

NON-COMPETE AGREEMENT

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For use only where enforceable, and drafted narrow on purpose — the broad version fails more often. Replace the bracketed fields, and check your state's threshold and consideration rules first.

State-Law Warning (Read First)

California, Minnesota, North Dakota, and Oklahoma ban worker non-competes outright — this agreement is void there (California even penalizes attempting one). Colorado, Illinois, Washington, Oregon, Virginia, and others enforce them only above income thresholds that adjust over time. Confirm your state's current rules before drafting.

NON-COMPETE AGREEMENT

This Agreement is made on [DATE] between [COMPANY NAME] ("Company") and [WORKER NAME] ("Employee"), in consideration of [Employee's initial employment / a payment of \$ ____ / a promotion and salary increase, described below], the sufficiency of which both parties acknowledge.: _____

1. LEGITIMATE INTEREST

Employee will receive access to the Company's trade secrets, confidential business information, and customer relationships, which this Agreement protects.

2. RESTRICTED ACTIVITY

During employment and for [6 / 12] months after it ends, Employee will not perform [DESCRIBE THE SPECIFIC ROLE/FUNCTION, e.g., "outside sales of commercial HVAC services"] for a Competing Business. "Competing Business" means an entity that [DEFINE NARROWLY, e.g., "sells commercial HVAC services to customers in the Restricted Area"].

3. RESTRICTED AREA

[Choose one:] (a) within [COUNTY / RADIUS] of the Company's [LOCATION]; or (b) with respect to customers Employee serviced or solicited during the final [12] months of employment (a customer-based restriction, often more defensible than geography).

4. CARVE-OUTS

Nothing prevents Employee from (a) owning less than [2]% of a public company, (b) working for a Competing Business in a role unrelated to the Restricted Activity, or (c) any activity protected by law.

5. NON-SOLICITATION

For [12] months after employment ends, Employee will not solicit the Company's customers with whom Employee had material contact, or its employees, for a Competing Business.

6. REMEDIES

Breach causes irreparable harm; the Company may seek injunctive relief in addition to damages.

7. SEVERABILITY / REFORMATION

If any restriction is found overbroad, the parties intend the court to enforce it to the maximum lawful extent [where state law permits reformation].

8. GENERAL

Governed by the laws of [STATE WHERE EMPLOYEE WORKS]; entire agreement; amendments in signed writing.

Signatures

Company (signature): _____

Company — printed name & title: _____

Date: _____

Employee (signature): _____

Employee — printed name: _____

Date: _____

INSTRUCTIONS FOR USE

Replace every [BRACKETED] field with your own details and delete the options you do not choose. Confirm your state does not ban the clause and meets any income-threshold and consideration rules before signing. For existing employees, several states require fresh value (a raise, bonus, or promotion) — recite exactly what was exchanged. Present the covenant with the offer, not on day one after the candidate has resigned elsewhere. This template is provided for informational purposes only and does not constitute legal advice. Have an attorney review your completed document before relying on it. ClearLegalTips.com is not a law firm.