

HIGH

Overall severity

Summary

This employment contract contains several heavily one-sided clauses that expose you to significant financial and legal risk, including a 24-month non-compete across the entire EU with a €35,000 penalty, unilateral IP assignment extending 12 months after you leave, and the employer's right to unilaterally change your pay or role. This report is an informational preview, not legal advice.

Red-flag findings

[HIGH] 1. 24-month EU-wide non-compete with €35,000 penalty

“For TWENTY-FOUR (24) MONTHS following termination of employment for any reason, Employee shall not, directly or indirectly, engage in any business activity that competes with Company anywhere in the European Union, under penalty of EUR 35,000 per violation plus injunctive relief.”

You cannot work for any competing business anywhere in the EU for two years after leaving, even if fired without cause. Each violation costs €35,000 plus court orders to stop. This is extremely broad—'competes with Company' is undefined and could block many tech roles. Most EU jurisdictions view 24 months as excessive and unenforceable, but defending yourself in court costs money.

Question to ask: What specific business activities does 'competes with Company' include, and has the company defined the scope of its own business?

[HIGH] 2. IP assignment extends 12 months post-employment

“Employee hereby assigns to Company all right, title and interest in any intellectual property, invention, work of authorship or know-how created, conceived or reduced to practice during employment OR within the TWELVE (12) MONTHS following termination, regardless of whether such work relates to Company business or was developed outside working hours using personal resources.”

Any code, design, or invention you create in your spare time for a full year after you quit belongs to the company, even if it has nothing to do with your job. A side project developed on your own laptop after you resign could be owned by them. This is highly unusual and likely unenforceable in many EU countries, but you'd need to fight it.

Question to ask: Can you negotiate an exception for personal projects developed outside work hours on your own equipment that do not use Company resources or confidential information?

[HIGH] 3. Employer can unilaterally cut pay or change role

“Company reserves the right to modify any term of this Agreement, including compensation, working hours, reporting line and role, at any time by written notice to Employee. Continued performance of duties after such notice shall constitute acceptance.”

The company can reduce your salary, change your job title, or extend your hours without negotiation. You either accept silently by showing up to work, or you quit and lose your job. You have no formal right to object or renegotiate. This heavily favors the employer.

Question to ask: Would you agree to a clause requiring your written consent before any salary reduction or material change to role and reporting line?

[HIGH] 4. Three-month resignation notice with salary forfeiture penalty

“Employee must provide not less than THREE (3) MONTHS written notice of resignation; failure to do so shall result in forfeiture of the final month's salary and pro-rata bonus.”

You must give 90 days' notice to resign, but the company can fire you immediately for any reason. If you resign with less notice (e.g., for a better job starting in 4 weeks), you lose your last month's pay. This is asymmetrical: the company has no matching obligation to you.

Question to ask: Would the company agree to a mutual notice period (e.g., 4 weeks from either side) or reciprocal severance if they terminate without cause?

[MEDIUM] 5. Governing law in British Virgin Islands, not local jurisdiction

“This Agreement shall be governed exclusively by the laws of the British Virgin Islands, and any dispute shall be resolved in the courts of Road Town, Tortola.”

Any disagreement must be resolved under BVI law in a Caribbean court, likely requiring expensive travel and foreign legal counsel. This is unusual for an EU employment contract and may violate mandatory employment-law protections in your home country. EU employment law often cannot be waived by choosing foreign governing law.

Question to ask: Is the company willing to use your home country's courts and employment law, or at minimum an EU jurisdiction?

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