

COMPANY X, INC.
CONFIDENTIALITY, NONCOMPETITION, AND INVENTION ASSIGNMENT AGREEMENT

This Confidentiality, Noncompetition, and Invention Assignment Agreement (“**Agreement**”) is made by and between Company X, Inc., a Delaware corporation, and _____ (“**Employee**”).

RECITALS

- A. Employee enters into this Agreement in connection with Employee’s acceptance of employment with Company X, Inc. or its subsidiary or affiliate, and any future employment with Company X, Inc. or another of its subsidiaries or affiliates (depending on the circumstances, each an “**Employer**”);
- B. As used in this Agreement, “**Company X**” means Company X, Inc. and any entity that controls, is controlled by, or is under common control with Company X, Inc., including without limitation its subsidiaries and affiliates;
- C. Employee’s acceptance of this Agreement is an express condition of Employee’s employment with Employer, and is made by Employee in **consideration** of such employment, including the compensation, benefits and confidential information provided now and in the future to Employee by Employer, which Employee acknowledges are of significant benefit to Employee; and
- D. Employee’s continued employment with Employer is expressly conditioned on Employee’s good faith agreement to comply with this Agreement.

AGREEMENTS

In consideration of the above Recitals, which are incorporated herein, the promises and covenants below, and other valuable consideration, the receipt and adequacy of which is acknowledged, the parties agree as follows:

- 1. **TERM**. This Agreement, including Sections 3, 4, and 5, contains obligations that apply during Employee’s employment and for specified periods after the date Employee’s employment ends (“**Separation Date**”), regardless of the reason for separation or whether it was voluntary or involuntary.
- 2. **ATTENTION AND EFFORT**. During employment, Employee will devote Employee’s entire productive time, ability, attention, and effort to furthering Company X’s best interests and will not (without Company X’s prior written consent) carry on any separate professional or other gainful employment, including self-employment and contract work.

3. CONFIDENTIAL INFORMATION.

- 3.1 **Confidentiality and Confidential Information**. Employee will obtain, receive, or gain access to Confidential Information (as defined below) in connection with Employee’s work for Company X. During employment and at all times thereafter, Employee will hold all Confidential Information in strictest confidence and will not acquire, use, publish, disclose, or communicate any Confidential Information except as required in connection with Employee’s work without the prior written approval of an authorized officer of Company X. For purposes of this Agreement, “**Confidential Information**” means proprietary or confidential information of Company X in whatever form, tangible or intangible, whether or not marked or otherwise designated as confidential, that is not otherwise generally known to the public, relating or pertaining to Company X’s business, projects,

products, customers, suppliers, inventions, or trade secrets, including but not limited to: business and financial information; Company X techniques, technology, practices, operations, and methods of conducting business; information technology systems and operations; algorithms, software, and other computer code; published and unpublished know-how, whether patented or unpatented; information concerning the identities of Company X's business partners and clients or potential business partners and clients, including names, addresses, and contact information; customer information, including prices paid, buying history and habits, needs, and the methods of fulfilling those needs; supplier names, addresses, and pricing; and Company X pricing policies, marketing strategies, research projects or developments, products, legal affairs, and future plans relating to any aspect of Company X's present or anticipated businesses. "Confidential Information" does not include the terms and conditions of Employee's own employment.

3.2 Prevention of Unauthorized Release of Confidential Information. Employee will take reasonable measures to prevent unauthorized persons or entities from obtaining, receiving, or gaining access to any Confidential Information in Employee's possession or control.

3.3 Confidential Information of Third Parties. Employee will preserve as confidential any information that Employee learns or obtains from a third party or relating to a third party (such as a client, customer, affiliate, partner, or vendor) that is not readily available to the public or that Company X is obligated to treat as confidential, and Employee will treat such information as Confidential Information.

3.4 Return of Confidential Documents. On the Separation Date, or at any time otherwise requested by Company X, Employee will immediately return all Confidential Information and other things belonging to Company X, including tools, equipment, devices, or other property, and all documents, records, notebooks, and tangible articles containing or embodying any Confidential Information, including any copies (whether stored in paper, electronic, magnetic, or other form) then in Employee's possession or control, whether prepared by Employee or others.

4. RESTRICTIVE COVENANTS.

4.1 Non-Competition. During employment and for 18 months after the Separation Date, Employee will not, directly or indirectly, whether on Employee's own behalf or on behalf of any other entity (for example, as an employee, agent, partner, or consultant), engage in or support the development, manufacture, marketing, or sale of any product or service that competes or is intended to compete with any product or service sold, offered, or otherwise provided by Company X (or intended to be sold, offered, or otherwise provided by Company X in the future) that Employee worked on or supported, or about which Employee obtained or received Confidential Information.

4.2 Non-Solicitation. During employment and for 18 months after the Separation Date, Employee will not, directly or indirectly, whether on Employee's own behalf or on behalf of any other entity (for example, as an employee, agent, partner, or consultant): (a) accept or solicit business from any Customer of any product or service that Employee worked on or supported, or about which Employee obtained or received Confidential Information; or (b) encourage any Customer or Business Partner to cease doing business with Company X or to terminate or limit an existing relationship or arrangement with Company X. For purposes of this Agreement, "Customer" means any individual or entity that was a customer or client of Company X during Employee's employment, or with which Company X engaged in discussions before the Separation Date related to the possibility that such party might become a customer or client of Company X, and "Business Partner" means any individual or entity with which, before the Separation Date, Company X was involved in any business arrangement or engaged in discussions regarding the possibility of entering into such an arrangement.

- 4.3 Non-Interference.** During employment and for 12 months after the Separation Date, Employee will not, directly or indirectly, whether on Employee's own behalf or on behalf of any other entity (for example, as an employee, agent, partner, or consultant): (a) solicit or otherwise encourage any employee, contractor, or consultant of Company X ("**Company X Personnel**") to terminate any employment or contractual relationship with Company X; (b) disclose information to any other individual or entity about Company X Personnel that could be used to solicit or otherwise encourage Company X Personnel to form new business relationships with that or another individual or entity; or (c) otherwise interfere with the performance by current or former Company X Personnel of their obligations or responsibilities to Company X. Nothing in this Section 4.3 restricts Employee from exercising rights protected under the National Labor Relations Act.
- 4.4 Reasonableness of Restrictions.** Employee recognizes that the restrictions in this Section 4 may significantly limit Employee's future flexibility in many ways. For example, the restriction in Section 4.1 will bar Employee, for 18 months after the Separation Date, from accepting certain competitive opportunities. Employee further recognizes that the geographic areas for many of Company X's products and services – and, by extension, the geographic areas applicable to certain restrictions in this Section 4 – are extremely broad and in many cases worldwide. Employee agrees and acknowledges that the restrictions in this Section 4 are reasonable in scope, area, and duration, and will not result in any undue hardship for Employee.

5. INTELLECTUAL PROPERTY.

- 5.1 Copyrights.** All copyrightable works prepared by Employee within the scope of employment are works made for hire. Employer will own all rights under copyright in and to such works, and Employer will be considered the author of such works. If and to the extent that any such works are deemed not to constitute a work made for hire, and with respect to any other works that Employee prepares during working hours or using Company X resources, Employee hereby irrevocably assigns to Employer all right, title, and interest in and to such work. To the extent any of Employee's rights in such works, including any moral rights, are not capable of assignment under applicable law, Employee hereby irrevocably and unconditionally waives all enforcement of those rights to the maximum extent permitted under applicable law.
- 5.2 Inventions.** Employee will make prompt and full written disclosure to Employer, and hereby irrevocably assigns exclusively to Employer, all of Employee's rights, title, and interest in and to any and all inventions, discoveries, designs, developments, concepts, techniques, procedures, algorithms, products, improvements, business plans, and trade secrets (collectively, "**Inventions**") that Employee solely or jointly may conceive, develop, reduce to practice, or otherwise produce during Employee's employment.
- 5.3 NOTICE Regarding Inventions.** Any provision in this Agreement requiring Employee to assign rights in Inventions does not and will not apply to any Invention for which no equipment, supplies, facilities, or trade secret information of Employer was used and that was developed entirely on Employee's own time, unless (a) the Invention relates (i) directly to the business of Employer, or (ii) to Employer's actual or demonstrably anticipated research or development, or (b) the Invention results from any work performed by Employee for Employer. This **NOTICE Regarding Inventions** will be interpreted in a manner that complies with applicable state law.
- 5.4 Prior Inventions.** As to any Invention in which Employee has an interest at any time, if Employee uses or incorporates such an Invention in any released or unreleased Company X product, service, program, process, development, or work in progress, or if Employee permits Company X so to use or incorporate such an Invention, or if such an Invention pertains to Company X business, Employee irrevocably grants (to the extent Employee has authority to do so) a perpetual, royalty-

free, fully paid up, worldwide license to exercise any and all rights with respect to such Invention, including without limitation the right to protect, make, have made, import, use, and sell that Invention without restriction and the right to sublicense those rights to others (with the right to grant further sublicenses). This license will be exclusive, subject only to any preexisting non-exclusive licenses or other pre-existing rights not subject to Employee's control.

5.5 Assistance. Employee will execute all documents and take all other actions reasonably requested by Company X in order to carry out and confirm the assignments contemplated by this Agreement, including without limitation applications for patents, registered designs, certificates of authorship, and other instruments or intellectual property protections appropriate to protect and enforce intellectual property rights throughout the world. If Employee fails to execute, acknowledge, verify, or deliver any such document reasonably requested by Company X, Employee irrevocably appoints Company X and its authorized officers and agents as Employee's agent and attorney-in-fact to act in Employee's place to execute, acknowledge, verify, and deliver any such document on Employee's behalf. Employee's obligations under this Section 5.5 apply during employment and at all times thereafter.

6. DISCLOSURE OF RESTRICTIONS. Employee will disclose and provide a true and correct copy of this Agreement to any prospective new employer, business partner, or investor BEFORE accepting employment or engaging in any business venture. Employee authorizes Company X to provide a copy of this Agreement to any new or prospective employer, business partner, or investor of Employee.

7. GENERAL PROVISIONS.

7.1 Third Party Beneficiaries. All Company X entities, including without limitation Employer, are intended third party beneficiaries of Employee's covenants and promises in this Agreement, and have enforceable rights and remedies under this Agreement.

7.2 Waiver. No waiver of any right or obligation under this Agreement will be valid unless in writing and signed by an authorized officer of Company X. No waiver by Company X of any breach of this Agreement will be a waiver of any preceding or succeeding breach. No waiver by Company X of any right or obligation under this Agreement will be construed as a waiver of any other right or obligation. Company X will not be required to give prior notice to enforce strict adherence to all terms of this Agreement.

7.3 Governing Law and Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State of [Name of State], excluding its choice of law provisions. Each party irrevocably consents to exclusive jurisdiction and venue in the state and federal courts located in [Name of County and State] with respect to any action, claim, or proceeding arising out of or in connection with this Agreement, with the exception of requests for temporary or preliminary injunctive relief, which may be sought in any appropriate court with jurisdiction, but only if such relief could not be issued and made immediately binding against the party sought to be enjoined by the state and federal courts located in [Name of County and State].

7.4 Remedies. Any breach of this Agreement may cause Company X irreparable harm for which there is no adequate remedy at law. As a result, Company X will be entitled to the issuance by a court of competent jurisdiction of an injunction, restraining order, or other equitable relief in favor of itself, without the necessity of posting a bond, restraining Employee from committing or continuing to commit any such violation. Any right to obtain an injunction, restraining order, or other equitable relief under this Agreement will not be considered a waiver of any right to assert any other remedy Company X may have at law or in equity. Nothing in this Agreement will limit the remedies available to Company X. The restrictions in this Agreement are independent of any other provision

of this Agreement and will be enforceable whether or not Employee may have or purport to have any claim against Company X.

7.5 Modification of Restrictions; Severability. Should a court of competent jurisdiction find that any provision of this Agreement, or compliance by any of the parties with any provision of this Agreement, is unlawful or unenforceable, such provision will be treated as narrowed to the extent required to make it lawful and enforceable. If such modification is not possible, the unlawful or unenforceable provision will be severed from the Agreement and the remaining provisions will remain in full force and effect to the maximum extent consistent with applicable law. If Employee breaches any post-employment obligations to Company X set forth in Section 4 of this Agreement, the applicable duration of such obligation will be extended by a period of no less than the duration of the breaching conduct. This Agreement should be interpreted in a way that provides the maximum protection to Company X's Confidential Information and other business interests, and should not be interpreted against any party as its drafter.

7.6 Survival of Covenants. The covenants and promises contained in Sections 3 through 7 of this Agreement will survive after the Separation Date.

7.7 Assignment. This Agreement will bind and inure to the benefit of Employee and Company X, and their respective heirs, legal representatives, and permitted successors and assigns. The covenants and promises of Employee under this Agreement are unique and personal. Accordingly, Employee may not assign any of Employee's rights or duties under this Agreement. Company X, Inc. may assign this Agreement, without notice to Employee. Employee consents to such assignment and agrees and acknowledges that all terms and conditions of this Agreement will remain in effect after any such assignment.

7.8 Entire Agreement. This Agreement contains the **entire understanding** between Employee and Company X with respect to the subject matter of this Agreement, and there are no representations, warranties, promises, or undertakings other than those contained in this Agreement. No modification of or amendment to this Agreement (except by a court under Section 7.5) will be effective unless in writing and signed by both Employee and an authorized officer of Company X.

7.9 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be treated as an original, but all of which taken together will be treated as one and the same instrument.

8. EMPLOYEE REPRESENTATIONS REGARDING EXISTING OBLIGATIONS. Employee represents and certifies as follows: (a) Employee is not in possession or control of any document or other tangible thing that in any way constitutes confidential, proprietary, or trade secret information of any third party (including any former employer); (b) Employee is not subject to a non-competition agreement that precludes Employee's work for Company X; (c) Employee has identified all confidentiality, proprietary information, non-solicitation, or similar agreements or obligations Employee has with any third party, and Employee will not violate any such agreements or obligations in the course of Employee's work for Company X; and (d) Employee will not use or disclose any tangible or intangible information that constitutes a trade secret of any third party (including any former employer) in the course of Employee's employment, except pursuant to written authorization to do so (e.g., a technology license between Company X and the third party).

9. EMPLOYEE HAS READ AND UNDERSTOOD THE TERMS OF THIS AGREEMENT; RIGHT TO SEPARATE COUNSEL. Employee acknowledges with execution of this Agreement that: (a) Employee has carefully read all of this Agreement's terms and agrees they are necessary for the reasonable protection of the business of Employer and Company X; (b) Employer has been

induced to employ Employee by Employee's representation that Employee will abide by and be bound by each of the covenants and restraints in this Agreement; and (c) each and every covenant and restraint in this Agreement is reasonable. Employee acknowledges that Employee has been advised by Company X that Employee is entitled to have this Agreement reviewed by counsel of Employee's choice, and has either done so or elected to forgo such right.

HAVING READ AND FULLY UNDERSTOOD THIS AGREEMENT, a copy of which has been provided to Employee, the parties execute this Agreement.

COMPANY X, INC.

EMPLOYEE

Signature: _____
Name: [Name]
Title: Vice President, Human Resources

Signature: _____
Name: _____
Date: _____