

SAMPLE

INDEPENDENT CONTRACTOR NON-COMPETE AGREEMENT ADDENDUM

The undersigned have executed an independent contractor agreement ("Agreement") dated _____, which is hereafter incorporated by reference as if fully set forth herein. In furtherance of that Agreement, the undersigned agree that as a condition for _____ [Independent Contractor] to continue contracting with _____ [name of Company], its subsidiaries, affiliates, successors or assigns (together the "Company"), and in consideration of continued contracting with the Company and receipt of the compensation now and hereafter paid to the Independent Contractor by the Company and the Company's promise in Section 1(a), the Independent Contractor agrees to the following terms and conditions of this Independent Contractor Non-Compete Agreement Addendum (the "Addendum"):

1. **Confidential Information.**

- (a) Company Information. The Company will make available to the Independent Contractor certain Confidential Information of the Company, previously non-disclosed to him or her, which will enable him or her to optimize the performance of his or her duties to the Company. In exchange, the Independent Contractor agrees to use such Confidential Information solely for the Company's benefit. Notwithstanding the preceding sentence, the Independent Contractor agrees that upon the expiration or termination of the Agreement, the Company shall have no obligation to provide or otherwise make available to the Independent Contractor any of its Confidential Information. "Confidential Information" means any Company proprietary information, technical data, trade secrets or know-how, including, but not limited to, research, product plans, products, services, customer lists and customers (including, but not limited to, customers of the Company on whom the Independent Contractor called or with whom her or she became acquainted during the term of the contract), markets, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances or other business information disclosed to the Independent Contractor by the Company either directly or indirectly in writing, orally or by drawings or observation of parts or equipment. Confidential Information does not include any of the foregoing items which has become publicly known and made generally available through no wrongful act or omission of the Independent Contractor or of others who were under confidentiality obligations as to the item or items involved or improvements or new versions thereof.
- (b) Strictest Confidence. The Independent Contractor agrees at all times during the term of engagement pursuant to the Agreement with the Company and thereafter, to hold in strictest confidence, and not to use, except for the exclusive benefit of the Company, or to disclose to any person, firm or corporation without written authorization of the Board of Directors of the Company, any Confidential Information of the Company.

2. **Covenant Not to Compete.**

- (a) Limited Time and Duration. The undersigned Independent Contractor hereby agrees that during the course of the Agreement and for a period of _____ months immediately following the expiration or termination of the Agreement for any reason, whether with or without good cause or for any or no cause, at the option either of the Company or the Independent Contractor, with or without notice, the Independent Contractor will not compete with the Company and its successors and assigns, without the prior written consent of the Company.
- (b) Limited Scope of Prohibited Activities. The term "not compete" as used herein shall mean that the Independent Contractor shall not, without the prior written consent of the Company, (i) serve as a partner, employee, consultant, officer, director, manager, agent, associate, investor, or

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otherwise for, (ii) directly or indirectly, own, purchase, organize or take preparatory steps for the organization of, or (iii) build, design, finance, acquire, lease, operate, manage, invest in, work or consult for or otherwise affiliate with, any business in competition with or otherwise similar to the Company's business.

- (c) **Limited Geographic Scope.** This Addendum shall cover the Independent Contractor's activities in every part of the Territory in which the Independent Contractor may conduct business during the term of the Agreement as set forth above. "Territory" shall mean (i) all counties in the State of _____, (ii) all other states of the United States of America and (iii) all other countries of the world; provided that, with respect to clauses (ii) and (iii) in this paragraph, the Company derives at least five percent (5%) of its gross revenues from such geographic area prior to the date of the expiration or termination of the Agreement.
- (d) **Significant Value.** The Independent Contractor acknowledges that he or she will derive significant value from the Company's promise in Section 1(a) to provide him or her with that Confidential Information of the Company to enable him or her to optimize the performance of his or her contractual duties to the Company. The Independent Contractor further acknowledges that his or her fulfillment of the obligations contained in this Addendum, including, but not limited to, his or her obligation neither to disclose nor to use the Company's Confidential Information other than for the Company's exclusive benefit and his or her obligation not to compete contained in Section 2(a), (b), and (c), is necessary to protect the Company's Confidential Information and, consequently, to preserve the value and goodwill of the Company. The Independent Contractor further acknowledges the time, geographic, and scope limitations of his or her obligations under Section 2(a), (b), and (c) are reasonable, especially in light of the Company's desire to protect its Confidential Information, and that he or she will not be precluded from gainful employment if he or she is obligated not to compete with the Company during the period and within the Territory as described in Section 2(c).
- (e) **Series of Separate Covenants.** The covenants contained in Section 2(a), (b), and (c) shall be construed as a series of separate covenants, one for each city, county and state of any geographic area in the Territory. Except for geographic coverage, each such separate covenant shall be deemed identical in terms to the covenant contained in Section 2(a) and (b). If, in any judicial proceeding, a court refuses to enforce any of such separate covenants (or any part thereof), then such unenforceable covenant (or such part) shall be eliminated from this Addendum to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced. In the event the provisions of Section 2 are deemed to exceed the time, geographic, or scope limitations permitted by applicable law, then such provisions shall be reformed to the maximum time, geographic or scope limitations, as the case may be, then permitted by such law.
3. **Solicitation of Employees.** For a period of _____ months immediately following the expiration or termination of the Agreement for any reason, whether with or without good cause or for any or no cause, at the option of either party, with or without notice, the Independent Contractor will not hire any employees of the Company and will not, either directly or indirectly, solicit, induce, recruit or encourage any of the Company's employees to leave its employment, or take away such employees, or attempt to solicit, induce, recruit, encourage or take away employees of the Company, either on behalf of the Independent Contractor personally or for any other person or entity.
4. **Interference.** During the course of the Agreement and for a period of _____ months immediately following the expiration or termination of the Agreement for any reason, whether with or without good cause or for any or no cause, at the option of either party, with or without notice, the Independent Contractor will not, either directly or indirectly, interfere with the Company's

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contracts and relationships, or prospective contracts and relationships, including, but not limited to, the Company's customer or client contracts and relationships.

5. **Equitable Remedies.**

- (a) Damages Due to Breach. The Independent Contractor agrees that it would be impossible or inadequate to measure and calculate the Company's damages from any breach of the covenants set forth in Section 2, herein. Accordingly, he or she agrees that if he or she breaches any such section, the Company will have available, in addition to any other right or remedy available, the right to obtain an injunction from a court of competent jurisdiction restraining such breach or threatened breach and to specific performance of any such provision of this Addendum.
- (b) Bond Waiver and Consent. No bond or other security shall be required in obtaining such equitable relief, and the Independent Contractor hereby consents to the issuance of such injunction and to the ordering of specific performance.

6. **Representations and Warranties by Independent Contractor.** If the Independent Contractor is a corporation or a limited liability company, the Independent Contractor warrants, represents, covenants, and agrees that it is duly organized, validly existing and in good standing under the laws of the state of its incorporation or organization and is duly authorized and in good standing to conduct business, that it has all necessary power and has received all necessary approvals to execute and deliver the Addendum, and the individual executing the Addendum on behalf of the Independent Contractor has been duly authorized to act for and to bind the Independent Contractor.

7. **General Provisions.**

- (a) Severability. If one or more of the provisions in this Addendum are deemed void by law, including, but not limited to, the covenant not to compete in Section 2, then the remaining provisions will continue in full force and effect.
- (b) Successors and Assigns. This Addendum shall be binding upon and inure to the benefit of the parties, their successors, assigns, and personal representatives.
- (c) Construction. The language used in this Addendum will be deemed the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against either party.
- (d) Entire Agreement. This Addendum and the Agreement set forth the entire agreement and understanding between the parties relating to the subject matter herein and supersede any and all prior discussions, agreements, or contracts, whether written or oral. No modification of, or amendment to, this Addendum, nor any waiver of any rights under this Addendum, will be effective unless in writing signed by the party to be charged. Any subsequent change or changes in the Independent Contractor's scope of work or compensation will not affect the validity or scope of this Addendum.
- (e) Addendum Controlling. In the event a conflict arises between the terms and conditions of the Agreement and this Addendum, this Addendum shall control.

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(f) Choice of Law. This Addendum shall be governed, construed and interpreted by, through and under the Laws of the State of _____.

(g) Consent to Personal Jurisdiction. THE INDEPENDENT CONTRACTOR EXPRESSLY CONSENTS TO THE PERSONAL JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE STATE SPECIFIED IN SECTION (7)(f) FOR ANY LAWSUIT FILED THERE AGAINST HIM OR HER BY THE COMPANY ARISING FROM OR RELATING TO THIS ADDENDUM.

Signed this _____ day of _____ 20_____.

Company

Independent Contractor

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YOUR ATTORNEY ONLY