



EMPLOYEE CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

In consideration of my employment or continued employment by H. David Clements and/or Martial Arts Leadership Training Association, (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 the Company I will have access to the Company's customers and to confidential and valuable business information of the 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. **The Company's Business.** The Company Business is Instruction of Martial Arts lessons. The Company is committed to quality and service in every aspect of its business. I understand that the Company 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 the Company, I will have substantial contact with the Company'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 the Company, 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 the Company, and all premiums, commissions, or fees that I may collect shall be in the name of and on behalf of the Company.

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 the Company's property, equipment, and facilities. I understand that the Company 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 the Company from time to time, at its discretion.

4. **Management of the Company.** The Company 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 the Company 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 the Company's Incentive Plan, as it may be modified by the Company from time to time, less any adjustments for amounts owed by me to the Company. I understand that I may also receive additional compensation at the discretion of the Company and in accordance with the published Company Personnel Policy on Termination Pay.

6. **Agreement Not to Compete with the Company.**

A. As long as I am employed by the Company, I shall not participate directly or indirectly, in any capacity, in any business or activity that is in competition with the Company.



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 the Company and that the Company's relationships with its customers and potential customers constitute a substantial part of its goodwill, I agree that for Two (2) year from and after termination of my employment, for any reason, unless acting with the Company's express prior written consent, I shall not accept business from, provide consulting services of any kind to, or perform any of the services offered by the Company, for any of the Company's customers, prospects or become employed with another business that provided similar services as offered by the Company.

C. I agree not to go into business as a direct competitor of Company within a radius of 25 miles of the city limits of Lexington, for a period of Two (2) years 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 the Company and thereafter, I shall not, directly or indirectly, disclose to anyone outside of the Company any Confidential Information or use any Confidential Information (as hereinafter defined) other than pursuant to my employment by and for the benefit of the Company.

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 the Company whether prepared or developed by or for the Company or received by the Company 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 the Company. All Confidential Information and copies thereof are the sole property of the Company.

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

8. Prior Obligations. I have informed the Company in writing of any and all continuing obligations that require me to withhold or not disclose any information or that limits my opportunity or capacity to compete with any previous employer.

9. Employee's Obligation to Cooperate. At any time upon request of the Company, at the Company's expense, I shall execute all documents and perform all lawful acts the Company 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 the Company, and upon termination of my employment, I shall return promptly to the Company, all copies of all Confidential Information or Developments, and all records, files, blanks, forms, materials, supplies, 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 the Company.

11. Special Remedies. I recognize that money damages alone would not adequately compensate the Company in the event of a breach by me of this Agreement, and I therefore agree that, in addition to all other remedies available to the Company at law or in equity, the Company shall be entitled to injunctive relief for the enforcement hereof. Failure by the Company 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. I also agree that if I am found to be in violation of this Agreement, I shall be responsible for the reasonable attorney's fees for the Company in enforcing this Agreement.



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

- [] This Agreement contains the entire and only agreement between me and the Company respecting the subject matter hereof and supersedes all prior agreements and understandings between us as to the subject matter hereof; and no modification shall be binding upon me or the Company unless made in writing and signed by me and an authorized officer of the Company.

Initials: _____

- [] I acknowledge that there may be more than one agreement between me and the Company 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 the Company of any conflict between said agreements immediately upon my discovery of such. No modifications shall be binding upon the Company or me unless made in writing and signed by me and an authorized officer of the Company.

Initials: _____

My obligations under this Agreement shall survive the termination of my employment with the Company 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 the Company. 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 South Carolina, and shall be deemed to be effective as of the first day of my employment by the Company.

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: _____

Date: _____

Title: _____

Witness _____

Date: _____