A Non-Disclosure Agreement (NDA) is a legally binding contract that establishes a confidential relationship between parties to protect sensitive information from being disclosed to others. Below are the essential elements that should be covered in an NDA and a sample NDA document.

**Elements to be Covered in an NDA**

1. **Parties Involved:**
   * Clearly state the names and addresses of the parties involved in the agreement. This can include individuals, companies, or other entities.
2. **Definition of Confidential Information:**
   * Define what constitutes confidential information. This may include proprietary information, trade secrets, technical data, financial information, etc.
3. **Obligations of the Receiving Party:**
   * Outline the obligations of the receiving party to maintain the confidentiality of the disclosed information.
   * Specify any restrictions on the use of the confidential information.
4. **Exclusions from Confidential Information:**
   * Define what information is not considered confidential. This typically includes information that is publicly available, already known to the receiving party, independently developed, or rightfully obtained from third parties.
5. **Term of the Agreement:**
   * Specify the duration for which the confidentiality obligations will remain in effect. This can be for a specific period or indefinitely.
6. **Permitted Disclosures:**
   * Outline any circumstances under which the receiving party may disclose the confidential information, such as with the disclosing party's prior written consent or as required by law.
7. **Return or Destruction of Information:**
   * Specify that upon termination of the agreement or upon request, the receiving party must return or destroy all copies of the confidential information.
8. **Breach of Agreement:**
   * Define the consequences of breaching the agreement, which may include legal action and financial compensation.
9. **Miscellaneous Provisions:**
   * Include clauses related to governing law, dispute resolution, amendments to
   * the agreement, and the assignment of rights and obligations.

**Sample NDA Document**

**Non-Disclosure Agreement (NDA)**

This Non-Disclosure Agreement ("Agreement") is made and entered into as of [Date], by and between:

**Disclosing Party:** Name: [Disclosing Party Name] Address: [Disclosing Party Address]

**Receiving Party:** Name: [Receiving Party Name] Address: [Receiving Party Address]

**1. Definition of Confidential Information** For purposes of this Agreement, "Confidential Information" shall include all written, oral, or electronically transmitted information that is designated as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure. Confidential Information includes, but is not limited to, trade secrets, business plans, technical data, financial information, and customer lists.

**2. Obligations of the Receiving Party** The Receiving Party agrees to: a. Maintain the confidentiality of the Confidential Information with the same degree of care as it uses to protect its own confidential information, but in no event less than a reasonable degree of care. b. Use the Confidential Information solely for the purpose of [Purpose of Disclosure]. c. Not disclose the Confidential Information to any third party without the prior written consent of the Disclosing Party, except as required by law.

**3. Exclusions from Confidential Information** Confidential Information shall not include information that: a. Is or becomes publicly available without breach of this Agreement. b. Was known to the Receiving Party prior to disclosure by the Disclosing Party. c. Is independently developed by the Receiving Party without use of or reference to the Confidential Information. d. Is rightfully obtained from a third party without breach of any obligation of confidentiality.

**4. Term of the Agreement** This Agreement shall remain in effect for a period of [Term Duration, e.g., 5 years] from the date of disclosure of the Confidential Information, or until the Confidential Information no longer qualifies as confidential, whichever occurs first.

**5. Permitted Disclosures** The Receiving Party may disclose Confidential Information: a. To its employees or agents who need to know the information for the purpose of [Purpose of Disclosure], provided they are bound by confidentiality obligations at least as restrictive as those contained in this Agreement. b. As required by law or governmental regulation, provided the Receiving Party gives prompt written notice to the Disclosing Party to allow the Disclosing Party to seek a protective order or other appropriate remedy.

**6. Return or Destruction of Information** Upon termination of this Agreement or upon the Disclosing Party's written request, the Receiving Party shall promptly return or destroy all copies of the Confidential Information and certify in writing that it has done so.

**7. Breach of Agreement** In the event of a breach or threatened breach of this Agreement, the Disclosing Party shall be entitled to seek injunctive relief and any other legal or equitable remedies available.

**8. Miscellaneous Provisions** a. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of [State/Country]. b. Dispute Resolution: Any disputes arising under or in connection with this Agreement shall be resolved by [Arbitration/Mediation/Other]. c. Amendments: Any amendments to this Agreement must be in writing and signed by both parties. d. Assignment: Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party.

**IN WITNESS WHEREOF**, the parties hereto have executed this Non-Disclosure Agreement as of the date first above written.

**Disclosing Party:**

[Disclosing Party Name]  
[Title]

**Receiving Party:**

[Receiving Party Name]  
[Title]