SAMPLE NONCOMPETE AGREEMENTS

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 [company name]'s customer lists, trade secrets, or other confidential material. [Employee name] agrees to take reasonable security measures to prevent accidental disclosure and industrial espionage.

(b) 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]

(c) [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.

_____

[company name]

_____ _____

[employee's name] Date

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.

(b) [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]

(c) [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.

(d) [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

Complied information gathered from various sources. ITCS, University of Minnesota-Twin Cities.