pAI

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Policy Title: Non-Compete & Post-Employment Restrictions Policy

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9. Purpose

This policy outlines pAI’s requirements regarding non-compete, non-solicitation, and other post-employment restrictions that may apply to certain employees. Its purpose is to protect pAI’s legitimate business interests, including confidential information, trade secrets, client relationships, and intellectual property, both during and after an employee’s tenure.

1. Scope

This policy applies to all pAI employees globally, particularly those in roles with access to sensitive confidential information, strategic plans, client relationships, or specialized knowledge. The enforceability and specific terms of non-compete and other restrictions are subject to local legal requirements and individual employment contracts or agreements.

1. Definitions

| **Term** | **Definition** |
| --- | --- |
| **Confidential Information** | Any non-public information related to pAI’s business, including but not limited to, trade secrets, proprietary technology, client lists, business strategies, and financial data (See Policy HR-13). |
| **Legitimate Business Interests** | Protectable interests of pAI, such as trade secrets, confidential information, goodwill, customer relationships, and specialized training provided to employees. |
| **Non-Compete Clause** | A contractual provision that restricts an employee from working for a competitor or starting a competing business for a specified period after leaving pAI. |
| **Non-Solicitation (Clients)** | A contractual provision that restricts a former employee from soliciting or doing business with pAI’s clients for a specified period after leaving pAI. |
| **Non-Solicitation (Employees)** | A contractual provision that restricts a former employee from soliciting or recruiting pAI employees for a specified period after leaving pAI. |
| **Post-Employment Restrictions** | Contractual obligations that limit a former employee’s activities after their employment with pAI ends, including non-compete, non-solicitation, and confidentiality. |
| **Proprietary Information** | Information that is owned by pAI and is not generally known outside the company, providing pAI with a competitive advantage. |
| **Trade Secrets** | Confidential business information that provides a competitive edge and is protected by law. |

1. Policy Statement

4.1 pAI shall implement reasonable and legally enforceable post-employment restrictions to protect its legitimate business interests, including its confidential information, trade secrets, client relationships, and employee base.

4.2 Employees in designated roles may be required to sign employment agreements containing non-compete, non-solicitation, and confidentiality clauses as a condition of their employment.

4.3 All employees, regardless of specific contractual clauses, are bound by the general duty of confidentiality regarding pAI’s proprietary and confidential information, both during and after their employment (See Policy HR-13).

4.4 pAI will enforce these restrictions diligently, consistent with applicable laws and the specific terms of individual agreements.

1. Procedures / Guidelines

5.1 Applicability of Restrictions

5.1.1 Roles Subject to Restrictions: Post-employment restrictions, particularly non-compete and non-solicitation clauses, are typically applied to employees in roles where they:

\* Have access to highly sensitive confidential information or trade secrets.

\* Develop or manage key client relationships.

\* Possess specialized knowledge critical to pAI’s competitive advantage.

\* Hold senior leadership or strategic positions.

5.1.2 Employment Agreements: Employees in such roles will be informed of and required to sign specific employment agreements or clauses outlining these restrictions upon hire or promotion to an eligible role.

5.1.3 Local Law Compliance: The specific terms, duration, and geographic scope of all restrictions will be drafted to comply with the enforceability requirements of the relevant local jurisdiction.

5.2 Types of Post-Employment Restrictions

5.2.1 Confidentiality:

\* All employees are permanently bound by confidentiality obligations regarding pAI’s confidential and proprietary information (See Policy HR-13). This obligation survives the termination of employment indefinitely.

\* Employees must not use, disclose, or retain any pAI confidential information after their employment ends.

5.2.2 Non-Compete:

\* A non-compete clause restricts a former employee from working for a direct competitor of pAI or starting a competing business.

\* The clause will specify a reasonable duration (e.g., 6-12 months) and a defined geographic scope, tailored to the employee’s role and the competitive landscape.

\* Enforceability varies significantly by jurisdiction; pAI will only include such clauses where legally permissible and enforceable.

5.2.3 Non-Solicitation (Clients):

\* This clause restricts a former employee from soliciting or diverting pAI’s clients or prospective clients with whom they had material contact during their employment.

\* The restriction typically applies for a specified period (e.g., 12-24 months) after employment ends.

5.2.4 Non-Solicitation (Employees):

\* This clause restricts a former employee from soliciting or recruiting pAI employees to leave pAI for another employer.

\* The restriction typically applies for a specified period (e.g., 12-24 months) after employment ends.

Table 1 – Overview of Post-Employment Restrictions

| **Restriction Type** | **Purpose** | **Typical Duration (Post-Employment)** | **Key Considerations for Enforceability (varies by law)** |
| --- | --- | --- | --- |
| **Confidentiality** | Protect pAI's sensitive non-public information. | Indefinite | Broadly enforceable; fundamental duty. |
| **Non-Compete** | Prevent former employees from using pAI's knowledge/relationships to directly compete. | 6-12 months | Reasonableness of scope, duration, geography. |
| **Non-Solicitation (Clients)** | Protect pAI's client relationships. | 12-24 months | Limited to clients employee had contact with. |
| **Non-Solicitation (Employees)** | Prevent former employees from poaching pAI's talent. | 12-24 months | Reasonableness of scope. |

5.3 Review Upon Exit

5.3.1 Upon an employee’s departure (See Policy HR-19), HR and Legal will review the employee’s employment agreement to identify any applicable post-employment restrictions.

5.3.2 The departing employee will be reminded of their ongoing obligations during the exit process, including the return of company assets and confidentiality (See Policy HR-19, Section 5.4).

5.4 Enforcement

5.4.1 pAI is committed to enforcing its post-employment restrictions to the fullest extent permitted by law.

5.4.2 If pAI believes a former employee has violated their contractual restrictions, the company will investigate and may pursue legal action, including seeking injunctions and damages.

1. Responsibilities

| **Role** | **Obligation** |
| --- | --- |
| **Human Resources** | Identify roles requiring post-employment restrictions. Ensure relevant clauses are included in employment agreements. Remind departing employees of their obligations. |
| **Legal Department** | Draft and review all post-employment restriction clauses to ensure enforceability and compliance with local laws. Advise on enforcement actions. |
| **Managers / Supervisors** | Understand the restrictions applicable to their team members. Report any suspected breaches of restrictions by former employees. |
| **Employees** | Understand and comply with all post-employment restrictions outlined in their employment agreements and this policy. |

1. Compliance & Consequences

7.1 Adherence to non-compete and other post-employment restrictions is a legal and contractual obligation for relevant employees.

7.2 **Breach of Restrictions:** Any breach of non-compete, non-solicitation, or confidentiality clauses by a former employee will be considered a serious violation of their contractual obligations.

7.3 **Legal Action:** pAI will pursue all available legal remedies, including but not limited to, injunctive relief, monetary damages, and recovery of legal fees, against individuals who violate these restrictions.

7.4 **Impact on Future Employment:** Violations may also negatively impact a former employee’s future employment prospects.

1. Review & Revision History

| **Version** | **Date** | **Description** | **Author** |
| --- | --- | --- | --- |
| 1.0 | 2025-07-01 | Initial release | HR Director |