

# NON-COMPETE AGREEMENT

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This Non-Compete Agreement (this "**Agreement**") is entered into as of [EFFECTIVE DATE] (the "**Effective Date**") by and between:

[COMPANY LEGAL NAME], a [STATE] [ENTITY TYPE, e.g. limited liability company] with its principal place of business at [COMPANY ADDRESS] (the "**Company**"); and

[EMPLOYEE FULL NAME], an individual (the "**Employee**").

Company and Employee are each a "**Party**" and together the "**Parties**."

**Recitals.** The Company invests in confidential information, customer relationships, specialized training, and goodwill that give it a competitive advantage. In exchange for the consideration described below, the Employee agrees to the limited, reasonable restrictions in this Agreement to protect those legitimate business interests. The Parties intend these restrictions to be no broader than necessary, and to be enforced only to the extent permitted by applicable law. In consideration of the mutual promises below, the Parties agree as follows.

**Jurisdiction warning.** Non-compete enforceability differs dramatically by state. Some states ban or sharply limit employee non-competes, void them below income thresholds, require advance notice, mandate garden-leave or paid consideration, or refuse to "blue-pencil" overbroad terms. Federal rules may also apply. Do not use this template without confirming with a licensed attorney in the governing jurisdiction whether — and how — a non-compete is enforceable there.

## 1. Definitions

**1.1 Company Business.** "**Company Business**" means the business the Company actually conducts as of the end of the Employee's employment, namely [DESCRIBE THE PRODUCTS/SERVICES, e.g. cloud-based logistics software].

**1.2 Confidential Information.** "**Confidential Information**" means the Company's non-public information, including trade secrets, customer and prospect lists, pricing, methods, financial data, and strategic plans.

**1.3 Restricted Period.** "**Restricted Period**" means the period of the Employee's employment plus [NUMBER, e.g. 12] months after the end of employment, subject to any shorter maximum permitted by applicable law.

**1.4 Restricted Territory.** "**Restricted Territory**" means [DESCRIBE NARROWLY, e.g. the counties where the Employee worked or had material responsibility during the last 24 months of employment].

**1.5 Competing Business.** "**Competing Business**" means a business that provides products or services that compete with the Company Business in the Restricted Territory.

## 2. Consideration

**2.1 Consideration.** The Employee enters into this Agreement in exchange for **[CHOOSE: an offer of employment / continued employment / a signing payment of \$AMOUNT / specialized training / access to Confidential Information]**, which the Employee acknowledges is adequate and bargained-for consideration.

**2.2 Timing.** Where applicable law requires that a non-compete be presented before the start of employment or with a minimum advance-notice period, the Company will comply with that requirement, and the Parties will treat the timing requirements of the governing jurisdiction as controlling.

**2.3 Independent consideration.** Where applicable law requires separate or independent consideration for a non-compete given to a current employee, the consideration described in **[Section 2.1]** is intended to satisfy that requirement.

### 3. Non-Competition Covenant

**3.1 Covenant.** During the Restricted Period, the Employee will not, within the Restricted Territory, directly or indirectly own, manage, operate, work for, or provide services to a Competing Business in a role that is the same as or similar to the role the Employee held with the Company, or in which the Employee would likely use or disclose Confidential Information.

**3.2 Limited scope.** This covenant is limited to activities that would actually compete with the Company Business and is not intended to prevent the Employee from earning a living in an unrelated field or role.

**3.3 Passive investment.** Nothing prevents the Employee from owning up to **[e.g. 2%]** of the publicly traded securities of any company as a passive investor.

**3.4 Reasonableness.** The Parties agree that the duration, territory, and scope above are reasonable and necessary to protect the Company's legitimate business interests and are not intended as a penalty.

### 4. Protection of Confidential Information and Trade Secrets

**4.1 Confidentiality.** The Employee will not use or disclose Confidential Information except to perform the job and will return all Confidential Information on the end of employment.

**4.2 Trade secrets.** Trade secrets remain protected for as long as they qualify as trade secrets under applicable law, independent of the Restricted Period.

**4.3 Permitted disclosures.** Nothing in this Agreement prohibits the Employee from reporting suspected unlawful conduct to a government agency, participating in a government investigation, or making any disclosure protected by law. The Employee is not prohibited from disclosing a trade secret in confidence to a government official or attorney solely for the purpose of reporting or investigating a suspected violation of law, consistent with applicable whistleblower-immunity protections.

### 5. Acknowledgments

**5.1 Legitimate interests.** The Employee acknowledges that the restrictions protect the Company's Confidential Information, customer goodwill, and specialized investment, and not merely ordinary competition.

**5.2 Opportunity to review.** The Employee acknowledges having had the opportunity to review this Agreement, ask questions, and consult an attorney before signing.

**5.3 No undue hardship.** The Employee acknowledges that the restrictions, as limited above, will not unreasonably prevent the Employee from finding suitable work.

### 6. Remedies

**6.1 Injunctive relief.** The Employee agrees that a breach may cause harm for which money damages are inadequate, and that the Company may seek injunctive relief, in addition to other remedies, to the extent permitted by law.

**6.2 Tolling.** To the extent permitted by applicable law, the Restricted Period will be extended (tolled) for any period during which the Employee is in violation of Section 3.

**6.3 No automatic forfeiture.** Any claim for damages or fees is subject to proof and to any limits imposed by applicable law. This Agreement does not impose a penalty.

## 7. Reformation and Severability

**7.1 Reformation.** If a court finds any restriction overbroad, the Parties ask the court to reform or narrow it to the maximum extent enforceable, **only where the governing jurisdiction permits reformation**. Where the jurisdiction does not permit "blue-penciling," the overbroad provision will be severed.

**7.2 Severability.** If any provision is held unenforceable and cannot be reformed, the remaining provisions stay in effect.

**7.3 Governing-law override.** If applicable law prohibits or voids this non-compete (for example, due to the Employee's income level, profession, or jurisdiction), that law controls and the affected covenant is unenforceable to that extent.

## 8. General Provisions

**8.1 Governing law and venue.** This Agreement is governed by the laws of the State of **[STATE]**, without regard to its conflict-of-laws rules, except that the mandatory non-compete laws of the jurisdiction where the Employee works or resides will control where required. The Parties submit to the courts located in **[COUNTY, STATE]**.

**8.2 Survival.** Sections 3, 4, 6, and 7 survive the end of employment for the duration of the Restricted Period and, for trade secrets, for as long as the law provides.

**8.3 Assignment.** The Company may assign this Agreement to a successor in connection with a merger, acquisition, or sale of substantially all assets, to the extent permitted by applicable law. The Employee may not assign it.

**8.4 Entire agreement; amendment.** This Agreement is the entire agreement on its subject and may be amended only by a writing signed by both Parties.

**8.5 No employment guarantee.** Nothing in this Agreement creates a guarantee of employment for any period or alters the at-will nature of the relationship where applicable.

**8.6 Counterparts and electronic signature.** This Agreement may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement.

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

**COMPANY**

**EMPLOYEE**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed name: **[NAME]**

Printed name: **[EMPLOYEE NAME]**

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Title: **[TITLE]**

Title: N/A

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

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

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