

Template from signwren.com. General information, not legal advice. Check your state's rules and adapt it before you use it.

Important: Non-compete agreements are not enforceable everywhere. California (Business and Professions Code section 16600) and Minnesota (Statutes section 181.988) void most of them in employment, and other states limit them. The FTC's 2024 non-compete rule is not in effect. If your state doesn't allow a non-compete for this employee, delete section 4 and use the confidentiality and non-solicitation sections only.

NON-COMPETE AGREEMENT

This Non-Compete Agreement ("Agreement") is made on [date] between:

Employer: [Company's full legal name], of [address] ("Employer"), and

Employee: [Employee's full legal name], of [address] ("Employee").

1. Why this Agreement exists

Employee will have access to Employer's [describe, e.g. "client relationships in the Tampa area, pricing and service contracts"] (the "Protected Interests"). This Agreement is meant to protect those Protected Interests, and only to the extent reasonably needed to protect them.

2. What Employee receives for signing

In exchange for Employee's promises in this Agreement, Employee receives (tick one or more):

- ☐ Employment in the position of [job title], starting [start date]. Employee received this Agreement on [date], before accepting the job offer.
- ☐ A one-time payment of [\$ amount], paid within [number] days after signing.
- ☐ Other: [e.g. a raise to \$ amount, a promotion to title, access to a bonus plan].

3. Confidential information

During and after employment, Employee will keep Employer's confidential information secret and use it only for Employer's work. "Confidential information" means non-public business information, such as client lists and contact details, pricing, contracts, financial information, plans, and trade secrets. It does not include information that is or becomes public through no fault of Employee, that Employee knew before working for Employer, or that Employee's general skill and experience include.

When employment ends, Employee will return or delete Employer's confidential information and property, and confirm in writing that this has been done.

Whistleblower immunity notice. Nothing in this Agreement prevents Employee from reporting a possible violation of law to a government agency or from making disclosures protected by law. Under 18 U.S.C. 1833(b), an individual will not be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret that is made (a) in confidence to a federal, state or local government official,

directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (b) in a complaint or other document filed in a lawsuit or other proceeding, if that filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to their attorney and use it in the court proceeding, if they file any document containing the trade secret under seal and do not disclose it except under court order.

4. Non-compete (delete this section if your state does not allow it)

For [number] months after Employee's employment ends, for any reason, Employee will not, within [area, e.g. "Seminole and Orange Counties, Florida" or "a 25-mile radius of the office at address"], work in a role substantially similar to Employee's role at Employer for a Competing Business, or own or run a Competing Business.

A "Competing Business" means a business that provides [describe the specific services or products Employer actually offers, e.g. "managed IT support services to small businesses"] in that area.

☐ **Garden-leave pay (optional).** During the restricted period, Employer will pay Employee [\$ amount or percentage of base salary] per [month], paid on Employer's normal payroll schedule. If Employer stops these payments, section 4 ends.

5. What is not restricted

This Agreement does not stop Employee from:

- working for a Competing Business in a role that is not substantially similar to Employee's role at Employer, or outside the area in section 4;
- working for any business that is not a Competing Business;
- owning up to [2]% of the publicly traded shares of any company as a passive investment; or
- doing anything the law protects, including discussing wages and working conditions or reporting possible violations of law.

6. Non-solicitation (optional)

For [number] months after employment ends, Employee will not:

☐ **Customers.** Solicit, for the purpose of providing services that compete with Employer, any customer of Employer that Employee personally dealt with, or learned confidential information about, in the last [12] months of employment.

☐ **Employees.** Solicit any employee of Employer whom Employee worked with to leave Employer. General job ads not aimed at Employer's staff are not solicitation.

7. Telling a new employer

During any restricted period, if Employee accepts a new job, Employee will give the new employer a copy of sections 3 to 6 of this Agreement (not the payment terms). Employer may also let a new employer know that this Agreement exists.

8. If a restriction is too broad

The parties intend each restriction to be reasonable. If a court decides any restriction is too broad in time, area or scope, the parties ask the court to narrow it to the broadest restriction the law allows and enforce it as narrowed. If the law does not allow that, the restriction is removed and the rest of this Agreement stays in effect. Each numbered section is separate.

9. Remedies

If either party breaks this Agreement, the other may seek any remedy the law allows, including an order to stop the breach. Each party pays its own attorney fees unless a law or a court orders otherwise.

10. Employment status

This Agreement does not change Employee's employment status or promise employment for any period. [If employment is at will, it remains at will.]

11. General terms

Entire agreement. This Agreement is the entire agreement about the restrictions it covers. It does not replace Employee's offer letter or other employment terms except where they conflict on these restrictions.

Amendments. Any change must be in writing and signed by both parties.

Governing law and venue. This Agreement is governed by the laws of the State of [State where Employee primarily lives and works]. Any lawsuit about it will be brought in [county and state]. Nothing in this section takes away a protection that the law of the state where Employee primarily lives and works gives Employee.

Time to review. Employee confirms that Employee had at least [number] days to review this Agreement and the chance to talk to a lawyer before signing.

Counterparts and electronic signatures. The parties agree this agreement may be signed electronically and in counterparts, and an electronic signature has the same effect as a handwritten one.

Signatures

Employer

Signature: _____

Name: [full name]

Date: [date]

Employee

Signature: _____

Name: [full name]

Date: [date]