

SMITH ANDERSON

EMPLOYMENT AGREEMENTS: A CHECKLIST

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DO THE POTENTIAL BENEFITS OUTWEIGH THE POTENTIAL DISADVANTAGES?

Advantages: Execution of confidentiality, noncompete, intellectual property assignment and company property provisions and at-will disclaimer.

Disadvantages: Potential loss of flexibility to change position, compensation or benefits, or loss of at-will status through inartful drafting.

CONTENTS

- One-sided agreement:
 - Confidentiality provision
 - Non-competition provision
 - Intellectual property assignment
 - Company property provision
 - At-will disclaimer

- General agreement:
 - Position (reserve right to reassign position/location)
 - Salary and benefits (reserve right to change; benefits subject to terms, conditions, eligibility requirements of applicable plans)

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- Termination provisions (at-will versus for cause as determined by the company in its sole discretion)
- Sole agreement; supersedes all others, verbal or written; modifications only in writing signed by both parties.