

NON-COMPETE AGREEMENT

Restrictive covenant protecting legitimate business interests

Important: Non-compete agreements are heavily regulated and enforceability varies dramatically by jurisdiction. Some states and countries (including California, Minnesota, North Dakota, Oklahoma, and others) ban or sharply limit them, especially for employees. The U.S. Federal Trade Commission has also acted to restrict them. Always have this template reviewed by a qualified attorney for your jurisdiction and circumstances before signing.

This Non-Compete Agreement (the “Agreement”) is entered into as of ____ day of _____, 20____ (the “Effective Date”), by and between:

COMPANY

Legal Name	
Address	
Authorized Representative	
Email	
Telephone	

RESTRICTED PARTY (e.g., employee, contractor, seller)

Legal Name	
Address	
Authorized Representative	
Email	
Telephone	

The Company and the Restricted Party are referred to individually as a “Party” and collectively as the “Parties.”

1. Recitals and Consideration

1.1 The Restricted Party is/will be engaged by the Company in the capacity of _____ (e.g., employee, independent contractor, seller of business).

1.2 In the course of the relationship, the Restricted Party will have access to Confidential Information, customer relationships, goodwill, specialized training, and/or other legitimate business interests of the Company that warrant protection.

1.3 In consideration of _____ (e.g., initial employment, continued employment, payment of \$_____, equity, sale proceeds), the receipt and sufficiency of which the Restricted Party acknowledges, the Restricted Party agrees to the restrictions set forth in this Agreement.

2. Definitions

2.1 "Company Business" means:

_____ (briefly describe the Company's actual line of business; keep narrow to improve enforceability).

2.2 "Competitive Activity" means engaging, directly or indirectly, as an owner, partner, officer, director, employee, consultant, agent, or otherwise, in any business that competes with the Company Business in the Restricted Territory during the Restricted Period.

2.3 "Restricted Territory" means: _____ (e.g., specific cities, counties, states, or countries where the Company actually does business).

2.4 "Restricted Period" means a period of ____ (__) months following the termination of the Restricted Party's engagement with the Company, regardless of the reason for termination.

2.5 "Confidential Information" means any non-public information of the Company, including trade secrets, customer lists, pricing, business plans, financial data, and technical know-how.

3. Non-Compete Covenant

3.1 During the Restricted Party's engagement with the Company and during the Restricted Period, the Restricted Party shall not, without the prior written consent of the Company, engage in any Competitive Activity within the Restricted Territory.

3.2 The Restricted Party may own up to ____% (e.g., 1%) of the publicly traded stock of any company, provided the Restricted Party does not actively participate in its management.

4. Non-Solicitation

During the Restricted Period, the Restricted Party shall not, directly or indirectly:

- (a) Solicit, divert, or attempt to solicit any customer or client of the Company with whom the Restricted Party had material contact during the last ____ (__) months of the engagement;
- (b) Solicit, hire, or attempt to hire any employee or contractor of the Company, or encourage them to leave the Company; or
- (c) Interfere with any supplier, vendor, or business relationship of the Company.

5. Non-Disclosure

The Restricted Party shall keep all Confidential Information strictly confidential, both during the engagement and after it ends, and shall not use or disclose it except as required to perform duties for the Company. This obligation continues indefinitely with respect to trade secrets and for ____ (___) years for other Confidential Information.

6. Return of Property

Upon termination of the engagement or upon the Company's request, the Restricted Party shall promptly return all Company property, documents, electronic files, devices, and any copies thereof, and shall delete any Confidential Information stored on personal devices or accounts.

7. Reasonableness of Restrictions

The Restricted Party acknowledges that the restrictions in this Agreement are reasonable in scope, duration, and geographic area, and are necessary to protect the Company's legitimate business interests. The Restricted Party further acknowledges that these restrictions will not unduly prevent the Restricted Party from earning a livelihood.

8. Remedies

8.1 The Restricted Party agrees that any breach of this Agreement may cause the Company irreparable harm for which monetary damages would be inadequate. Accordingly, the Company shall be entitled to seek injunctive relief, in addition to any other remedies available at law or in equity, without the need to post a bond.

8.2 If the Company prevails in any action to enforce this Agreement, the Company shall be entitled to recover its reasonable attorneys' fees and costs.

8.3 The Restricted Period shall be tolled (extended) for any period during which the Restricted Party is in breach of this Agreement.

9. Reformation and Severability

If any provision of this Agreement is held to be unenforceable as written, the Parties agree that the court shall modify ("blue-pencil") the provision to the minimum extent necessary to make it enforceable, or sever the unenforceable portion and enforce the remainder. The remaining provisions of this Agreement shall continue in full force and effect.

10. Assignment

The Company may assign this Agreement to any successor or affiliate, including in connection with a merger, acquisition, or sale of substantially all of its assets. The Restricted Party may not assign this Agreement.

11. Governing Law and Venue

This Agreement shall be governed by the laws of _____, without regard to its conflict of laws principles. The Parties consent to the exclusive jurisdiction and venue of the state and federal courts located in _____.

12. General Provisions

12.1 Entire Agreement. This Agreement, together with any related employment, contractor, or purchase agreement, constitutes the entire understanding between the Parties on its subject matter.

12.2 Amendments. Any modification must be in writing and signed by both Parties.

12.3 Waiver. The failure of the Company to enforce any provision shall not be a waiver of any future enforcement.

12.4 Counterparts. This Agreement may be signed in counterparts, including by electronic signature, each of which shall be deemed an original.

12.5 Acknowledgment. The Restricted Party acknowledges having had the opportunity to consult independent legal counsel before signing.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

COMPANY	RESTRICTED PARTY
<p>_____ Signature</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>_____ Signature</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>

— END OF AGREEMENT —