

RESTRICTIVE COVENANT AGREEMENT

This Agreement is made between Glasgow Coach Drivers Limited (The Company) of 114 Lunderston Drive, Glasgow, G53 6BS and <.....> (The Employee).

The Employee agrees to be bound by the restrictive covenants set out in this Agreement, and further agrees that this Agreement forms part of, and is incorporated into, their contract of employment with the Company.

DEFINITIONS

"Restricted Business" shall mean any business or activity carried on by the Company at any time during the Relevant Period and in which the Employee shall have been directly concerned during the Relevant Period.

"Restricted Clients" shall mean any person, firm or company or other organisation or entity who was at any time in the Relevant Period a client of the Company.

"Prospective Clients" shall mean any person, firm, company or other organisation or entity who at the date of termination of the Employee's employment with the Company engaged in negotiation with the Company with a view to engaging the Company's services.

"Relevant Period" shall mean the 12 month period preceding the date of termination of the Employee's employment with the Company, ending on that date.

CLAUSE 1

NON-SOLICITATION AND NON-DEALING COVENANTS

A) Of existing clients:

The Employee shall not, during the period of 12 months after the date of termination of his/her employment with the Company, directly or indirectly on his/her account or on behalf of or in conjunction with any person, firm, company or other organisation or entity either:-

- a) conduct Restricted Business; or
- b) canvass or solicit or by any other means seek to conduct Restricted Business

with any client with whom the Employee shall have had material dealings in the course of his/her duties during the Relevant Period.

B) Of prospective clients:

The Employee shall not during the period of 12 months after the date of termination of his/her employment with the Company, directly or indirectly on his/her own account or on behalf of or in conjunction with any person, firm, company or other organisation or entity either:-

- a) conduct Restricted Business; or
- b) canvass or solicit or by any other means seek to conduct Restricted Business

with any company with whom the Employee shall have had material dealings in the course of his/her duties during the Relevant Period.

CLAUSE 2
CONFIDENTIALITY

The Employee shall not make use of, divulge or communicate to any person (save in the proper performance of his/her duties) any trade secrets or other confidential information of or relating to the Company, or that of other persons or bodies with whom the Company has dealings of any sort, which the Employee may have received or obtained, or has otherwise been acquired by them in confidence, whilst in the employment of the Company. The restriction shall continue to apply after the termination of employment without limit in point of time but shall cease to apply to information ordered to be disclosed by a Court of competent jurisdiction or otherwise required to be disclosed by law.

Confidential information shall include but shall not be limited to 'customer information'. 'Customer information' includes information relating to:-

- a) the names or addresses or telephone numbers of the Company's customers and/or the employees of such customers with whom the Company has had contact.
- b) the requirements of such customers for transport/driving services.

The Employee is to exercise reasonable care to keep safe all documentary or other material containing confidential information, and shall at the time of termination of their employment with the Company, or at any other time upon demand, return to the Company any such material in their possession.

CLAUSE 3
COPYRIGHT

All written material, whether held on paper, electronically or magnetically which was made or acquired by the Employee during the course of employment with the Company, is the Company's property and copyright.

At the time of termination of employment with the Company, or at any other time upon demand, the Employee shall return to the Company any such material in their possession.

CLAUSE 4
NON-POACHING OF EMPLOYEES

The Employee shall not either during his/her employment with the Company or during the period of 12 months after the date of termination of his/her employment, directly or indirectly induce or seek to induce any driver or employee who was employed by the Company at the date of termination of the Employee's employment and with whom they had material contact/dealings to leave the employment of the Company, whether or not this would constitute a breach of contract on the part of the aforementioned other employee.

CLAUSE 5
PREVENTION OF EMPLOYMENT BY CLIENTS

The Employee shall not during the period of 12 months after the date of termination of his/her employment with the Company directly or indirectly be engaged or employed by any Restricted Client with whom the Employee shall have had material dealings in the course of his/her duties during the Relevant Period.

CLAUSE 6
NON COMPETITION

A) The employee hereby undertakes with the Company that they will not at any time after the termination of their employment in the course of carrying on any trade or business, claim, represent or otherwise indicate any association with the Company, or for the purpose of carrying on or retaining any business or custom, claim, represent or otherwise indicate any past association with the Company to its detriment.

CLAUSE 7
INTELLECTUAL PROPERTY

It is anticipated that in the course of your duties you may make or discover intellectual property and in this respect you have a special obligation to further the interests of our company.

Intellectual property includes patents, registered or unregistered trade marks and designs, utility models, copyrights, including design copyrights, applications for any of the foregoing and the right to apply for them in any part of the world, discoveries, creations, inventions or improvements upon or additions to an invention, confidential information, know-how and any research relating to the above, business names, whether registerable or not, moral rights and any similar rights in any country.

Subject to the provisions of the Patents Act 1977 and the Copyright, Designs and Patents Act 1988, if any time during your employment you make or discover or participate in the making or discovery of any intellectual property relating to or capable of being used in the business carried on by us, you must communicate the details forthwith to us and such intellectual property will be the absolute property of us. At our request and expense, you must give and supply all such information, data, drawings and assistance as may be necessary to enable us to exploit the intellectual property to best advantage, and must execute all documents and do such things as may be necessary or desirable for obtaining patent and other protection for the intellectual property in such parts of the world as may be specified us and for vesting the same in our company or as we may direct.

You irrevocably appoint our company in your name and on your behalf to sign and execute such instruments and do such things and generally to use your name for the purposes of giving to us (or our nominees) the full benefit of the provisions of this clause. A certificate in writing signed by us that an instrument or act falls within the authority conferred by this clause will be conclusive evidence that such is the case.

If while in the employment of our company you make, or discover intellectual property which does not become the property of our company then, subject to the provisions of the Patents Act 1977, we will have the right to acquire for ourselves or our nominee your right therein on fair and reasonable terms, to be agreed or settled by a single arbitrator appointed by the President of Chartered Institute of Arbitrators who shall adjudicate at our joint expense.

The rights and obligations arising under this clause will continue to have full force and effect after your employment has terminated and will be binding upon your representatives.

SEVERABILITY CLAUSE

Each of the restrictions contained in this Restrictive Covenant Agreement is intended to be separate and severable. In the event that any of the restrictions set out above shall be held to be void, then its/their deletion shall not affect the remainder of this Agreement, whose restrictions shall continue to apply with such deletion as may be necessary to make it valid and effective.

Signed:
(The Employee)

Signed:
On behalf of (The Company)

Name:
(Print)

Name:
(Print)

Dated:

Dated:

NOTE TO CLIENTS (Re: "Sample" Restrictive Covenant document)

Whilst Glasgow Business Solutions has taken care in the drafting of this Restrictive Covenant, its ultimate enforcement by your organisation against employees who are in breach of its terms would be dealt with in a Civil Court and there is no guarantee that at that time it will afford the protection you require, with the uncertain nature of such matters, developing case law precedence, and dependent upon the views of the Court on the day. Clearly it is better to have a clause of this nature because of the deterrent effect it has on employees considering competing with you once they had left your employment. However, you need to be aware of its potential limitations and that consequently Glasgow Business Solutions cannot be held liable for any losses you may face if this clause is deemed not enforceable in any particular circumstances.