have a legitimate need to know such information for the Purpose and who have been informed of the confidential nature of such information and are bound by confidentiality obligations at least as restrictive as those contained in this Agreement;
21. Ensure that all Representatives who receive Confidential Information comply with the terms of this Agreement as if they were parties hereto, and the Receiving Party shall be fully responsible and liable for any breach of this Agreement by any of its Representatives;
22. Not use Confidential Information for any purpose other than the Purpose without the prior written consent of the Disclosing Party;
23. Not reverse engineer, disassemble, decompile, or otherwise attempt to derive the source code, structure, algorithms, or other underlying ideas or information from any Confidential Information provided in object code or other non-human-readable form;
24. Not modify, adapt, translate, prepare derivative works from, or otherwise alter any Confidential Information without the prior written consent of the Disclosing Party;
25. Implement and maintain reasonable security measures, including physical, electronic, and procedural safeguards, to protect Confidential Information from unauthorized access, use, disclosure, or destruction;
26. Immediately notify the Disclosing Party in writing upon discovery of any unauthorized use or disclosure of Confidential Information and cooperate fully with the Disclosing Party to mitigate any harm caused by such unauthorized use or disclosure and to prevent further unauthorized use or disclosure.
    1. **No License or Rights.** Nothing in this Agreement shall be construed as granting any rights to the Receiving Party, by license or otherwise, in or to any Confidential Information, or to any invention, discovery, improvement, or intellectual property right of the Disclosing Party. All Confidential Information shall remain the sole and exclusive property of the Disclosing Party.
    2. **No Obligation to Disclose.** Nothing in this Agreement shall obligate either Party to disclose any particular Confidential Information or to enter into any further agreement or relationship.
27. **NON-COMPETE AND NON-CIRCUMVENTION**
    1. **Non-Compete.** During the term of this Agreement and for a period of three (3) years following its termination or expiration (the **"Non-Compete Period"**), the Receiving Party shall not, without the prior written consent of the Disclosing Party, directly or indirectly, either alone or in association with others:
28. Engage in, participate in, assist, support, or have any financial or other interest in any business, venture, activity, or enterprise that competes with or is similar to the business or technology described in the Confidential Information, including but not limited to:
29. Distributed peer-to-peer networks for large language model (LLM) access optimization;
30. Multi-provider LLM routing and cost optimization systems;
31. Token-based economic models for shared computational resources;
32. DHT-based topologies for LLM request routing;
33. WireGuard mesh networking implementations for LLM access;
34. Any system, service, or technology that provides functionality substantially similar to or competitive with Tanglement.ai or the technologies described in the Confidential Information;
35. Solicit, encourage, or induce any customer, client, supplier, partner, or other business relationship of the Disclosing Party to cease or reduce doing business with the Disclosing Party;
36. Recruit, hire, solicit, or induce any employee, consultant, contractor, or advisor of the Disclosing Party to leave their relationship with the Disclosing Party or to work for or with the Receiving Party or any third party;
37. Use any Confidential Information to develop, create, design, implement, market, sell, or otherwise exploit any product, service, technology, or business that competes with or is similar to the business or technology of the Disclosing Party.
    1. **Non-Circumvention.** During the term of this Agreement and for a period of three (3) years following its termination or expiration, the Receiving Party shall not, without the prior written consent of the Disclosing Party:
38. Directly or indirectly contact, solicit, negotiate with, or enter into any agreement or understanding with any person, entity, investor, partner, customer, supplier, or other business contact introduced to the Receiving Party by the Disclosing Party or identified in the Confidential Information, for the purpose of conducting business related to or competitive with the business or technology of the Disclosing Party;
39. Circumvent, bypass, or attempt to circumvent or bypass the Disclosing Party in any transaction, deal, or business opportunity related to or arising from the Confidential Information or the Purpose;
40. Take any action that would deprive the Disclosing Party of any business opportunity, competitive advantage, or economic benefit related to or arising from the Confidential Information.
    1. **Reasonableness.** The Receiving Party acknowledges and agrees that the restrictions contained in this Section 4 are reasonable and necessary to protect the legitimate business interests of the Disclosing Party, including its Confidential Information, trade secrets, customer relationships, and competitive position. The Receiving Party further acknowledges that the geographic scope, duration, and subject matter of these restrictions are reasonable in light of the national and international nature of the business and technology involved.
    2. **Reformation.** If any court or arbitrator determines that any provision of this Section 4 is unenforceable because of the duration, geographic scope, or subject matter thereof, such court or arbitrator shall have the power to reduce the duration, scope, or subject matter of such provision and to enforce such provision as so reduced.
41. **TERM AND TERMINATION**
    1. **Term.** This Agreement shall commence on the Effective Date and shall continue in effect for a period of five (5) years, unless earlier terminated as provided herein (the **"Term"**).
    2. **Termination.** Either Party may terminate this Agreement at any time upon thirty (30) days' prior written notice to the other Party.
    3. **Survival.** Notwithstanding any termination or expiration of this Agreement, the obligations of the Receiving Party under Sections 3 (Obligations of Receiving Party), 4 (Non-Compete and Non-Circumvention), 6 (Return or Destruction of Confidential Information), and 8 through 15 (General Provisions) shall survive for a period of seven (7) years from the date of termination or expiration of this Agreement, except that obligations with respect to Confidential Information that constitutes a trade secret under applicable law shall continue until such information no longer constitutes a trade secret.
42. **RETURN OR DESTRUCTION OF CONFIDENTIAL INFORMATION**
    1. Upon the earlier of (a) the written request of the Disclosing Party, (b) termination or expiration of this Agreement, or (c) completion of the Purpose, the Receiving Party shall, at the Disclosing Party's option:
43. Promptly return to the Disclosing Party all Confidential Information, including all copies, reproductions, summaries, analyses, extracts, and derivative works thereof, in whatever form or medium; or
44. Destroy all Confidential Information, including all copies, reproductions, summaries, analyses, extracts, and derivative works thereof, in whatever form or medium, and provide written certification to the Disclosing Party, signed by an authorized officer of the Receiving Party, that such destruction has been completed.
    1. Notwithstanding the foregoing, the Receiving Party may retain one copy of the Confidential Information in its legal files solely for the purpose of demonstrating compliance with this Agreement, provided that such retained copy remains subject to the confidentiality obligations of this Agreement for the duration specified in Section 5.3.
    2. The Receiving Party acknowledges that any Confidential Information retained in electronic backup systems or archives in the ordinary course of business shall remain subject to the confidentiality obligations of this Agreement and shall be destroyed as soon as reasonably practicable.
45. **NO WARRANTY**
    1. **ALL CONFIDENTIAL INFORMATION IS PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED.** THE DISCLOSING PARTY MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE CONFIDENTIAL INFORMATION, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, ACCURACY, COMPLETENESS, OR PERFORMANCE.
    2. The Disclosing Party shall not be liable for any errors or omissions in the Confidential Information or for any damages arising out of or related to the use of or inability to use the Confidential Information.
46. **INTELLECTUAL PROPERTY RIGHTS**
    1. **Ownership.** All Confidential Information, including all intellectual property rights therein, shall remain the sole and exclusive property of the Disclosing Party. No license or right, express or implied, in or to any Confidential Information or any intellectual property rights is granted to the Receiving Party except as expressly set forth in this Agreement.
    2. **Developments.** Any and all inventions, discoveries, improvements, works of authorship, innovations, concepts, ideas, enhancements, modifications, or other intellectual property created, conceived, developed, or reduced to practice by the Receiving Party, alone or jointly with others, that are based on, derived from, incorporate, or otherwise relate to any Confidential Information (collectively, **"Developments"**) shall be the sole and exclusive property of the Disclosing Party. The Receiving Party hereby assigns and agrees to assign to the Disclosing Party all right, title, and interest in and to any and all such Developments, including all intellectual property rights therein.
    3. **Assistance.** The Receiving Party agrees to execute all documents and take all actions reasonably requested by the Disclosing Party to evidence, perfect, maintain, enforce, or defend the Disclosing Party's rights in and to any Confidential Information or Developments, including executing patent applications, copyright registrations, and assignments.
    4. **Moral Rights.** To the extent permitted by applicable law, the Receiving Party hereby waives and agrees never to assert any moral rights or similar rights in or to any Developments or other materials created using or based on Confidential Information.
47. **REMEDIES**
    1. **Equitable Relief.** The Receiving Party acknowledges and agrees that:
48. The Confidential Information is unique and valuable;
49. Any breach or threatened breach of this Agreement would cause irreparable harm and injury to the Disclosing Party for which monetary damages would be an inadequate remedy;
50. The Disclosing Party shall be entitled to seek equitable relief, including injunctive relief and specific performance, to enforce this Agreement or prevent any breach or threatened breach hereof, without the necessity of posting any bond or proving actual damages; and
51. Such equitable relief shall be in addition to, and not in lieu of, any other remedies available to the Disclosing Party at law or in equity, including monetary damages.
    1. **Damages.** In the event of any breach of this Agreement by the Receiving Party, the Receiving Party shall be liable to the Disclosing Party for all damages, losses, costs, and expenses (including reasonable attorneys' fees and costs) incurred by the Disclosing Party as a result of such breach.
    2. **Liquidated Damages.** Without limiting any other remedies available to the Disclosing Party, in the event that the Receiving Party breaches the non-compete obligations set forth in Section 4.1, the Receiving Party shall pay to the Disclosing Party liquidated damages in the amount of $500,000 for each breach, which the Parties agree is a reasonable estimate of the damages that would be suffered by the Disclosing Party as a result of such breach and is not a penalty.
    3. **Cumulative Remedies.** All remedies provided in this Agreement shall be cumulative and not exclusive, and the exercise of any remedy shall not preclude the exercise of any other remedy.
52. **GOVERNING LAW AND JURISDICTION**
    1. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflicts of law principles.
    2. Any legal action, suit, or proceeding arising out of or relating to this Agreement shall be brought exclusively in the state or federal courts located in San Bernardino County, California, and each Party hereby irrevocably submits to the exclusive jurisdiction of such courts and waives any objection to venue or inconvenient forum.
    3. In any action or proceeding to enforce rights under this Agreement, the prevailing Party shall be entitled to recover its reasonable costs and attorneys' fees.
53. **NOTICES**
    1. All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given:
54. When delivered personally;
55. When sent by confirmed facsimile or email (with receipt acknowledged);
56. One business day after being sent by reputable overnight courier service; or
57. Three business days after being mailed by certified or registered mail, return receipt requested, postage prepaid.
    1. Notices shall be sent to the addresses set forth in the preamble to this Agreement or to such other address as either Party may designate by written notice to the other Party.
58. **GENERAL PROVISIONS**
    1. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations, and discussions, whether oral or written, between the Parties with respect to such subject matter.
    2. **Amendment.** This Agreement may not be amended, modified, or supplemented except by a written instrument signed by authorized representatives of both Parties.
    3. **Waiver.** No waiver of any provision of this Agreement shall be effective unless in writing and signed by the Party against whom such waiver is sought to be enforced. No waiver of any breach or default shall be deemed a waiver of any subsequent breach or default.
    4. **Severability.** If any provision of this Agreement is held to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect, and such invalid, illegal, or unenforceable provision shall be reformed and construed so as to most nearly approximate the intent of the Parties.
    5. **Assignment.** Neither Party may assign or transfer this Agreement or any rights or obligations hereunder without the prior written consent of the other Party, except that either Party may assign this Agreement in connection with a merger, acquisition, or sale of all or substantially all of its assets. Any attempted assignment in violation of this Section shall be null and void. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.
    6. **No Third-Party Beneficiaries.** This Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever.
    7. **Relationship of Parties.** The Parties are independent contractors. Nothing in this Agreement shall be construed to create a partnership, joint venture, agency, employment, or other relationship between the Parties. Neither Party has any authority to bind the other Party or to incur any obligation on behalf of the other Party.
    8. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Execution of this Agreement by facsimile, email (including PDF), or other electronic means shall be as effective as execution of an original.
    9. **Interpretation.** The headings in this Agreement are for convenience only and shall not affect the interpretation of this Agreement. The words "include," "includes," and "including" shall be deemed to be followed by "without limitation." The singular shall include the plural and vice versa.
    10. **Force Majeure.** Neither Party shall be liable for any failure or delay in performance under this Agreement (except for payment obligations) to the extent such failure or delay is caused by circumstances beyond its reasonable control, including acts of God, war, terrorism, riots, embargoes, acts of civil or military authorities, fire, floods, accidents, strikes, or shortages of transportation facilities, fuel, energy, labor, or materials.
59. **EXPORT COMPLIANCE**
    1. The Receiving Party acknowledges that the Confidential Information may be subject to export control laws and regulations of the United States and other countries. The Receiving Party agrees to comply with all applicable export control laws and regulations and shall not export, re-export, or transfer any Confidential Information, directly or indirectly, in violation of such laws and regulations.
60. **DATA PROTECTION AND PRIVACY**
    1. Each Party shall comply with all applicable data protection and privacy laws and regulations with respect to any personal data or personally identifiable information included in the Confidential Information.
    2. The Receiving Party shall implement appropriate technical and organizational measures to protect personal data included in the Confidential Information from unauthorized or unlawful processing and against accidental loss, destruction, or damage.
61. **MISCELLANEOUS**
    1. **Publicity.** Neither Party shall issue any press release or make any public statement regarding this Agreement or the relationship between the Parties without the prior written consent of the other Party.
    2. **Further Assurances.** Each Party agrees to execute and deliver such further documents and instruments and to take such further actions as may be reasonably necessary or desirable to carry out the provisions of this Agreement and the intentions of the Parties.
    3. **Survival of Obligations.** The confidentiality obligations under this Agreement shall survive any discussions, negotiations, or evaluation of a potential business relationship between the Parties, regardless of whether such relationship is ultimately pursued or consummated.
    4. **Compliance with Laws.** Each Party shall comply with all applicable federal, state, local, and foreign laws, regulations, and ordinances in connection with its performance under this Agreement.
    5. **Expenses.** Except as otherwise expressly provided in this Agreement, each Party shall bear its own costs and expenses incurred in connection with this Agreement and the Purpose.

**SIGNATURE PAGE**

IN WITNESS WHEREOF, the Parties have executed this Mutual Non-Disclosure Agreement as of the date of the last signature below.

**TANGLEMENT.AI**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*Signature*

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**RECEIVING PARTY**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*Signature*

Company Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_