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Martial Arts Leadership Training Association



EMPLOYEE HANDBOOK



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I. WELCOME

WELCOME ABOARD!

We are pleased that you have decided to join our group. We would like to take this opportunity, through the use of this Employee Handbook, to personally welcome you and introduce you to some of our policies and procedures.

We hope that you'll see your new position as not only a job, but also a career. Our Mission is to Empower lives through Martial Arts via Black Belt Excellence. So that we continually make a difference in our community and our country.

Again, welcome to our family. We're proud to have you with us.

Sincerely,

H. David Clements
Martial Arts Leadership Training Association
6th Degree Professional Black Belt
Master Instructor



EMPLOYEE HANDBOOK

This employee handbook has been prepared to help familiarize new employees with some of Martial Arts Leadership Training Association's guidelines, policies and procedures. It also outlines many of the benefits and services provided to you as an employee. This handbook does not include all Company guidelines, policies and procedures. Should you have any questions, please discuss them with your School Manager.

Martial Arts Leadership Training Association reserves the right to revise its policies, programs and benefit plans at any time, without advance notice. Martial Arts Leadership Training Association also reserves the right to make individual exceptions to these policies and procedures. Any exception granted by Martial Arts Leadership Training Association is not intended to prevent and does not restrict its right to insist on adherence to the policy or practice in the future. Violation of any of Martial Arts Leadership Training Association's policies and/or procedures may result in disciplinary action up to and including termination.

EMPLOYMENT STATUS

The policies and procedures presented in this handbook are in no way to be interpreted or construed as a contract of employment or guarantees of continued employment for any specific period of time. No verbal communication or written document will provide such a contract, assurance, or guarantee unless specified in writing and signed by a Company official who is authorized to enter into such agreement.

Your compensation, hours of employment, and all other terms and conditions of employment are subject to modification by Martial Arts Leadership Training Association at its discretion. This information is confidential and should never be discussed with another employee.

We recognize that you have voluntarily joined Martial Arts Leadership Training Association, your employment is "at will", and that you are free to discontinue your employment at any time and for any reason. Martial Arts Leadership Training Association reserves a similar right. Therefore, both you and Martial Arts Leadership Training Association have the right to terminate your employment at any time, with or without advance notice and with or without cause.

An employee providing false, incomplete or misleading information on the employment application or at any time in the employment process will be subject to immediate dismissal.

EVALUATION PERIOD

The first three (3) months of employment is considered an evaluation period. During this time a manager will continuously evaluate the employee's performance, attendance, attitude, and conduct to determine compatibility with the requirements of the position. Should an employee's performance, attendance, attitude, or conduct not meet the Standards, they will be released from employment. Release or voluntary resignation during this period will not have an adverse effect on an employee's records. Upon successful completion of the evaluation period, full-time employees will be eligible for certain benefit programs on the first day of the following month.



II. OPERATING

II. 1. STANDARDS OF CONDUCT

Martial Arts Leadership Training Association is committed to conducting its business affairs honestly and with integrity. This commitment applies to our relationships with competitors, customers, vendors and employees. Each employee must maintain the highest standards of personal and professional ethics. These rules, practices and policies concerning conduct and behavior (“Standards”) are instrumental to the continued success of Martial Arts Leadership Training Association.

An employee should not conduct business that is not in the full spirit of honest and ethical behavior, nor should an employee cause another employee, or non-employee, to act or behave in such a manner, either through inducement, suggestion, or coercion. Furthermore, an employee should not furnish Company, employee or competitor information to any individual, business or entity without first consulting with and acquiring the approval of their manager.

Each employee is expected to report dishonest activities by other employees to their manager. Failure to report such activities is considered a violation of the Standards. Knowingly submitting false information is also considered a violation of the Standards.

Initiating or encouraging reprisal action against an employee or other person who, in good faith, reports known, or suspected Standards violations is prohibited.

II. 2. EMPLOYEE CONDUCT AND WORK PERFORMANCE

Employees are expected to conduct themselves in a professional manner at all times; demonstrating a positive attitude, respect for co-workers, our customers and their property.

The following guidelines have been developed to communicate the Standards of Martial Arts Leadership Training Association. Each employee is expected to:

- Report to work punctually, as scheduled, and be at the assigned workstation, ready for work, at the assigned starting time;
- Notify the appropriate manager when unable to report to work, or unable to report for work on time;
- Actively work during all work hours;
- Comply with all performance/conduct and safety/security policies and procedures;
- Wear appropriate business attire/uniform for and in accordance with the work being performed;
- Perform assigned tasks efficiently and correctly;
- Address fellow employees, customers and visitors in a professional, courteous and respectful manner;
- Maintain workplace and work area cleanliness;
- Refrain from behavior or conduct deemed offensive or undesirable;
- Obtain approval from a manager before removing any Company property for Company or personal use.



The following definitions and classifications are examples of violations for which corrective counseling or other disciplinary action may be taken.

Examples of performance issues include, but are not limited to:

- Excessive absenteeism, tardiness or failure to come to work;
- Failure to meet performance and work quality standards;
- Abusive or unauthorized use of Company supplies and equipment;
- Failure to adhere to safety/security regulations, procedures and policies;
- Reckless driving, including speeding, while operating company vehicles;
- Unauthorized use of company vehicles;
- Failure to immediately report an accident or job-related injury.

Examples of inappropriate behavior and misconduct include, but are not limited to:

- Reporting to work intoxicated / under the influence of alcohol or non-prescribed drugs;
- Possession or use of alcoholic beverages on Company property;
- Consumption of alcoholic beverages while engaged in Company business or while in Company uniform, except where authorized;
- Falsifying employment or any other Company records;
- Submitting a fraudulent injury claim;
- Failure to maintain the confidentiality of Company information or business records;
- Discrimination;
- Harassment, sexual or otherwise;
- Solicitation of outside work from customers;
- Fighting or otherwise physically assaulting another employee, customer or vendor;
- Use of obscene, abusive, or threatening language and/or gestures;
- Theft or misappropriation of property from co-workers, customers, Martial Arts Leadership Training Association or visitors of Martial Arts Leadership Training Association;
- Misuse, abuse or destruction of Company property;
- Gambling on Company property;
- Possession, sale or use of firearms or other weapons on Company premises or while on Company business;
- Refusal to follow management's directions or instructions concerning any job-related function;
- Insubordination;
- Deliberate concealment of another employee's misconduct;
- Posting, removing or defacing notices, signs or writings on Company property without proper permission;
- Embezzlement/theft of any money or property belonging to Martial Arts Leadership Training Association;
- Violation of or failure to adhere to the rules of operation or conduct established by Martial Arts Leadership Training Association;
- Any behavior or practice, whether or not mentioned in this Handbook, consistent with the ordinary and reasonable conduct necessary for a productive work atmosphere.

From time to time, each employee's performance will be evaluated. A sample performance evaluation is included in the appendix of this handbook. This sample evaluation is intended only as a guide.



Martial Arts Leadership Training Association, at its sole discretion, reserves the right to modify all evaluation forms. Martial Arts Leadership Training Association also reserves the right to utilize other performance evaluation forms or methods.

II. 3. AVAILABILITY FOR WORK

Employees are hired, in part, based on their availability to work. If, for any reason, there is a change in an employee's availability, Martial Arts Leadership Training Association should be notified in writing at least ten days prior to the change. Martial Arts Leadership Training Association will make a reasonable attempt to modify the employee's work schedule.

II. 4. ABSENTEEISM AND PUNCTUALITY

Employees must notify the proper management personnel when they will be absent from or late to work. In the event of an unexpected emergency, management should be notified as early as possible.

Calls from individuals other than the employee will not be accepted as appropriate notice unless approved by management.

II. 5. PERSONAL APPEARANCE

Employees are expected to dress appropriately for their position and work environment. If you have any questions concerning appropriate attire, contact your manager.

The following guidelines are intended to assist the employee in meeting Company standards for cleanliness and personal appearance:

- All employees are required to maintain the highest standards relating to personal hygiene including regular bathing, clean hands and fingernails.
- A clean-shaven appearance is required. Facial hair is permissible in the form of a mustache, closely groomed beard and sideburns.
- Jewelry is permissible when it will not interfere with your safety or job performance.
- Because of frequent contact with customers, personal items such as pins, badges, emblems or buttons may not be worn on uniforms or work attire during business hours unless they are Company issued.
- The use of colognes for both men and women, and cosmetics for women (including hair coloring, nail polish, face makeup) should be subtle and in good taste.

If you have any questions about these standards or difficulty in meeting them, you are encouraged to discuss your concerns with your supervisor

II. 6. NEATNESS OF WORK AREA

It is Martial Arts Leadership Training Association's policy to keep all areas of the business neat, clean and professional in appearance.



Each employee is responsible for keeping his/her personal work area clean and uncluttered.

Inappropriate or distasteful pictures, posters or calendars are not permitted on Company property.

II. 7. COMMUNICATION - PROBLEM RESOLUTION

The cornerstone of effective communication is the employee-supervisor relationship. If an employee has a problem or concern, he or she should discuss it with their immediate supervisor.

If, after discussing the problem or concern with the supervisor, the employee feels that their problem or concern was not properly addressed, they should contact their School Manager.

II. 8. EMPLOYEE RELATIONS

Having complete confidence in its management staff and employees, Martial Arts Leadership Training Association is confident that any issues that arise in the workplace will be handled fairly and professionally without the intervention of outside parties.

Management personnel are not obligated to, and will not, discuss with an outside party any matter or issue between Martial Arts Leadership Training Association and an employee.

II. 9. DISCIPLINARY GUIDELINES

An employee's failure to follow these rules, practices, policies, guidelines or other Company standards or policies not specifically mentioned in this Handbook will result in disciplinary action. Any action taken will be at the sole discretion of Martial Arts Leadership Training Association. Disciplinary action options include informal or verbal counseling, written counseling, suspension and termination of employment

II. 10. USE OF COMPANY VEHICLES

All Company vehicles are to be used for Company business only.

Employees should use their personal vehicle for Company business only when a company vehicle is not available.

II. 11. CONFLICTS OF INTEREST

A conflict of interest exists when an employee engages in any activity that may compromise him/her, another employee, Martial Arts Leadership Training Association or Martial Arts Leadership Training Association's relationship with a customer, vendor, or competitor. Potential conflicts of interest with a customer, vendor, or competitor may include soliciting business for personal gain, accepting gifts other than those of nominal value, requesting favors, discounts or services.



Employees are required to disclose any potential conflict of interest. Failure to disclose a potential conflict of interest or engaging in a practice determined to be a conflict of interest may result in disciplinary action up to and including termination.

II. 12. CONFIDENTIALITY OF COMPANY INFORMATION

Safeguarding Martial Arts Leadership Training Association's confidential information, including systems, software, procedures and technology is essential. Caution and discretion are required in the use of such information. Confidential information should be shared only with those in Martial Arts Leadership Training Association having a legitimate business need to know.

Confidential information obtained as a result of employment with Martial Arts Leadership Training Association is not to be used for personal gain. Unauthorized use or disclosure of confidential information can result in civil and/or criminal penalties, for both the employee and Martial Arts Leadership Training Association.

Inquiries regarding current or former employees should be referred to Human Resources.

II. 13. SAFETY

Great care has been taken to provide a safe workplace, including monitoring and complying with both federal and state laws and regulations.

Specific safety and health rules will be posted. All employees are required to be familiar with Martial Arts Leadership Training Association's safety rules and/or policies. Each employee is responsible for remaining aware of and following safe working practices/procedures. Failure to follow safety and health rules may result in disciplinary action up to and including termination.

A brief review of these guidelines:

- Report any unsafe conditions or practices immediately to your supervisor;
- Report all personal injuries to your supervisor immediately;
- Alert your supervisor if you become sick while at work;
- Employees are required to keep their work area clean and free from hazard;
- Never remove guards or safety devices from equipment. Report any broken or missing devices immediately;
- Smoking is prohibited except in designated areas.

II. 14. VIOLENCE AND WEAPONS POLICY

Any and all acts or threats of violence by or against any Company employee, customer, vendor, or other visitor to Martial Arts Leadership Training Association's facilities are strictly prohibited. This policy applies to all Company employees whether on or off Company property.

Possession or use of any and all weapons, including but not limited to, knives, handguns and martial arts weapons, regardless of licensure or concealment, is prohibited on Company property. The exceptions to this policy: contracted, licensed security officers and law enforcement officers.



Company employees are prohibited from possessing or using a weapon of any type while conducting off-site business on behalf of Martial Arts Leadership Training Association.

II. 15. WORKPLACE MONITORING AND SEARCHES

Company property, including but not limited to, desks, lockers, computers, files, e-mail, toolboxes and other property owned or operated by Martial Arts Leadership Training Association is subject to monitoring, interception and review. Reasons for monitoring, interception and review include, but are not limited to, theft investigation, improper disclosure of confidential or proprietary information, personal abuse or monitoring workflow and productivity.

Computers, e-mail and other communications systems are to be used for business purposes only.

Any attempt to gain access to restricted files by use of unauthorized codes or passwords is prohibited and will subject the employee to disciplinary action up to and including termination.

All communications conducted with Company resources, including e-mail, are subject to monitoring and review at any time.

Martial Arts Leadership Training Association retains the right to conduct searches of Company property at any time. A search of Company property is not an allegation or accusation of criminal conduct.

Martial Arts Leadership Training Association also retains the right to search any locked or secured areas on the premises. This includes the use of computer pass codes, which must be available to Martial Arts Leadership Training Association at all times.

When Martial Arts Leadership Training Association determines the safety of individuals or Company property may be at risk, Martial Arts Leadership Training Association may, at its sole discretion, conduct unannounced searches of Company property as well as an employee's personal property on Company premises. These searches may include Company lockers and vehicles. Employees are expected to cooperate when searches are conducted. Searches may occur at any time.

II. 16. SUBSTANCE ABUSE

Each employee is required to perform his/her duties unimpaired by any legal or illegal substance. Substance abuse includes the possession, use, purchase, manufacture or sale of drugs and/or alcohol on company property. Substance abuse also includes reporting to work or operating a company owned, leased or rented vehicle under the influence of drugs or alcohol. Violation of this policy will result in disciplinary action up to and including termination.

Any employee reporting to work impaired will not be allowed to work and will be subject to drug and/or alcohol testing. Employees who voluntarily admit to substance abuse problems, prior to Martial Arts Leadership Training Association identifying a problem, and request assistance from a rehabilitation program will be granted an unpaid leave of absence, up to three months, to participate in the rehabilitation program. A leave of absence for this purpose will be available one time only and will be conditional upon the employee's full compliance with the terms of the rehabilitation program. Any benefits for which the employee may have been eligible will continue in accordance with the Leave of



Absence Policy. However, seniority will not continue to accrue for benefits Eligibility purposes during the rehabilitation period.

Legally prescribed medications/drugs may be taken during working hours. Employees should notify their supervisors if the use of prescribed medications/drugs might affect their performance. Abuse of prescription medications/drugs will not be tolerated.

Martial Arts Leadership Training Association may conduct pre-employment screening examinations designed to prevent the hiring of individuals who use illegal drugs.

In certain jobs or positions, an employee's use of alcohol and/or drugs can pose a significantly higher risk to the safety of the employee, co-workers or Company property. Accordingly, as a condition of employment, applicants for these designated positions will be required to take a pre-employment physical, including a test for the presence of illegal drugs or alcohol. Refusal to submit to the test within the time specified may result in termination of the application process.

Martial Arts Leadership Training Association will also conduct drug and alcohol testing if and when there is reasonable cause to suspect an employee is under the influence of drugs and/or alcohol while on Company property. An employee's refusal to submit to the test at the time requested may result in disciplinary action up to and including termination.

Any employee involved in a work-related accident may, at Martial Arts Leadership Training Association's discretion, be required to consent and submit to a drug and/or alcohol test(s) immediately thereafter, but in no case later than thirty-two (32) hours after the accident. If, due to injuries, the employee cannot submit to testing within the prescribed time, the employee will provide Martial Arts Leadership Training Association with necessary authorization required to obtain hospital reports and other documents that would indicate the presence or non-presence of any drugs and/or alcohol in the employee's system at the time of the accident.

Martial Arts Leadership Training Association may report information with regards to possession, distribution or use of illegal drugs to law enforcement officials. Also, any suspect substances found during a search of Company property or an employee's personal property on Company premises may be turned over to law enforcement officials. Employees convicted of drug or alcohol involvement may be considered to be in violation of Martial Arts Leadership Training Association Substance Abuse Policy.

Company, customer or supplier sponsored activities which may include the service of alcoholic beverages are not included in this policy. However, all employees are viewed as representatives of Martial Arts Leadership Training Association, whether at work or participating in these events. Martial Arts Leadership Training Association expects that such consumption will be in moderation so as not to reflect negatively on Martial Arts Leadership Training Association's professional reputation or expose Martial Arts Leadership Training Association to undue legal liability. An employee should not operate a motor vehicle or otherwise engage in any hazardous activity if the alcohol consumed would impair their ability to safely perform those functions.

II. 17. SOLICITATION AND CONTRIBUTIONS



Solicitation and distribution of materials on Company premises is prohibited without the prior approval of management. Employees may request permission to solicit other employees during non-working hours and in non-working areas of Martial Arts Leadership Training Association.

Any request to solicit or sell on Company premises must be referred to your supervisor, manager or the School Manager for approval prior to solicitation. Management may designate a time and area in which solicitation may occur.

II. 18. COMPANY PROPERTY

All desks, file cabinets, computers, furniture, etc. are the property of Martial Arts Leadership Training Association and must be accessible to management at all times. The use of personal locks on Company offices, furniture, file cabinets or other property is not permitted.

Martial Arts Leadership Training Association assumes no liability for personal property including electronic equipment, tools, toolboxes, etc. brought onto Company premises or parking lots.

II. 19. OFFICE EQUIPMENT

Fax machines, copiers, computers, and other office equipment are for Company business use only and should not be removed from the premises without the expressed consent of Martial Arts Leadership Training Association.

II. 20. TOOLS AND EQUIPMENT

Martial Arts Leadership Training Association provides specialized equipment when needed. Much of this equipment is designed to perform a specific task easier and faster than it could be done manually. This equipment should only be used for the purpose designed.

Any employee abusing Company tools and equipment will be subject to disciplinary action, up to and including termination.

II. 21. MANDATORY MEETINGS

Employees are required to attend periodic employee or crew meetings. These meetings are held to discuss team performance, policies, procedures, new products, events, promotions, etc.

II. 22. PERSONAL TELEPHONE CALLS

We must maintain communications with our customers and business associates. Se the telephone is our primary method of communication; it is necessary to limit its use to Company business only.



Accordingly, the telephones should not be used for personal telephone calls except in cases of emergency.

Except in the case of an emergency, employees are asked to discourage friends and relatives from calling them at work. Personal phone calls should be made during lunch or break periods.

II. 23. PERSONAL MAIL

Employees should not use Martial Arts Leadership Training Association's address for personal business including the delivery of personal mail.

Company stationery should not be used for personal correspondence. Any communication sent out on Company stationery must be official Company business.

II. 24. SEVERE WEATHER

Martial Arts Leadership Training Association will be open for business on all regularly scheduled days, regardless of weather conditions. Every attempt should be made to report to work if weather conditions permit. Employees should notify their manager as soon as possible if they will be absent from or late for work. Your manager may approve late arrivals or early departures if it is determined that you made an effort to report to work for a full day.

II. 25. SUGGESTIONS

Employees are encouraged to submit suggestions concerning quality, working conditions, procedures, sales, marketing and policies.



III. EMPLOYMENT

III. 1. ORIENTATION

New employees will be required to provide documentation of identity and employment eligibility in accordance with federal law. The I-9 form is to be used for this purpose.

New employees will receive a copy of the employee handbook on their first day of employment. They are to be given the opportunity to read the entire handbook and once completed, sign the acknowledgment of understanding form. The signed acknowledgment of understanding form will be placed in their personnel folder.

III. 2. EQUAL EMPLOYMENT OPPORTUNITY

Martial Arts Leadership Training Association . is an equal opportunity employer and is committed to equal opportunity without regard to race, religion, color, sex, age, national origin, citizenship, disability or any other basis of discrimination prohibited by applicable local, state or federal law.

In addition to compliance with federal EEO statutes, Martial Arts Leadership Training Association complies with applicable state and local laws governing nondiscrimination. This policy applies to all terms and conditions of employment, including but not limited to the following:

- Recruitment, hiring, placement, transfer, promotion, and demotion;
- Training, development, and educational assistance;
- Compensation and benefits;
- Educational, social, and recreational programs;
- Discipline;
- Termination of employment.

Employment decisions, subject to the legitimate business requirements of Martial Arts Leadership Training Association, are based solely on the individual's qualifications, merit, behavior and performance.

III. 3. HARASSMENT

Harassment is conduct focused on a person or group of persons including, but not limited to: physical or verbal abuse, unwelcome activity of a sexual nature and retaliation; as well as any behavior or action which interferes with an individual's ability to perform assignments or which creates a hostile or intimidating work environment.

The following, though not all-inclusive, is a list of various types of harassment.

1. Verbal Abuse - any language that degrades or berates others, including, but not limited to, racial, religious, or sexual comments, jokes, sexual innuendoes, or threats of any kind.



2. Physical Abuse - includes touching, hitting, slamming, throwing, kicking or threatening another person, including restraining by force or blocking the path of another.
3. Interference or Hostile Environment - any behavior or action which interferes with an employee's ability to perform work assignments or which results in or creates a hostile or intimidating work environment.
4. Sexual Harassment - includes, but is not limited to, sexual advances, requests for sexual acts or favors and other physical conduct of a sexual nature when:
 - (a) Submission to such conduct is made either explicitly or implied as a term or condition of an individual's employment;
 - (b) Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting the individual; or
 - (c) Such conduct is severe and pervasive and has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.
5. Retaliation - any adverse action or threat of adverse action taken or made because an individual has exercised or attempted to exercise any rights under state or federal employment laws or under the policies of Martial Arts Leadership Training Association. Retaliation includes, but is not limited to:
 - (a) Verbal abuse;
 - (b) Threats of withholding or withdrawal of pay, promotions, training or other employment opportunities.

In addition to the above forms of harassment, any behavior or action which interferes with an individual's ability to perform job duties or which results in or creates a hostile or intimidating work environment is considered harassment.

Martial Arts Leadership Training Association will not tolerate the discrimination or harassment of employees and/or applicants.

Comments, conduct, off color jokes and innuendoes that may be perceived as offensive or harassing are strictly prohibited and will not be tolerated.

In addition, Martial Arts Leadership Training Association will not tolerate the harassment of Company personnel by non-Company personnel on Company premises. Non-Company personnel include, but are not limited to, customers, vendors, guests and regulators.

Any employee who feels he/she is the victim of discrimination or harassment has a responsibility to report this to the School Manager or other managerial personnel. Reporting of the incident should be made verbally or in writing to the School Manager or the employee's direct supervisor immediately. A written complaint should include the specific nature of the incident, date and place of incident, names of all parties involved as well as a detailed report of all pertinent facts. Complaints of harassment will be promptly and carefully investigated. Investigations will include interviews with all relevant persons, including the accused and other potential witnesses.



Any employee, who, in good faith, files a complaint of harassment will be free from any and all reprisal or retaliation as a result of filing the complaint. Investigators will make every effort to strike a balance between the parties' desires for privacy and the need to conduct a fair and effective investigation.

Harassment shall subject an employee to disciplinary action up to and including termination. Likewise, there will be disciplinary measures if in fact it is determined that the ident and thus the accusation were fabricated.

III. 4. CRIMINAL CONVICTIONS

Martial Arts Leadership Training Association reserves the right not to employ or retain in employment anyone convicted of a criminal offense involving dishonesty or breach of trust.

Conviction of a crime will not automatically result in a rejection of employment. All relevant circumstances, such as length of time and the crime involved will be considered in relation to specific job requirements.

III. 5. PERSONNEL FILE

The information contained in personnel files is considered confidential information. No information will be placed in an employee's personnel file unless there is a clear business reason to do so.

Due to the confidential nature of personnel files, the School Manager is responsible for controlling all access to them. Personnel files are not to be copied or removed from the premises.

An employee may review his/her personnel file in the presence of the School Manager during normal business hours. Under no circumstances may an employee alter or remove any document in the file.

It is the sole responsibility of each employee to inform Martial Arts Leadership Training Association of any changes in personal status that may alter his/her payroll or benefits status. Such information includes, but is not limited to:

- Last Name
- Address
- Emergency Contact
- Marital Status
- Telephone Number
- Gain or Loss of Dependents
- Beneficiaries
- W-4 Deductions

III. 6. EMPLOYMENT REFERENCES

Information concerning former or current employees is considered confidential. All mail and telephone inquiries are to be directed to the School Manager. Employees are strictly prohibited from providing any information regarding former or current employees.

Information released by Management will include dates of employment and position(s) held only. Unless required by court order or subpoena, the employee must provide a signed release to the School Manager before additional information will be disclosed.



III. 7. EMPLOYMENT OF RELATIVES

Family members (relatives) of current employees may be considered for employment if:

- The applicant meets the requirements of the position and successfully completes the application process; and
- The hiring of the applicant will not create an actual or perceived conflict of interest.

If the hiring of an employee's family member (relative) creates an actual or perceived conflict of interest, one of the employees may be requested to transfer to another position, if an available job exists. If no suitable vacancy exists, one of the employees may be terminated.

Relatives will not be employed in positions which:

- Actual or perceived conflicts of interest would be created;
- a supervisory relationship would exist between the parties;
- Relatives would work in the same department;
- The employee would have access to the personnel records or salary information of their relative.

On occasions when the relationship occurs after employment, management will determine the disposition of the affected employees. In situations such as described above, employees may be requested to transfer to other positions, if available jobs exist. As previously stated, if no suitable vacancy exists, one of the employees may be terminated.

III. 8. OUTSIDE EMPLOYMENT

Outside employment, which interferes with an employee's productivity or which, may result in a conflict of interest should be avoided. Outside employment of a full-time employee should be avoided. An employee should notify their immediate supervisor if any outside employment is obtained.

Employees should carefully consider the demands of any additional work activity. Outside employment will not be considered an excuse for poor job performance, absenteeism, tardiness, leaving early, refusal to travel, refusal to work overtime or refusal to work different shifts.

Accepting employment with any employer that competes with any activity of Martial Arts Leadership Training Association is prohibited.

Performing services for customers during non-working time that are normally performed by Company personnel during working hours is strictly prohibited.

Employees are not to conduct any outside business during paid working time.

III. 9. REHIRING FORMER EMPLOYEES



Applications received from former employees will be processed according to the same procedures and given the same consideration afforded all other applicants. Prior performance records and circumstances surrounding prior termination will be considered.

Any employee that leaves/left Martial Arts Leadership Training Association without providing sufficient notice (14 days) or is/was discharged by Martial Arts Leadership Training Association for reasons of performance or misconduct will not be considered for rehire.



IV. COMPENSATION

IV. 1. EMPLOYMENT CLASSIFICATION

Martial Arts Leadership Training Association categorizes all employees with respect to position and federal / state regulations. Summary definitions are:

- Exempt Employee - any salaried executive, administrative, professional, or contracted position. These employees are exempt from both the minimum wage and overtime provisions of SCDR.
- Nonexempt Employee - any salaried or hourly employee who is not exempt from the minimum wage or overtime provisions of SCDR.
- Salaried Employee - employee whose wages are computed on an annual basis.
- Hourly Employee - employee whose wages are computed on an hourly basis.

Employees are also classified as one of the following three:

- Full-time - any employee who is regularly scheduled to work 35 or more hours per week. Full-time employees are eligible for all standard Company benefits.
- Part-time - any employee who is scheduled to work less than 35 hours per week. Part-time employees are not eligible for standard Company benefits.
- Temporary - any employee scheduled to fill a temporary job assignment that has a predetermined beginning and ending date. Temporary employees are not eligible for standard Company benefits

IV. 2. HOURS OF WORK

The standard workweek for full-time employees is five to six days. Work schedules are based on the needs of Martial Arts Leadership Training Association. An employee is not to deviate from the assigned work schedule without permission from their manager.

IV. 3. BREAKS

Employees working more than four (4) consecutive hours are provided a lunch break of a minimum of thirty (30) minutes. Lunch periods are non-compensated time. Nonexempt employees will be compensated for breaks of less than thirty (30) minutes. Managers determine employee lunch and break periods.

Breaks must be on a scheduled or staggered sequence to insure an acceptable level of customer service at all times. Breaks for meals or snacks are not to be taken in areas with public visibility.

IV. 4. RECORDING TIME

At school manager's discretion. All nonexempt employees are required to record their hours worked each day, including "time in" and "time out". In locations where a time clock is not available, employees



will write their time, in ink, on a timecard or sheet. The employee and his/her supervisor must initial changes to an employee's timecard.

Recording or punching another employee's time or timecard will result in disciplinary action up to and including termination.

IV. 5. OVERTIME

Employees are expected to work overtime when the need arises. Nonexempt employees will be paid time and one-half (1½) for work time that exceeds 40 hours during a scheduled workweek. Exempt employees are not eligible for overtime.

Holidays, sick leave, and vacations are not considered time worked for the calculation of overtime pay.

IV. 6. SALARY AND WAGE REASES

Salary and wage increases are granted on the basis of performance and/or promotion. All salary or wage increases will be reviewed and approved by the School Manager.

IV. 7. PAYROLL

Per federal and state laws, withholding and social security tax will be withheld from each employee's pay or wages. If you have any questions regarding deductions from your pay, contact your School Manager.

Payroll checks will not be released to anyone other than the employee without prior written authorization to the School Manager. This includes the employee's family members.

Pay and compensation should only be discussed with members of management.

IV. 8. BONUS PLANS

From time to time, Martial Arts Leadership Training Association may institute bonus or incentive plans. Employees will receive details of any Bonus Plan or incentive Plan as they are announced.

IV. 9. PERFORMANCE REVIEWS

Supervisors and/or managers will be responsible for employee performance reviews (appraisals). Performance reviews evaluate an employee's job performance, job-related strengths and job-related weaknesses. The review is used to develop a plan for improvement, if needed. Performance reviews are also used to determine changes in job status and/or salary level.



The annual performance review (appraisal) shall be conducted with each employee on his or her anniversary date. During these reviews the employee and the supervisor will outline the employee's performance strengths and areas requiring improvement. Each review will establish:

- Results desired by management;
- Action management will take to help the employee obtain these results;
- Actions the employee will take to improve deficient areas;
- A completion date for correcting those deficiencies.

The performance appraisal will be reviewed and approved by the supervisor. Appropriate salary increases (if any) will be granted once reviewed by the School Manager. The written performance review will be retained in the employee's personnel file.



V. BENEFITS

V. 1. THE BENEFITS PROGRAM

Complete information regarding the benefit plans may be obtained from the School Manager. Martial Arts Leadership Training Association reserves the right to amend or terminate any of these voluntary programs at any time.

In the event of discrepancies between the information contained in this handbook and the official plan document and/or master insurance contracts, the latter will govern in all cases.

V. 2. BENEFITS ELIGIBILITY

Full-time employees (scheduled 35 or more hours per week) are eligible for standard Company benefits after 90 days of continuous employment. Part-time employees are not entitled to participate in Martial Arts Leadership Training Association's benefits programs.

V. 3. INSURANCE

Martial Arts Leadership Training Association currently does not offer Health or Dental Insurance.

V. 4. INSURANCE CONTINUATION

Currently Not Available

V. 5. HOLIDAYS

Martial Arts Leadership Training Association observes the following holidays each year:

- New Year's Day
- Easter Sunday
- 4th of July
- Memorial Day
- Labor Day
- Thanksgiving Day
- Christmas Day

Employees must have a minimum of six (6) months with Martial Arts Leadership Training Association to be eligible for holiday pay.



V. 6. VACATIONS

Vacation compensation policy is applicable to all full-time employees averaging a minimum of thirty-five (35) hours per week. Exempt employees will receive their base weekly salary during the week(s) of vacation. Non-exempt employees will receive forty (40) hours at their current hourly rate of pay.

Earned vacation time will be calculated based on date of hire and length of service:

<u>Years of Service</u>	<u>Annual Vacation Time</u>
One Year	One Week
Two – Four Years	Two Weeks
Five – Seven Years	Three Weeks
Seven + Years	Four Weeks

All vacation times are subject to company approval. If a paid holiday falls during a vacation period, the immediate supervisor may approve the scheduling of an additional day of vacation.

Earned vacation must be taken during the current year. Vacation time will not accrue to the following year(s). In unusual circumstances, the supervisor, with the approval of the School Manager, may agree to allow vacation to be carried over to the following year.

Vacation request forms must be completed and submitted to the employee's immediate supervisor at least fourteen (14) days prior to the desired vacation start date.

Vacation is considered a benefit, not compensation. Upon termination, Martial Arts Leadership Training Association, at its sole discretion, will determine if earned vacation will be paid.

V. 7. BEREAVEMENT LEAVE

In the unfortunate event of a death in the immediate family, an employee may be given up to three days of leave. Immediate family members include your spouse, child, parents, brothers, sisters, grandparents, grandchildren, and corresponding in-law relationships.

V. 8. SOCIAL SECURITY

The Social Security Administration and Martial Arts Leadership Training Association require your current name and correct social security number. If you have a name change or notice an incorrect social security number, please notify both parties.



V. 9. PRE-TAX DEDUCTIONS

Martial Arts Leadership Training Association may establish a salary reduction program so that a dependent's health insurance contributions are made on a pre-tax basis. This means that an employee's contribution to insurance premiums will not be included as taxable income for withholding purposes (Social Security, FICA, etc.). Once instituted, certain optional medical and disability insurance premiums may also be eligible. Consult your School Manager for updates.

V. 10. MILITARY LEAVE

Members of the U.S. Military Service will be granted time off (unpaid) for the performance of their service duties, including initial training, active duty, inactive duty training and full-time National Guard duty.

Reserve Military Duty – employees with military reserve obligations, ask your School Manager about Company pay benefits, if any, provided during your participation.

Failure to report back to work immediately after reserve duty or your military discharge will be regarded as a voluntary resignation.

V. 11. MEDICAL LEAVE OF ABSENCE

Eligible full-time employees may be granted a medical leave of absence if temporarily disabled due to illness or injury. A medical leave of absence can be granted for up to twelve (12) weeks. Proper documentation by a physician will be required. Documentation must include the date on which the disability began, the reason the employee is not able to perform his or her duties, and the estimated date the employee will return to work. A Request for Leave of Absence form must be completed and approved by the supervisor and the School Manager.

Seniority for benefit eligibility purposes will not accrue during a medical leave of absence.

Group benefit coverage provided by Martial Arts Leadership Training Association will be continued for up to three months of the disability. Employees will be required to continue their contributions for group medical and optional benefits through direct payment to the payroll department.

A written (unrestricted) release from the employee's physician must be presented to the School Manager prior to returning to work.

V. 12. FAMILY LEAVE OF ABSENCE

Up to 12 weeks of leave, Family Leave of Absence, may be granted in any 12-month period. Family Leave of Absence may be granted for one or more of the following:

- Birth of a child;



- Placement of a child in the employee's home for adoption or foster care;
- Caring for a spouse, child or parent with a serious health condition.

Maternity leaves are included in this policy. Extended maternity leaves that are not medically required will be considered personal leaves of absence.

Employees requiring Family or Medical Leave of Absence should consult their School Manager for further details.

Employees on Family Leave of Absence are required to contact Martial Arts Leadership Training Association within three working days of Leave expiration.

Martial Arts Leadership Training Association cannot guarantee placement within the same position or availability of a position at the conclusion of a personal, family, or medical leave of absence. Every effort will be made to reinstate an employee into the position that he/she held prior to the leave. If the same position is not available upon their return, Martial Arts Leadership Training Association, at its sole discretion, may offer the employee another available position.

Employees who elect not to accept an alternative position after return from a leave of absence will be terminated. However, they will be eligible for rehire if their original position becomes available at a later date.

Engaging in gainful employment during a leave of absence will be considered a voluntary resignation.

V. 13. EMPLOYEE DISCOUNTS

Martial Arts Leadership Training Association may institute an employee discount program. If and when such a program is implemented, details will be available through the School Manager. Abuse of any employee discount program will be considered cause for disciplinary action up to and including termination.

V. 14. WORKERS' COMPENSATION

All job-related injuries and accidents, regardless of the severity or lack thereof, must be immediately reported to your manager. Your manager will complete the appropriate report and submit it to the School Manager.

All workers' compensation payments will be made directly to the employee. Employees are required to provide a copy of all workers' compensation payments to the School Manager as soon after receipt as possible.

Employees are expected to return to work immediately upon release by their doctor. Employees on workers' compensation leave who have completed one year of continuous service with Martial Arts Leadership Training Association will be allowed to return to the same or comparable position if released within 12 weeks after injury.



V. 15. JURY DUTY

Martial Arts Leadership Training Association will grant an employee time off for mandatory jury duty. Employees will also be granted time off when required to appear as a result of a court order or subpoena. The employee must provide a copy of the court order, subpoena, or jury summons to their manager.

Martial Arts Leadership Training Association will not compensate an employee that is a party to any civil or criminal litigation.

V. 16. UNEMPLOYMENT COMPENSATION

Employees are eligible for unemployment compensation as specified by the state unemployment compensation laws. Martial Arts Leadership Training Association pays the entire cost of unemployment compensation coverage.

V. 17. EDUCATIONAL ASSISTANCE

Employees are encouraged to continue their education in a related field. Martial Arts Leadership Training Association may reimburse all or part of the registration, book and tuition costs. All courses must be pre-approved by Martial Arts Leadership Training Association and must be offered by an accredited educational institution. Employees must apply for reimbursement prior to enrolling in a course. An agreement (contract) with stipulations regarding continued employment may be required.

If approved, a certified transcript of grades and receipts for expenses should be submitted after course completion. Martial Arts Leadership Training Association will issue reimbursement for the portion of the registration and tuition that was pre-approved based upon the following schedule:

<u>Grade Received</u>	<u>Reimbursement Amount</u>
A	100%
B	80%
C or below	0%

Reimbursement will not be made for Pass/Fail classes or for a final grade lower than a "B".



Martial Arts Leadership Training Association may reimburse an employee for continuing education classes as well. When taking a pre-approved seminar that offers continuing education credit, the employee should forward a copy of the Continuing Education Credit Certificate (or other document) to the School Manager.

Participation in any course or continuing education class should not interfere with an employee's job performance or responsibilities.

V. 18. TRAVEL EXPENSES

All pre-approved Company travel expenses are reimbursable. Martial Arts Leadership Training Association will only reimburse reasonable expenses incurred while traveling on Company business. Martial Arts Leadership Training Association reserves the right to pay for travel expenses on a per diem basis.

V. 19. REIMBURSABLE EXPENSES

Expense reports will be used to reimburse employees for their out-of-pocket expenses on Martial Arts Leadership Training Association's behalf. Expense reports must include all receipts from lodging, airfare, meals and other transactions.



VI. SEPARATION

VI. 1. GENERAL

Employment with Martial Arts Leadership Training Association is on an at-will basis. Employees are free to terminate their employment at any time, with or without cause. In addition, Martial Arts Leadership Training Association may terminate the employment relationship at any time, with or without cause.

VI. 2. JOB ABANDONMENT

Two consecutive days of absence without properly notifying Martial Arts Leadership Training Association will be considered a voluntarily resignation (abandonment). The effective date of termination will be the last day the employee reported to work. In the event an employee abandons their job, they will not be entitled to any accrued vacation pay.

VI. 3. VOLUNTARY RESIGNATION

Employees are required to provide a minimum of two weeks written notice prior to the effective date of their resignation. Martial Arts Leadership Training Association may permit an employee to continue employment during the two-week notice period or accept their resignation immediately. In the event Martial Arts Leadership Training Association chooses to accept the resignation immediately, the employee will be paid for the remaining portion of the two-week notice period.

VI. 4. PERFORMANCE-BASED RELEASE

A performance-based release is a separation initiated by Martial Arts Leadership Training Association for unacceptable job performance.

VI. 5. ACTS OF MISCONDUCT

A termination for misconduct is a termination initiated by Martial Arts Leadership Training Association for unacceptable conduct or behavior.

VI. 6. OTHER FORMS OF SEPARATION

An individual's employment with Martial Arts Leadership Training Association may also be terminated for, but not limited to, any of the following reasons:

- Reduction in Martial Arts Leadership Training Association's workforce;
- Elimination of the employee's position;
- Retirement;
- When deemed appropriate for reasons other than job abandonment;



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- Performance based release;
- Act of misconduct.

VI. 7. TERMINATION PROCEDURES

On or before the last day of work, or at Martial Arts Leadership Training Association's request, employees are required to return all uniforms, company tools, equipment, keys, memoranda, notes, records, drawings, manuals, computer files, and/or other documents, including all copies of such items, which in any way relate to the business or affairs of Martial Arts Leadership Training Association or any of its employees, customers, consultants, or agents. This includes other Company property such as corporate credit cards, etc.

Any employee leaving Martial Arts Leadership Training Association, regardless of separation reason or method, will generally be given the option of an exit interview with the School Manager. During this exit interview the employee will be given the opportunity to ask questions and/or make comments regarding their job. Additionally, other issues, including the following, may be discussed:

- Reason for termination;
- Status of insurance and other benefits;
- Final pay;
- Return of keys and other Company property;
- Correct forwarding address.

Resigning employees will receive their final pay on the next regularly scheduled payday. Employees terminated by Martial Arts Leadership Training Association will be paid within six calendar days from the date of termination.



VII. APPENDIX

A. PERFORMANCE EVALUATION

SAMPLE PERFORMANCE EVALUATION

Employee Name: _____

Position/Title: _____

Supervisor's Name: _____

Using the following scale:

Excellent - 5 Very Good - 4 Satisfactory - 3 Improvement Needed - 2 Unsatisfactory - 1

Assign a score, 1 to 5, for each of the following attributes (if an attribute does not apply to the employees' job and/or duties, enter N/A):

<u>Attribute</u>	<u>N/A</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
1. Quantity of Work						
2. Quality of Work						
3. Job Knowledge						
4. Initiative						
5. Judgment / Prioritization						
6. Acceptance of Responsibility						
7. Adaptability						
8. Dependability						
9. Attendance / Punctuality						
10. Cooperation						
11. Adherence to Company Policy						
12. Customer Service						
13. Safety						
14. Work Environment						

<u>Supervisory/Managerial Attributes</u>	<u>N/A</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
1. Leadership						
2. Decision Making / Judgment						
3. Planning						
4. Time Management						
5. Problem Solving						
6. Staff Development						
7. Employee Performance Appraisals						
8. Cost Efficiency						
9. Workplace Relationships						



OVERALL RATING:

Total Number of Attributes Rated (do not include any attribute deemed N/A) = _____
 Total Rating Points (sum of all ratings, 1-5, assigned for each attribute rated) = _____

Overall Rating: $\frac{\text{Total Rating Points}}{\text{Total Number of Attributes Rated}} = \text{-----} =$

Check appropriate box below.

- 4.1 – 5.0 Excellent**
- 3.1 – 4.0 Very Good**
- 2.1 – 3.0 Satisfactory**
- 1.1 – 2.0 Improvement Needed**
- 0 – 1.0 Unsatisfactory / Unacceptable Performance**

Employee’s Comments: (reserved for employee. If no comment, check and initial below)

I have been given the opportunity to have my comments included as a part of this Performance Appraisal and have chosen not to do so. _____ (initial)

Employee: your signature certifies that you have had the opportunity to read and discuss this Appraisal with your supervisor. Your signature does not imply that you agree or disagree with this Appraisal.

Employee Signature: _____ Date: _____

Appraisal Completed by (Supervisor): _____ Date: _____

Approved by: _____ Date: _____



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Employee Handbook

Acknowledgement of Receipt and Understanding

I hereby certify that I have read and fully understand the contents of the Employee Handbook. Furthermore, I have been given the opportunity to discuss any information contained therein or any concerns that I may have. I certify that my employment and continued employment is based in part upon my willingness to abide by and follow Martial Arts Leadership Training Association's policies, rules, regulations and procedures. My signature below certifies my knowledge, acceptance and adherence to Martial Arts Leadership Training Association's policies, rules, regulations and procedures and that Martial Arts Leadership Training Association's offer of employment was based on my promise to abide by and follow said policies, rules, regulations and procedures.

I further certify that my application and subsequent acceptance of employment is true and bona fide, and I am honestly interested in working in the position(s) for which I have been employed. Furthermore, I certify that I have sought and obtained employment with this company solely to provide me with the benefits of a job and for no other purpose.

I acknowledge that Martial Arts Leadership Training Association reserves the right to modify or amend its policies at any time, without prior notice. These policies do not create any promises or contractual obligations between this Company and its employees. At this Company, my employment is at will. This means I am free to terminate my employment at any time, for any reason, with or without cause, and this Company retains the same rights. I further understand and agree that the Owner/President of this Company is the only person who may make an exception to this, including the at-will status of my employment, and it must be in writing and duly executed by the Owner/President of this Company.

If applicable to my employment, I have read and understood the notice regarding polygraph tests and my rights under this state's law.

AUTHORIZATION TO RELEASE INFORMATION: I authorize the references and/or employers listed on my employment application, or any other documents I have provided to this Company, to give Martial Arts Leadership Training Association any and all information concerning my previous employment and pertinent information they may have, personal or otherwise, and release all parties from all liability for any damage that may result from furnishing such information to this Company. I agree and understand that this Company and its agents may investigate or seek information concerning my background and/or previous employment, whether of record or not. I further agree and understand that if employed, Martial Arts Leadership Training Association may at any time seek any information from whatever source, which in its discretion, it deems relevant to my employment. I also understand that any investigation or information sought regarding my previous employment or consumer records may not be completed or in possession of this Company and thus my continued employment may be affected by such information once received. I hereby acknowledge, confirm, convey, agree and grant this Company's right to act on any additional information received including, at Martial Arts Leadership Training Association's sole discretion, termination of my employment.



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NO DRUG USE POLICY: This Company does not hire persons who use illegal drugs. All persons seeking employment or employed with this Company may be required to take and pass a screen for illegal drugs and may be subject to periodic tests for illegal drugs. I hereby voluntarily consent to provide a urine specimen (or blood specimen as required for alcohol testing only) at a collection facility designated by this Company, and further consent to have the specimen tested at a laboratory selected by this Company. I hereby certify that I:

(check one) do _____ or do not _____ use illegal drugs.

Signature _____ Date _____



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EMPLOYMENT AGREEMENT - EMPLOYEE

The parties to this Agreement dated _____ are _____, a _____ (the "Company") and _____ (the "Employee").

Martial Arts Leadership Training Association wishes to employ the Employee, and the Employee wishes to accept employment with Martial Arts Leadership Training Association, on the terms and subject to the conditions set forth in this Agreement. It is therefore agreed as follows:

1. Employment. Martial Arts Leadership Training Association shall employ the Employee, and the Employee shall serve Martial Arts Leadership Training Association, as a _____ of Martial Arts Leadership Training Association, with such duties and responsibilities as may be assigned to the Employee by the President of Martial Arts Leadership Training Association or supervisory management personnel and as are normally associated with a position of that nature. The Employee shall devote his best efforts and all of his business time to the performance of his duties under this Agreement and shall perform them faithfully, diligently, and competently and in a manner consistent with the policies of Martial Arts Leadership Training Association as determined from time to time by the _____ (position) of Martial Arts Leadership Training Association. The Employee shall report to the _____, _____ Office of Martial Arts Leadership Training Association. The Employee shall not engage in activities outside the scope of his employment if such activities would detract from or interfere with the fulfillment of his responsibilities or duties under this Agreement or require substantial time or services on the part of the Employee. The Employee shall not serve as a director (or the equivalent position) of any company or entity and shall not receive fees or remuneration for work performed either within or outside the scope of his employment without prior written consent of _____. This consent shall not be unreasonably withheld.

2. Term of Employment. The Employee's employment by Martial Arts Leadership Training Association under this agreement shall commence on the date of this Agreement and, subject to earlier termination pursuant to section 5 or 7, shall terminate on _____. This Agreement may also be extended as needed by a written amendment as discussed in section 8.

3. Compensation. As full compensation for all services rendered by the Employee to Martial Arts Leadership Training Association under this Agreement, Martial Arts Leadership Training Association shall pay to the Employee the compensation set forth as follows:

Salary or Wages: \$ _____

Other: _____

These terms of compensation may be amended from time to time in writing by Martial Arts Leadership Training Association and the Employee.

4. Fringe Benefits; Expenses

A. The Employee shall be entitled to receive all health and pension benefits, if any, provided by Martial Arts Leadership Training Association to its employees generally and shall also be entitled to participate in all benefit plans, if any, provided by Martial Arts Leadership Training Association to its employees generally.

B. Martial Arts Leadership Training Association shall reimburse the Employee for all reasonable and necessary expenses incurred by him in connection with the performance of his services for Martial Arts Leadership Training Association in accordance with Martial Arts Leadership Training Association's policies, upon submission of appropriate expense reports and documentation in accordance with Martial Arts Leadership Training Association's policies and procedures. Martial Arts Leadership Training Association will reimburse the Employee for the expenses involved with his acquisition and business-related use of a portable cellular telephone.

C. The Employee shall be entitled to _____ (____) week(s) paid vacation annually, to be taken at times selected by the Employee, with the prior concurrence of the _____ to whom the Employee is to



report.

5. Disability or Death

A. If, as the result of any physical or mental disability, the Employee shall have failed or is unable to perform his duties for a period of _____ (____) consecutive days, Martial Arts Leadership Training Association may, by notice to the Employee subsequent thereto, terminate his employment under this Agreement as of the date of the notice without any further payment or the furnishing of any benefit by Martial Arts Leadership Training Association under this Agreement (other than accrued and unpaid base salary and commissions and expenses and benefits which have accrued pursuant to any plan or by law).

B. The term of the Employee's employment under this Agreement shall terminate upon his death without any further payment or the furnishing of any benefit by Martial Arts Leadership Training Association under this Agreement (other than accrued and unpaid base salary and commissions and expenses and benefits which have accrued pursuant to any plan or by law).

6. Non-Competition; Confidential Information; Inventions

A. During the term of the Employee's employment under this agreement, the Employee shall not, directly or indirectly, engage or be interested (as a stockholder, director, officer, employee, salesperson, agent, broker, partner, individual proprietor, lender, consultant, or otherwise), either individually or in or through any person (whether a corporation, partnership, association, or other entity) which engages, anywhere in the United States, in a business which is conducted by Martial Arts Leadership Training Association, except that he may be employed by an affiliate of Martial Arts Leadership Training Association and hold not more than 2% of the outstanding securities of any class of any publicly held company which is competitive with the business of Martial Arts Leadership Training Association.

B. The Employee shall not, directly or indirectly, either during the term of the Employee's employment under this Agreement or thereafter, disclose to anyone (except in the regular course of Martial Arts Leadership Training Association's business or as required by law), or use in any manner, any information acquired by the Employee during his employment by Martial Arts Leadership Training Association with respect to any clients or customers of Martial Arts Leadership Training Association or any confidential or secret aspect of Martial Arts Leadership Training Association's operations or affairs unless such information has become public knowledge other than by reason of actions, direct or indirect, of the Employee. Information subject to the provisions of this paragraph shall include, without limitation:

(i) Procedures for computer access and passwords of Martial Arts Leadership Training Association's clients and customers, program manuals, user manuals, or other documentation, run books, screen, file, or database layouts, systems flowcharts, and all documentation normally related to the design or implementation of any computer programs developed by Martial Arts Leadership Training Association relating to computer programs or systems installed either for customers or for internal use;

(ii) Lists of present clients and customers and the names of individuals at each client or customer location with whom Martial Arts Leadership Training Association deals, the type of equipment or computer software they purchase or use, and information relating to those clients and customers which has been given to Martial Arts Leadership Training Association by them or developed by Martial Arts Leadership Training Association, relating to computer programs or systems installed;

(iii) Lists of or information about personnel seeking employment with or who are employed by Martial Arts Leadership Training Association;

(iv) Prospect lists for actual or potential clients and customers of Martial Arts Leadership Training Association and contact persons at such actual or potential clients and customers;

(v) Any other information relating to Martial Arts Leadership Training Association's research, development, inventions, purchasing, engineering, marketing, merchandising, and selling.

C. The Employee shall not, directly or indirectly, either during the term of the Employee's employment under this Agreement or for a period of _____ (____) year(s) thereafter, solicit, directly or indirectly, the services of any person who was a full-time employee of Martial Arts Leadership Training Association, its subsidiaries, divisions, or affiliates, or solicit the business of any person who was a client or customer of Martial Arts Leadership Training Association, its subsidiaries,



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divisions, or affiliates, in each case at any time during the past year of the term of the Employee's employment under this Agreement. For purposes of this Agreement, the term "person" shall include natural persons, corporations, business trusts, associations, sole proprietorships, unincorporated organizations, partnerships, joint ventures, and governments, or any agencies, instrumentalities, or political subdivisions thereof.

D. All memoranda, notes, records, or other documents made or composed by the Employee, or made available to him during the term of this Agreement concerning or in any way relating to the business or affairs of Martial Arts Leadership Training Association, its subsidiaries, divisions, affiliates, or clients shall be Martial Arts Leadership Training Association's property and shall be delivered to Martial Arts Leadership Training Association on the termination of this Agreement or at any other time at the request of Martial Arts Leadership Training Association.

E. (i) The Employee hereby assigns and agrees to assign to Martial Arts Leadership Training Association all his rights to and title and interest to all Inventions, and to applications for United States and foreign patents and United States and foreign patents granted upon such Inventions and to all copyrightable material or other works related thereto.

(ii) The Employee agrees for himself and his heirs, personal representatives, successors, and assigns, upon request of Martial Arts Leadership Training Association, to at all times do such acts, such as giving testimony in support of the Employee's inventorship, and to execute and deliver promptly to Martial Arts Leadership Training Association such papers, instruments, and documents, without expense to him, as from time to time may be necessary or useful in Martial Arts Leadership Training Association's opinion to apply for, secure, maintain, reissue, extend, or defend Martial Arts Leadership Training Association's worldwide rights in the Inventions or in any or all United States patents and in any or all patents in any country foreign to the United States, so as to secure to Martial Arts Leadership Training Association the full benefits of the Inventions or discoveries and otherwise to carry into full force and effect the text and the intent of the assignment set out in section 6E(i) above.

(iii) Notwithstanding any provision of this Agreement to the contrary, Martial Arts Leadership Training Association shall have the royalty-free right to use in its business, and to make, have made, use, and sell products, processes, and services to make, have made, use, and sell products, processes, and services derived from any inventions, discoveries, concepts, and ideas, whether or not patentable, including, but not limited to, processes, methods, formulas, and techniques, as well as improvements thereof and know-how related thereto, that are not inventions as defined herein, but which are made or conceived by the Employee during his employment by Martial Arts Leadership Training Association or with the use or assistance of Martial Arts Leadership Training Association's facilities, materials, or personnel. If Martial Arts Leadership Training Association determines that it has no present or future interest in any invention or discovery made by the Employee under this paragraph, Martial Arts Leadership Training Association shall release such invention or discovery to the Employee within Sixty (60) days after the Employee's notice in writing is received by Martial Arts Leadership Training Association requesting such release. If Martial Arts Leadership Training Association determines that it does or may in the future have an interest in any such invention or discovery, such information will be communicated to the Employee within the 60-day period described above.

(iv) For purposes of this Section 6E, "Inventions" means inventions, discoveries, concepts, and ideas, whether patentable or not, including, but not limited to, processes, methods, formulas, and techniques, as well as improvements thereof or know-how related thereto, concerning any present or prospective activities of Martial Arts Leadership Training Association with which the Employee becomes acquainted as a result of his employment by Martial Arts Leadership Training Association.

F. The Employee acknowledges that the agreements provided in this Section 6 were an inducement to Martial Arts Leadership Training Association entering into this Agreement and that the remedy at law for breach of his covenants under this Section 6 will be inadequate and, accordingly, in the event of any breach or threatened breach by the Employee of any provision of this Section 6, Martial Arts Leadership Training Association shall be entitled, in addition to all other remedies, to an injunction restraining any such breach.

7. Termination. Martial Arts Leadership Training Association shall have the right to terminate this Agreement and the Employee's employment with Martial Arts Leadership Training Association for cause. For purposes of this Agreement, the term "cause" shall mean:

A. Any breach of the Employee's obligations under this Agreement;

B. Fraud, theft, or gross malfeasance on the part of the Employee, including, without limitation, conduct of a felonious or



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criminal nature, conduct involving moral turpitude, embezzlement, or misappropriation of assets;

C. The habitual use of drugs or intoxicants to an extent that it impairs the Employee's ability to properly perform his duties;

D. Violation by the Employee of his obligations to Martial Arts Leadership Training Association, including, without limitation, conduct which is consistent with the Employee's position and which results or is reasonably likely to result (in the opinion of _____) in an adverse effect (financial or otherwise) on the business or reputation of Martial Arts Leadership Training Association or any of its subsidiaries, divisions, or affiliates;

E. The Employee's failure, refusal, or neglect to perform his duties contemplated herein within a reasonable period under the circumstances after written notice from _____, describing the alleged breach and offering the Employee a reasonable opportunity to cure same;

F. Repeated violation by the Employee of any of the written work rules or written policies of Martial Arts Leadership Training Association after written notice of violation from _____;

G. Breach of standards adopted by Martial Arts Leadership Training Association governing professional independence or conflicts of interest.

If the employment of the Employee is terminated for cause, Martial Arts Leadership Training Association shall not be obligated to make any further payment to the Employee (other than accrued and unpaid base salary and commissions and expenses to the date of termination), or continue to provide any benefit (other than benefits which have accrued pursuant to any plan or by law) to the Employee under this Agreement.

8. Miscellaneous

A. This Agreement shall be governed by and construed in accordance with the laws of the State of _____, applicable to agreements made and performed in _____, and shall be construed without regard to any presumption or other rule requiring construction against the party causing the Agreement to be drafted.

B. This agreement contains a complete statement of all the arrangements between Martial Arts Leadership Training Association and the Employee with respect to its subject matter, supersedes all previous agreements, written or oral, among them relating to its subject matter, and cannot be modified, amended, or terminated orally. Amendments may be made to this Agreement at any time if mutually agreed upon in writing.

C. Any amendment, notice, or other communication under this Agreement shall be in writing and shall be considered given when received and shall be delivered personally or mailed by Certified Mail, Return Receipt Requested, to the parties at their respective addresses set forth below (or at such other address as a party may specify by notice to the other):

Employee: _____

Company: _____

D. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. Any waiver must be in writing.

E. Each of the parties irrevocably submits to the exclusive jurisdiction of any court of the State of _____ sitting in _____ County or the Federal District Court of _____ over any action, suit, or proceeding relating to or arising out of this Agreement and the transactions contemplated hereby. EACH OF THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY SUCH ACTION, SUIT, OR PROCEEDING. Each party hereby irrevocably waives any objection, including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens which such party may now or hereafter have to the bringing of any such action, suit, or proceeding in any such court and irrevocably agrees that process in any such action, suit, or proceeding may be served upon that party personally or by Certified or Registered Mail, Return Receipt Requested.



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EMPLOYEE CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

In consideration of my employment or continued employment by _____ (the "Company"), together with its affiliates and subsidiaries, and any subsidiaries or affiliates which hereafter may be formed or acquired, and in recognition of the fact that as an employee of Martial Arts Leadership Training Association I will have access to Martial Arts Leadership Training Association's customers and to confidential and valuable business information of Martial Arts Leadership Training Association and its parent company, if applicable, together with its affiliates and subsidiaries, and any subsidiaries or affiliates which hereafter may be formed or acquired, I hereby agree as follows:

1. Martial Arts Leadership Training Association's Business. Martial Arts Leadership Training Association Business is _____. Martial Arts Leadership Training Association is committed to quality and service in every aspect of its business. I understand that Martial Arts Leadership Training Association looks to and expects from its employees a high level of competence, cooperation, loyalty, integrity, initiative, and resourcefulness. I understand that as an employee of Martial Arts Leadership Training Association, I will have substantial contact with Martial Arts Leadership Training Association's customers and potential customers.

I further understand that all business and fees, including consulting, risk management and other services produced or transacted through my efforts, shall be the sole property of Martial Arts Leadership Training Association, and that I shall have no right to share in any commission or fee resulting from the conduct of such business other than as compensation referred to in the paragraph entitled "Compensation and Benefits" hereof. All checks or bank drafts received by me from any customer or account shall be made payable to Martial Arts Leadership Training Association, and all premiums, commissions, or fees that I may collect shall be in the name of and on behalf of Martial Arts Leadership Training Association.

2. Duties of Employee. I shall comply with all Company rules, procedures, and standards governing the conduct of employees and their access to and use of Martial Arts Leadership Training Association's property, equipment, and facilities. I understand that Martial Arts Leadership Training Association will make reasonable efforts to inform me of the rules, standards, and procedures which are in effect from time to time and which apply to me.

3. Compensation and Benefits. I shall receive the compensation as is mutually agreed upon, which may be adjusted from time to time, as full compensation for services performed under this Agreement. In addition, I may participate in such employee benefit plans and receive such other fringe benefits, subject to the same eligibility requirements, as are afforded other Company employees in my job classification. I understand that these employee benefit plans, and fringe benefits may be amended, enlarged, or diminished by Martial Arts Leadership Training Association from time to time, at its discretion.

4. Management of Martial Arts Leadership Training Association. Martial Arts Leadership Training Association may manage and direct its business affairs as it sees fit, including, without limitation, the assignment of duties and responsibilities, the assignment of sales territories, notwithstanding any employee's individual interest in or expectation regarding a particular business location or customer account.

5. Termination of Employment. My employment may be terminated by Martial Arts Leadership Training Association or me at any time, with or without notice or cause. Upon termination of my employment, I shall be entitled to receive incentive payments in accordance with the provisions of Martial Arts Leadership Training Association's Incentive Plan, as it may be modified by Martial Arts Leadership Training Association from time to time, less any adjustments for amounts owed by me to Martial Arts Leadership Training Association. I understand that I may also receive additional compensation at the discretion of Martial Arts Leadership Training Association and in accordance with the published Company Personnel Policy on Termination Pay.

6. Agreement Not to Compete with Martial Arts Leadership Training Association.

A. As long as I am employed by Martial Arts Leadership Training Association, I shall not participate directly or indirectly, in any capacity, in any business or activity that is in competition with Martial Arts Leadership Training Association.



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B. In consideration of my employment rights under this Agreement and in recognition of the fact that I will have access to the confidential information of Martial Arts Leadership Training Association and that Martial Arts Leadership Training Association's relationships with its customers and potential customers constitute a substantial part of its goodwill, I agree that for One (1) year from and after termination of my employment, for any reason, unless acting with Martial Arts Leadership Training Association's express prior written consent, I shall not, directly or indirectly, in any capacity, solicit or accept business from, provide consulting services of any kind to, or perform any of the services offered by Martial Arts Leadership Training Association, for any of Martial Arts Leadership Training Association's customers or prospects with whom I had business dealings in the year next preceding the termination of my employment.

C. I agree not to go into business as a direct competitor of Company within a radius of _____ miles of _____ for a period of _____ following the expiration or termination of this agreement or following termination of employment and notwithstanding the cause or reason for termination.

7. Unauthorized Disclosure of Confidential Information. While employed by Martial Arts Leadership Training Association and thereafter, I shall not, directly or indirectly, disclose to anyone outside of Martial Arts Leadership Training Association any Confidential Information or use any Confidential Information (as hereinafter defined) other than pursuant to my employment by and for the benefit of Martial Arts Leadership Training Association.

The term "Confidential Information" as used throughout this Agreement means any and all trade secrets and any and all data or information not generally known outside of Martial Arts Leadership Training Association whether prepared or developed by or for Martial Arts Leadership Training Association or received by Martial Arts Leadership Training Association, from any outside source. Without limiting the scope of this definition, Confidential Information includes: any customer files, customer lists, any business, marketing, financial or sales record, data, plan, or survey; and any other record or information relating to the present or future business, product, or service of Martial Arts Leadership Training Association. All Confidential Information and copies thereof are the sole property of Martial Arts Leadership Training Association.

Notwithstanding the foregoing, the term Confidential Information shall not apply to information that Martial Arts Leadership Training Association has voluntarily disclosed to the public without restriction, or which has otherwise lawfully entered the public domain.

8. Prior Obligations. I have informed Martial Arts Leadership Training Association in writing of any and all continuing obligations that require me to withhold or not disclose any information or that limit my opportunity or capacity to compete with any previous employer.

9. Employee's Obligation to Cooperate. At any time upon request of Martial Arts Leadership Training Association at Martial Arts Leadership Training Association's expense, I shall execute all documents and perform all lawful acts Martial Arts Leadership Training Association considers necessary or advisable to secure its rights hereunder and to carry out the intent of this agreement.

10. Return of Property. At any time upon request of Martial Arts Leadership Training Association, and upon termination of my employment, I shall return promptly to Martial Arts Leadership Training Association, all copies of all Confidential Information or Developments, and all records, files, blanks, forms, materials, supplies, uniforms, and any other materials furnished, used, or generated by me during the course of my employment, and any copies of the foregoing, all of which I recognize to be the sole property of Martial Arts Leadership Training Association.

11. Special Remedies. I recognize that money damages alone would not adequately compensate Martial Arts Leadership Training Association in the event of a breach by me of this Agreement, and I therefore agree that, in addition to all other remedies available to Martial Arts Leadership Training Association at law or in equity, Martial Arts Leadership Training Association shall be entitled to injunctive relief for the enforcement hereof. Failure by Martial Arts Leadership Training Association to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such terms, covenants, or conditions.

12. Miscellaneous Provisions. (Check appropriate paragraph. Have employee initial)

- This Agreement contains the entire and only agreement between me and Martial Arts Leadership Training Association respecting the subject matter hereof and supersedes all prior agreements and understandings between



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us as to the subject matter hereof; and no modification shall be binding upon me or Martial Arts Leadership Training Association unless made in writing and signed by me and an authorized officer of Martial Arts Leadership Training Association.

Initials: _____

- [] I acknowledge that there may be more than one agreement between me and Martial Arts Leadership Training Association respecting the subject matter hereof. In this event, this Agreement will be treated as an integral part of the sum of these agreements. In the case of duplication, respecting the subject matter hereof, my obligations shall consist of the sum of my obligations within said agreements. I am fully responsible for notifying Martial Arts Leadership Training Association of any conflict between said agreements immediately upon my discovery of such. No modifications shall be binding upon Martial Arts Leadership Training Association or me unless made in writing and signed by me and an authorized officer of Martial Arts Leadership Training Association.

Initials: _____

My obligations under this Agreement shall survive the termination of my employment with Martial Arts Leadership Training Association regardless of the manner of or reasons for such termination, and regardless of whether such termination constitutes a breach of this Agreement or of any other agreement I may have with Martial Arts Leadership Training Association. If any provisions of this Agreement are held or deemed unenforceable or too broad to permit enforcement of such provision to its full extent, then such provision shall be enforced to the maximum extent permitted by law. If any of the provisions of this Agreement shall be construed to be illegal or invalid, the validity of any other provision hereof shall not be affected thereby.

This Agreement shall be governed and construed according to the laws of _____, and shall be deemed to be effective as of the first day of my employment by Martial Arts Leadership Training Association.

BY SIGNING THIS AGREEMENT, I ACKNOWLEDGE THAT I HAVE READ AND UNDERSTOOD ALL OF ITS PROVISIONS AND THAT I AGREE TO BE FULLY BOUND BY THE SAME.

Employee: _____

Date: _____

Accepted by: _____
(Name of Officer) Title

Date: _____