NON-COMPETE AGREEMENT

1. 1. Parties and Consideration

This Non-Compete Agreement (the "Agreement") is entered into on [EFFECTIVE DATE] between [COMPANY NAME], a [ENTITY TYPE] located at [COMPANY ADDRESS] (the "Company"), and [EMPLOYEE NAME], residing at [EMPLOYEE ADDRESS] (the "Employee"). In exchange for the promises in this Agreement, the Company is providing the Employee with [CONSIDERATION, e.g., an offer of employment, a promotion, a payment of AMOUNT, access to confidential information and trade secrets, or specialized training], which the Employee acknowledges is good and valuable consideration that the Employee would not otherwise receive. The Employee acknowledges having had a reasonable opportunity to review this Agreement and to consult an attorney of their choosing before signing.

2. 2. Definitions

"Competing Business" means any business that [COMPETING BUSINESS DEFINITION, e.g., develops, markets, or sells products or services that are substantially similar to and competitive with the specific products or services of the Company with which the Employee was involved during the Look-Back Period]. "Restricted Period" means the period beginning on the last day of employment and continuing for [RESTRICTED PERIOD, e.g., 12 months]. "Restricted Territory" means [RESTRICTED TERRITORY, e.g., the counties or metropolitan areas in which the Employee performed services or had customer responsibility during the Look-Back Period]. "Look-Back Period" means the final [LOOK-BACK PERIOD, e.g., 12 months] of employment. "Confidential Information" has the meaning given in Section 8. Terms used but not defined here have the meaning given in any employment agreement between the Parties.

3. 3. Protectable Interests

The Employee acknowledges that in the course of employment they will receive access to legitimate protectable interests of the Company, including trade secrets and confidential technical information, non-public pricing and margin data, customer and prospect relationships developed at the expense of the Company, specialized training, and the goodwill of the Company in its markets. The Employee acknowledges that these interests would be at substantial risk if the Employee performed the same or similar work for a Competing Business immediately after leaving, because the Employee could not reasonably avoid drawing on that information. The restrictions in this Agreement are intended only to protect those interests and are not intended to prevent the Employee from earning a living or from practicing their general trade, skills, or profession. The Company represents that the restrictions have been tailored to the role, seniority, and market exposure of the Employee.

4. 4. Covenant Not to Compete

During employment and throughout the Restricted Period, the Employee will not, within the Restricted Territory, directly or indirectly own, manage, operate, join, control, be employed by, consult for, or provide services to a Competing Business in any role in which the Employee would perform duties that are the same as or substantially similar to the duties the Employee performed for the Company during the Look-Back Period, or in which the Employee would be reasonably likely to use or disclose Confidential Information. This restriction applies only to the specific line of business of the Competing Business that competes with the Company, and it does not prevent the Employee from working for a diversified organization in a separate division or business unit that does not compete, provided the Employee does not use or disclose Confidential Information in that role. Nothing in this Section restricts the Employee from performing purely administrative, clerical, or unrelated functions for a Competing Business.

5. 5. Permitted Activities and Carve-Outs

Nothing in this Agreement prevents the Employee from: owning as a passive investment up to [PASSIVE INVESTMENT PERCENTAGE, e.g., two percent] of the publicly traded securities of any company; accepting employment with a customer, vendor, or supplier of the Company in a role that does not involve competing products or services; teaching, writing, speaking, or engaging in academic or charitable activity that does not disclose Confidential Information; or continuing any activity disclosed in writing on Exhibit A and approved by the Company before signing. The Employee may request written consent from the Company for a specific opportunity, and the Company will not unreasonably withhold consent where the opportunity does not put its protectable interests at risk. Nothing in this Agreement restricts the right of the Employee to report suspected violations of law to a government agency, to participate in a government investigation, or to engage in activity protected by the National Labor Relations Act.

6. 6. Non-Solicitation of Customers

During the Restricted Period, the Employee will not, on behalf of a Competing Business, directly or indirectly solicit, call on, or accept competing business from any customer of the Company with whom the Employee had material contact or about whom the Employee received Confidential Information during the Look-Back Period. "Material contact" means the Employee dealt with the customer, had responsibility for the account, supervised someone who did, or received confidential information about the account. This restriction applies only to the products and services of the Company that compete with what the Employee would offer the customer. General advertising, job fairs, trade show attendance, and other marketing not directed at a specific covered customer do not violate this Section. This Section is intended to operate independently of Section 4 and remains enforceable even if Section 4 is not.

7. 7. Non-Solicitation of Employees

During the Restricted Period, the Employee will not directly or indirectly solicit, recruit, or encourage any employee or independent contractor of the Company with whom the Employee worked or about whom the Employee received Confidential Information during the Look-Back Period to end their relationship with the Company, and will not assist a Competing Business in doing so. This restriction does not apply to general public job postings, general recruiting advertisements, or responses to unsolicited inquiries initiated by the individual, and it does not prevent the Employee from serving as a personal reference. The Employee will not use confidential compensation, performance, or personnel information of the Company for any recruiting purpose. This Section is intended to operate independently of Sections 4 and 6.

8. 8. Confidential Information and Trade Secrets

"Confidential Information" means non-public information of the Company or its customers and partners, including trade secrets, source code, technical designs, pricing and margin data, business plans, customer and prospect lists, contract terms, personnel data, and any information marked or reasonably understood to be confidential. The Employee will not use or disclose Confidential Information at any time except as required to perform their duties for the Company. Trade secret obligations continue for as long as the information qualifies as a trade secret under applicable law, and other confidentiality obligations continue for [CONFIDENTIALITY PERIOD, e.g., three years] after employment ends. Under the Defend Trade Secrets Act, the Employee is notified that an individual is not held criminally or civilly liable for disclosing a trade secret in confidence to a government official or an attorney solely to report or investigate a suspected violation of law, or in a sealed court filing.

9. 9. Return of Materials and Notice to New Employer

On or before the last day of employment, or earlier on request, the Employee will return all Company property and all documents, files, and data containing Confidential Information, in any format and on any personal device or account, and will delete any remaining copies. Before beginning any new position during the Restricted Period, the Employee will provide the Company with written notice identifying the prospective employer and the nature of the role, so that the Company can confirm whether it considers the role to be covered. The Employee agrees that the Company may provide a copy of this Agreement to a prospective or actual subsequent employer of the Employee, and the Employee will disclose this Agreement to that employer before accepting a covered role. The Company will act in good faith and will not use this notice provision to interfere with employment that is not covered by this Agreement.

10. 10. Duration, Tolling, and Termination Scenarios

The Restricted Period begins on the last day of employment regardless of the reason employment ends, except as limited by Section 12 or by applicable law. If the Employee violates Section 4, 6, or 7, the Restricted Period for the violated Section is extended by the length of the violation, up to a maximum extension of [MAXIMUM TOLLING PERIOD, e.g., 12 months], so that the Company receives the full protection it bargained for. If the Company terminates the employment without cause or as part of a reduction in force, [POST-TERMINATION TREATMENT, e.g., the covenant in Section 4 will not apply / the covenant in Section 4 will apply only if the Company elects in writing within 10 days of separation to pay the Employee GARDEN LEAVE AMOUNT during the Restricted Period]. Any payment made under this Section is in addition to any severance and is conditioned on the Employee complying with this Agreement.

11. 11. Acknowledgment of Reasonableness and Reformation

The Employee acknowledges that the scope, geography, and duration of the restrictions in this Agreement are reasonable and necessary to protect the legitimate interests of the Company, that they do not impose an undue hardship, and that the Employee retains the ability to earn a living in their profession outside the specific restrictions described. If a court finds any restriction unenforceable as written, the Parties ask the court to reform or narrow it to the maximum extent enforceable under applicable law rather than to void it entirely, and the restriction will be enforced as modified. If a restriction cannot be reformed, it will be severed and the remaining provisions will continue in full force, including the independently enforceable obligations in Sections 6, 7, and 8. The Parties acknowledge that some states do not permit judicial reformation of restrictive covenants, and in those states the unenforceable provision will simply be severed.

12. 12. State-Specific Limitations

This Agreement is subject to the law of the state in which the Employee primarily works, and the Parties agree that the covenants in this Agreement do not apply to the extent that law prohibits or limits them. Where applicable law imposes an earnings threshold, an advance notice requirement before the start date, a maximum duration, a requirement of separate consideration, a garden leave payment obligation, or a restriction on applying non-competes to non-exempt or terminated-without-cause employees, this Agreement is deemed modified to comply with that law. Where the applicable law prohibits employee non-competes entirely, Section 4 does not apply to that Employee, and Sections 6, 7, and 8 remain in effect to the extent permitted. The Company will notify the Employee at least [ADVANCE NOTICE PERIOD, e.g., 14 days] before the start date or the date signature is required, where such notice is legally required.

13. 13. Remedies and Injunctive Relief

The Employee acknowledges that a breach of this Agreement may cause harm to the Company that is difficult to measure in money, and that the Company may seek a temporary restraining order, preliminary injunction, or permanent injunction to enforce this Agreement, in addition to any other remedy available at law or in equity. The Company is not required to post a bond except to the extent required by applicable law. [FEE PROVISION, e.g., The prevailing Party in any action to enforce this Agreement may recover its reasonable attorney fees and costs / Each Party bears its own attorney fees and costs], to the extent permitted by applicable law. The failure of the Company to enforce a provision on one occasion does not waive its right to enforce that provision later. Nothing in this Section limits the right of the Employee to defend against enforcement or to seek a declaration that a restriction is unenforceable.

14. 14. Governing Law, Assignment, and General Provisions

This Agreement is governed by the laws of the State of [GOVERNING STATE], without regard to conflict of laws rules, and any action will be brought in the state or federal courts located in [VENUE COUNTY AND STATE], except where applicable law requires that a dispute involving an employee be heard in the state where the Employee primarily works. This Agreement does not create a contract of employment for any period, and employment remains at will unless a separate written agreement states otherwise. The Company may assign this Agreement to a successor in a merger or sale of substantially all assets, and the Employee consents to that assignment; the Employee may not assign this Agreement. This Agreement may be amended only in a writing signed by the Employee and an authorized officer of the Company, and it supersedes any prior non-compete agreement between the Parties covering the same subject matter.

15. 15. Signatures

By signing below, the Employee confirms that they have read this Agreement, have had the opportunity to consult an attorney, understand the restrictions it imposes on future employment, and agree to be bound by it. COMPANY: [COMPANY NAME]. Signature: ______________________. Printed Name: [COMPANY SIGNER NAME]. Title: [TITLE]. Date: [DATE]. EMPLOYEE: Signature: ______________________. Printed Name: [EMPLOYEE NAME]. Date: [DATE]. Date this Agreement was first provided to the Employee: [DELIVERY DATE]. Electronic signatures and counterpart copies have the same effect as original signatures.

16. Disclaimer

This template is provided for general informational purposes only and is not legal advice. Non-compete enforceability differs dramatically by state: several states, including California, North Dakota, Oklahoma, and Minnesota, prohibit or void most employee non-competes, while others impose income thresholds, advance notice rules, maximum durations, or mandatory garden leave payments, and federal regulators have repeatedly examined the practice. Review and adapt this document for your specific state and role, and consult a licensed employment attorney before signing or enforcing it. Use of this template does not create an attorney-client relationship with ScanContract.