# EMPLOYEE RESTRICTIVE COVENANTS

The paragraphs listed below are covenants that you can copy and paste into any employment agreement. Thus, the contracts you will sign with future or actual employees will legally protect the company and employees. Remember to ask your lawyer to review any legal document you are about to sign.

**RESTRICTIVE COVENANTS**

The Employee acknowledges that the Company, through its employment of the Employee, has provided the Employee with confidential information, business and professional contacts, training and experience, and the ability to service and otherwise have access to the Company's clients. The Employee further acknowledges that such confidential information, business and professional contacts, training and experience, and the ability to service and otherwise have access to the Company's clients are the result of his employment by the Company. In consideration of the foregoing and of the benefits generally provided to the Employee by the Company pursuant to the terms of this Agreement and otherwise, the Employee agrees to abide and be bound by the restrictions and prohibitions of this Article, which restrictions are intended by the parties to extend to any and all activities of the Employee, whether as an independent contractor, partner or joint venturer, or as an officer, director, stockholder, agent, employee or salesman for any person, firm, partnership, Company or other entity, or otherwise.

**HIRING**

The Employee agrees that during the Employee's employment with the Company and for a period of [NUMBER] years following the termination of this Agreement, whether the termination shall be voluntary or involuntary, or with or without cause, the Employee will not attempt to hire any other employee or independent contractor of the Company or otherwise encourage or attempt to encourage any other employee or independent contractor of the Company to leave the Company's employ.

**CONFIDENTIALITY; DISCLOSURE; PROPRIETARY INFORMATION**

Employee recognises and acknowledges that all records with respect to clients, business associates, customer or referral lists, contracting parties and referral sources of the Company, and all personal, financial and business and proprietary information of the Company, its employees, officers, directors and shareholders obtained by the Employee during the term of this Agreement and not generally known in the public (the "Confidential Information") are valuable, special and unique and proprietary assets of the Company's business. The Employee hereby agrees that during the term of this Agreement and following the termination of this Agreement, whether the termination shall be voluntary or involuntary, or with or without cause, the Employee will not at any time, directly or indirectly, disclose any Confidential Information, in full or in part, in written or other form, to any person, firm, Company, association or other entity, or utilise the same for any reason or purpose whatsoever other than for the benefit of and pursuant to authorization granted by the Company.

**SOLICITATION**

The Employee further agrees that during the term of this Agreement and following the termination of this Agreement, whether the termination shall be voluntary or involuntary, or with or without cause, the Employee will not, in any manner or at any time, solicit or encourage any person, firm, Company or other business entity who are clients, business associates or referral sources of the Company to cease doing business with the Company or to do business with the Employee.

**NON-COMPETITION WITH COMPANY CLIENTS**

Employee agrees that during the term of the Employee’s employment with the Company and for a period of [NUMBER] years following the cessation of the relationship with the Company, the Employee shall not provide any service to or lend any aid or device to any of the clients of the Employer.

**COVENANTS INDEPENDENT**

Each restrictive covenant on the part of the Employee set forth in this Agreement shall be construed as a covenant independent of any other covenant or provisions of this Agreement or any other agreement which the Company and the Employee may have, fully performed and not executory, and the existence of any claim or cause of action by the Employee against the Company whether predicated upon another covenant or provision of this Agreement or otherwise, shall not constitute a defence to the enforcement by the Company of any other covenant.

**PROPRIETARY CREATIONS**

All processes, inventions, patents, copyrights, trademarks, and other intangible rights (collectively the "Inventions") that may be conceived or developed by Employee, either alone or with others, during the term of Employee's employment, whether or not conceived or developed during Employee's working hours, and with respect to which the equipment, supplies, facilities, or trade secret information of Company was used, or that relate at the time of conception or reduction to practise of the Invention to the business of the Company or to Company's actual or demonstrably anticipated research and development, or that result from any work performed by Employee for Company, will be the sole property of Company, and shall be considered “works for hire”, and Employee hereby assigns to the Company all of Employee's right, title and interest in and to such Inventions. Employee must disclose to Company all inventions conceived during the term of employment, whether or not the invention constitutes property of Company under the terms of the preceding sentence, but such disclosure will be received by Company in confidence. Employee must execute all documents, including patent applications and assignments, required by Company to establish Company's rights under this Section.

**DIVISIBILITY OF COVENANT AREAS AND PERIODS**

If any portion of the restrictive covenants contained herein is held to be unreasonable, arbitrary or against public policy, each covenant shall be considered divisible both as to time and geographical area; and each [NUMBER] month of the specified period shall be deemed to be a separate period of time and each [NUMBER] mile radius segment of the geographical area shall be deemed to be a separate geographical area, so that the maximum lesser time and geographical area shall remain effective so long as the same is not unreasonable, arbitrary or against public policy.

**INJUNCTIVE AND EQUITABLE RELIEF**

Employee and Company recognise and expressly agree that the extent of damages to Company in the event of a breach by Employee of any restrictive covenant set forth herein would be impossible to ascertain, that the irreparable harm arising out of any breach shall be irrefutably presumed, and that the remedy at law for any breach will be inadequate to compensate the Company. Consequently, the Employee agrees that in the event of a breach of any such covenant, in addition to any other relief to which Company may be entitled, Company shall be entitled to enforce the covenant by injunctive or other equitable relief ordered by a court of competent jurisdiction.

**VENUE; COURT PROCEEDINGS**

The Employee and the Company hereby agree that the venue of any action, proceeding, counterclaim, crossclaim, or other litigation relating to, involving, or resulting from the enforcement of this covenant shall be in [STATE/PROVINCE]. In any action or proceeding by Employee relating to or involving the enforcement of the covenant, and any counterclaim, crossclaim or other litigation which may be asserted or brought against Company, the Employee hereby expressly waives any and all right to a trial with respect to the action, proceeding or other litigation resulting from or involving the enforcement of this covenant. Further, in any action or proceeding by Company to obtain a temporary restraining order and/or preliminary injunction, Employee hereby agrees that the Company shall not be required to post an injunction bond in excess of the principal sum of [AMOUNT] in order to obtain a temporary restraining order and/or preliminary injunction. Should the Company's action for a temporary restraining order and/or motion for preliminary injunction be granted in whole or in part and should Company be ultimately unsuccessful in obtaining a permanent injunction to enforce the covenant, Employee hereby waives any and all rights Employee may have against Company for any injuries or damages, including consequential damages, sustained by the Employee and arising directly or indirectly from the issuance of the temporary restraining order and/or preliminary injunction.

**INDEMNIFICATION**

The Employee hereby agrees to indemnify and hold the Company and its officers, directors, shareholders and employees harmless from and against any loss, claim, damage or expense, and/or all costs of prosecution or defence of their rights hereunder, whether in judicial proceedings, including appellate proceedings, or whether out of court, including without limiting the generality of the foregoing, attorneys' fees, and all costs and expenses of litigation, arising from or growing out of the Employee's breach or threatened breach of any covenant contained herein.

**ACKNOWLEDGEMENT**

The Employee acknowledges that when this Agreement is concluded, the Employee will be able to earn a living without violating the foregoing restrictions and that the Employee's recognition and representation of this fact is a material inducement to the execution of this Agreement and to Employee's continued relationship with the Company.

**SURVIVAL OF COVENANTS**

All restrictive covenants contained in this Agreement shall survive the termination of this Agreement.