Employee Non-Competition and Non-Solicitation Agreement

Template only. Restrictive covenants are banned or limited in many states and countries, often with pay thresholds, notice periods and required consideration. Have an employment lawyer in the employee's work state review this agreement before use.

PARTIES

This Non-Competition and Non-Solicitation Agreement (the "Agreement") is entered into on [Date] between [Company Legal Name], a [State] [corporation / LLC] with its principal office at [Address] (the "Company"), and [Employee Full Name], residing at [Employee Address] (the "Employee").

1. BACKGROUND AND CONSIDERATION

The Employee is [being offered employment / employed] as [Job Title]. In this role the Employee will have access to the Company's confidential information, customer relationships and goodwill. In exchange for the Employee's promises in this Agreement, the Company provides [the offer of employment / a one-time payment of $[Amount] / eligibility for [promotion, bonus or equity]], which the Employee acknowledges is adequate consideration. [If required by state law: The Company provided this Agreement to the Employee on [Date], at least [14] days before it must be signed, and the Employee has the right to consult a lawyer before signing.]

2. NON-COMPETITION

During employment and for [6 / 12] months after employment ends for any reason (the "Restricted Period"), the Employee will not, within [Geographic Area, e.g. 50 miles of any Company location where the Employee worked in the last 12 months of employment], perform services that are the same as or substantially similar to those the Employee performed for the Company in the last [12 / 24] months of employment, for any business that provides [describe competing products or services specifically] (a "Competing Business"). This section does not prevent the Employee from holding up to 2% of the stock of a public company, or from working for a Competing Business in a role unrelated to the Employee's work at the Company.

3. NON-SOLICITATION OF CUSTOMERS

During the Restricted Period, the Employee will not, directly or through others, solicit or accept business from any customer or prospective customer of the Company with whom the Employee had material contact, or about whom the Employee received confidential information, in the last [12] months of employment, for the purpose of providing products or services that compete with the Company's.

4. NON-SOLICITATION OF EMPLOYEES

During employment and for [12] months afterward, the Employee will not directly solicit or encourage any Company employee or contractor with whom the Employee worked to leave the Company. General job advertisements not targeted at Company employees are not a breach.

5. CONFIDENTIAL INFORMATION

The Employee will not use or disclose the Company's confidential information, including customer lists, pricing, business plans, financial information and trade secrets, except as required for the Employee's job. This obligation continues after employment ends. Nothing in this Agreement prevents the Employee from reporting possible violations of law to a government agency, discussing wages or working conditions as protected by law, or making disclosures protected under the Defend Trade Secrets Act.

6. GARDEN LEAVE OR POST-EMPLOYMENT PAYMENT (OPTIONAL)

[If the Company chooses to enforce Section 2 after employment ends, the Company will pay the Employee [50%] of the Employee's highest base salary in the last two years of employment during the Restricted Period, paid on regular payroll dates. The Company may waive Section 2 in writing within [10] days after employment ends, in which case no payment is due.]

7. NOTICE TO NEW EMPLOYERS

During the Restricted Period, the Employee will tell any prospective employer about this Agreement before accepting an offer, and the Company may provide a copy of Sections 2 to 4 to that employer.

8. REMEDIES

The Employee agrees that a breach of this Agreement could cause the Company harm that money alone cannot fix, and that the Company may seek an injunction in addition to any other remedy available by law. [If permitted by state law: The Restricted Period will be extended by any period during which the Employee is in breach.]

9. SEVERABILITY AND MODIFICATION

If a court finds any part of this Agreement unenforceable, the remaining parts stay in effect, and the court may modify the unenforceable part to the minimum extent necessary to make it enforceable, where the law allows.

10. GOVERNING LAW AND GENERAL TERMS

This Agreement is governed by the laws of the state where the Employee primarily works at the time employment ends, [State]. It does not change the at-will nature of the Employee's employment. This Agreement is the full agreement on its subject and can be changed only in writing signed by both parties.

SIGNATURES

Employee signature

Date

Employee printed name

Date

Company representative signature

Date

Name and title

Date