NONCOMPETE AGREEMENT

# Example 1: Noncompete agreement.

**Nondisclosure and Noncompetition.** (a) At all times while this agreement is in force and after its expiration or termination, [employee name] agrees to refrain from disclosing ’s [company name] customer lists, trade secrets, or other confidential material. [Employee name] agrees to take reasonable security measures to prevent accidental disclosure and industrial espionage.

1. While this agreement is in force, the employee agrees to use [his/her] best efforts to

 [describe job] and to abide by the nondisclosure and noncompetition terms of this agreement; the employer agrees to compensate the employee as follows:

 [describe compensation]. After expiration or termination of this agreement,

 [employee name] agrees not to compete with [company name] for a period of [number] years within a [number] mile radius of

 [company name and location]. This prohibition will not apply if this agreement is terminated because [company] violated the terms of this agreement.

Competition means owning or working for a business of the following type:

 [specify type of business employee may not engage in]

1. [Employee name] agrees to pay liquidated damages in the amount of

$ [dollar amount] for any violation of the covenant not to compete contained in subparagraph (b) of this paragraph.

IN WITNESS WHEREOF, [company name] and [employee name] have signed this agreement.

[employee’s name] Date

[company name]

# Example 2: Noncompete agreement that is part of an employee handbook.

**Nondisclosure and Noncompetition.** (a) After expiration or termination of this agreement,

 [employee name] agrees to respect the confidentiality of

 [company name] patents, trademarks, and trade secrets, and not to disclose them to anyone.

1. [Employee name] agrees not to make use of research done in the course of work done for [company name] while employed by a competitor of [company name].
2. [Employee name] agrees not to set up in business as a direct competitor of

 [company name] within a radius of [number] miles of

 [company name and location] for a period of

 [number and measure of time (e.g., “four months” or “10 years”)] following the expiration or termination of this agreement.

1. [Employee name] agrees to pay liquidated damages of

$ [dollar amount] if any violation of this paragraph is proved or admitted. IN WITNESS WHEREOF, [company name] and [employee name] have signed this agreement.

[company name]

[employee name] Date

