*\*\*BLUE TEXT SHOULD BE REMOVED BEFORE ISSUE\*\**

***Restrictive covenant clauses***

*Use a restrictive covenant for senior or key employees. However, ensure you carefully tailor them to the particular needs of your business and the role that the employee carries out. Don’t be tempted to adopt a “one size fits all” approach.*

*Before inserting a restrictive covenant of any type into an employee’s contract of employment, you must always consider whether it is really necessary to protect a legitimate business interest. If you do have a legitimate business interest to protect in relation to the particular employee, consider whether this can be achieved by a non-solicitation, non-dealing, non-poaching and/or a non-competition clause. Always remember that the shorter the duration of the covenant and the more limited it is in scope, the more likely it will be enforceable.*

In order to protect the Company’s interest in its goodwill and business connections, you hereby undertake that:

**1.** **Non-dealing.** You shall not at any time prior to the termination of your employment either on your own behalf or for any other person directly or indirectly approach, canvass, solicit or otherwise endeavour to entice away from the Company the custom of any person who is a customer, client or supplier of the Company and you shall not use your knowledge of or influence over any such customer, client or supplier to or for your own benefit or for the benefit of any other person carrying on business in competition with the Company or otherwise use your knowledge of or influence over any such customer, client or supplier to the detriment of the Company.

**2.** **Non-poaching.** You shall not at any time prior to the termination of your employment either on your own behalf or for any other person directly or indirectly endeavour to entice away from the Company, any person who is an employee of the Company or otherwise encourage any such employee to breach his contract of employment.

**3.** **Non-solicitation.** You shall not for a period of ................ *(insert figure)* months after the termination of your employment either on your own behalf or for any other person directly or indirectly approach, canvass, solicit or otherwise endeavour to entice away from the Company the custom of any person or company who at any time during the ............... *(insert figure)* months preceding the termination of your employment both has been a customer, client or supplier of the Company and with whom you shall have personally had dealings.

**4.** **Non-dealing.** You shall not for a period of ................ *(insert figure)* months after the termination of your employment either on your own behalf or for any other person supply, directly or indirectly and whether solicited by you or not, any goods or services to any person or company who at any time during the ......... *(insert figure)* months preceding the termination of your employment both has been a customer, client or supplier of the Company and with whom you shall have personally had dealings.

**5.** **Non-poaching.** You shall not for a period of ................ *(insert figure)* months after the termination of your employment either on your own behalf or for any other person directly or indirectly approach, canvass, solicit or otherwise endeavour to entice away any person who shall be an employee of the Company at the date of termination of your employment and with whom you had regular contact during the ................ *(insert figure)* months preceding the termination of your employment with a view to the specific knowledge or skills of such person being used by or for the benefit of any person carrying on business in competition with the business carried on by the Company.

**6.** **Non-competition.** You shall not for a period of ................ *(insert figure)* months after the termination of your employment either on your own behalf or on behalf of or in association with any other person directly or indirectly be engaged, concerned or interested as an employee or in any other capacity in any business [within .............. *(insert figure)* miles radius of ................ *(insert a specific point)*] [within ................ *(insert a defined area)*] where you would be acting in direct competition with that part of the business carried on at the date of termination of your employment by the Company with which you were involved as an employee in the ....... *(insert figure)* months prior to the termination of your employment. That part of the business is defined as ...................... *(insert specific nature of business in which employee was personally involved)*.

*Always add the following paragraphs to whichever clause you use:*

Each sub-clause of this clause constitutes an entirely separate and independent restriction on you. Where any sub-clause of this clause is held void or unlawful or unenforceable in any respect then such sub-clause shall be severed from this contract without prejudice to the validity or enforcement of the other sub-clauses of this contract.

If you should receive from any person, firm or company an offer of employment or engagement to commence at any time during the period of the restrictions set out in this clause, you agree to forthwith provide to such person, firm or company a copy of the restrictions contained in this clause and, if you accept the offer, you shall immediately notify the Company of the person, firm or company’s identity and a description of the principal duties of the position accepted and you shall confirm to the Company in writing that you have provided that person, firm or company with a copy of the restrictions contained in this clause.

You acknowledge that you have had the opportunity to take legal advice in relation to the restrictions contained in this clause and agree that, having regard to your particular circumstances, the restrictions contained in this clause are reasonable and necessary to protect the legitimate business interests of the Company.