TEMPLATE

Non-Compete Agreement

This is a template, not legal advice

This document is a general-purpose template provided for information only. It is not legal advice, it does not create a lawyer–client relationship, and nobody has reviewed it against your situation.

Laws differ by country, state and province, and they change. A clause that is standard in one place can be unenforceable — or illegal — in another. Terms that are ordinary between two businesses can be void in a consumer or employment context.

Read every clause before you use it, fill in every blank, and delete anything that does not apply. For anything high-value, unusual, or that you could not afford to lose a dispute over, have a qualified lawyer in your jurisdiction review it before it is signed.

This kind of document is regulated differently almost everywhere. Many places require specific notices, disclosures or statutory wording, and some make clauses like these unenforceable outright. Treat this template as a starting point to take to a local lawyer, not as a document to sign as-is.

How to use this template

1. Read it end to end and delete any clause that does not apply to you. Blanks are shown as a grey label on a line.
2. Fill it in and sign it free at https://www.evenseal.com/fill/non-compete-agreement-template — it opens in your browser and the file is never uploaded.
3. Need the other party to sign too, with an audit trail and a tamper-evident seal? That is what the paid product does.

Non-Compete Agreement

This Non-Compete Agreement (this "Agreement") is made on [Date] between [Company full legal name] of [Company address] (the "Company") and [Restricted Party full legal name] of [Restricted Party address] (the "Restricted Party"), an employee, contractor or consultant engaged by the Company in the role of [Position or role, e.g. "Senior Sales Director"] .

In that role, the Restricted Party has or will have access to the Company's confidential information, trade secrets, customer relationships and goodwill. In exchange for the consideration described below, the Restricted Party agrees to the restrictions on competitive activity set out in this Agreement, which apply during the engagement with the Company and for a defined period afterward.

1. Definitions

"Competing Business" means any business that develops, markets, sells or provides [Description of the specific products, services or business the restriction covers, e.g. "cloud-based inventory management software"] , or any other product or service that competes with a product or service the Company offered, or had documented plans to offer, as of the Termination Date (defined below).

"Restricted Activity" means directly or indirectly owning, managing, operating, controlling, being employed by, consulting for, or otherwise participating in a Competing Business, whether as an owner, partner, officer, employee, contractor, agent or investor, other than as permitted under "Permitted Activities" below.

2. Restriction Against Competition

During the Restricted Party's engagement with the Company, and for the Restricted Period following the date that engagement ends for any reason (the "Termination Date"), the Restricted Party shall not engage in any Restricted Activity within the Restricted Area.

This restriction applies regardless of whether the engagement ends voluntarily or involuntarily, with or without cause, and regardless of which Party ends it.

3. Restricted Period

The "Restricted Period" is [Restricted period, e.g. twelve (12) months] from the Termination Date. The Parties agree this period is no longer than reasonably necessary to protect the Company's legitimate business interests, including its confidential information, trade secrets, customer relationships and goodwill.

4. Restricted Area

The "Restricted Area" is [Geographic area, e.g. a 50-mile radius of the Company's office at [address], or the states or countries where the Company does business] . The Restricted Area is limited to the area in which the Restricted Party actually worked, had customer contact, or had access to Confidential Information on the Company's behalf, and is no broader than reasonably necessary to protect the Company's legitimate business interests.

5. Consideration

The Restricted Party enters into this Agreement in exchange for [Consideration, e.g. "continued employment by the Company" or "a one-time payment of $___"] , the receipt and sufficiency of which the Restricted Party acknowledges. Where applicable law requires additional or independent consideration for a non-compete agreement signed after the engagement has already begun, the consideration described above is intended to satisfy that requirement.

6. Permitted Activities

Nothing in this Agreement prevents the Restricted Party from:

(a) owning, as a passive investment, up to [Permitted ownership percentage, e.g. two percent (2%)] of the outstanding securities of a publicly traded company that is a Competing Business;

(b) using general skills, knowledge, training and experience gained during the engagement, other than the Company's Confidential Information or trade secrets, in a field or business that is not a Competing Business;

(c) accepting a role with a Competing Business that does not involve Restricted Activity, where the Company agrees in writing that the role falls outside this Agreement; or

(d) engaging in any activity that applicable law does not permit the Company to restrict.

7. Confidentiality and Solicitation Are Separate Matters

This Agreement addresses only the competitive activity described above. It does not, by itself, restrict the Restricted Party from soliciting the Company's customers, clients or employees after the Termination Date, or from using or disclosing the Company's confidential information — those matters are addressed, if at all, in a separate non-solicitation agreement or confidentiality agreement between the Parties, and continue to apply on their own terms regardless of this Agreement.

8. Reasonableness and Severability

The Parties agree that the scope of Restricted Activity, the Restricted Area and the Restricted Period, taken together, are reasonable and no broader than necessary to protect the Company's legitimate business interests, given the Restricted Party's role, access to Confidential Information, and customer or client relationships.

If a court or arbitrator finds any part of this Agreement broader than the maximum permitted by applicable law, the Parties intend for it to be narrowed, or "blue-penciled," to the maximum scope, area or period the law allows, rather than voided altogether, and the rest of this Agreement remains in force.

9. Compliance with Applicable Law

Enforceability of a non-compete agreement varies significantly by jurisdiction, and several jurisdictions restrict or entirely prohibit them for some or all categories of worker. This Agreement is intended to be enforced only to the extent applicable law permits. Where the law governing this Agreement voids, narrows, or otherwise limits a restriction stated here — including based on the Restricted Party's occupation, income, or the circumstances of the separation — that law controls, and this Agreement is limited accordingly without affecting any other provision.

10. Remedies

The Restricted Party acknowledges that a breach of this Agreement would cause the Company harm that money damages alone could not adequately remedy, and that the Company may seek an injunction or other equitable relief to enforce this Agreement, in addition to damages and any other remedy available at law.

11. Governing Law and Jurisdiction

This Agreement and any dispute arising out of it are governed by the laws of [Governing law, e.g. the State of Delaware] , without regard to conflict-of-law rules, except that where a mandatory rule of the jurisdiction in which the Restricted Party primarily worked applies its own law to this Agreement despite this clause, that mandatory rule controls. The Parties submit to the exclusive jurisdiction of the courts of [Jurisdiction] .

12. General

This Agreement is the entire agreement between the Parties about the subject matter above, and replaces any earlier understanding on that subject; it does not replace or amend any separate employment, confidentiality, non-solicitation or invention-assignment agreement between the Parties. It may only be amended in writing signed by both Parties.

The Company may assign this Agreement to a successor that acquires all or substantially all of its business, including through a merger, sale or reorganization; the Restricted Party may not assign it. If any provision is held unenforceable, the rest continues in force. A failure to enforce any provision is not a waiver of it.

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 agreement with the terms above, the parties have signed below on the dates written beside their signatures.

Company

Signature: ______________________________

Printed name: ______________________________

Company: ______________________________

Title: ______________________________

Date: ______________________________

Restricted Party

Signature: ______________________________

Printed name: ______________________________

Date: ______________________________