



## KAVALIRO EMPLOYMENT AGREEMENT

This Agreement (“Agreement”) is between Kavaliro (herein referred to as Kavaliro or the “Company”) and Employee named above.

Employee will serve the Company to the best of his/her ability, and will abide by the Company’s rules, regulations, policies and practices as adopted or modified from time to time in the Company’s sole discretion. While employed by the Company, Employee will not render or perform services for any other corporation, firm or entity without the prior written consent of the CEO of the Company, or other authorized representative of the Company. This Agreement shall not prohibit Employee from conducting private business affairs if those activities are not in competition with the Company and do not materially interfere with the services required under this Agreement. Employee must give notice to the Company of any such affairs in which he/she is engaging upon commencement of employment, and give notice to the Company before beginning to engage in such affairs during employment. This Paragraph and the other provisions of this Agreement are not meant to prevent a passive and non-controlling ownership of less than 2% of the stock in a publicly traded company.

Employee understands and agrees that employment with the Company is at will, which means that either Employee or the Company may terminate this Agreement at any time with or without cause or notice. Employee further agrees that only the CEO of the Company has the authority to make any agreement contrary to the terms of this Agreement, and any modification of the at-will nature of the employment must be in a writing executed by Employee and the CEO of the Company.

### **1. Understand & Acknowledge Receipt of Kavaliro Employee Policies Handbook**

- a. Employee has received a copy of the Kavaliro Employee Policies Handbook and understands that he/she is expected to read the entire handbook. Furthermore, Employee has had an opportunity to read the handbook, and understands that he/she may ask their supervisor or contact Corporate Human Resources with any questions he/she may have concerning the handbook. As an employee of or consultant for Kavaliro, Employee agrees to comply with all of the terms and conditions listed within the employee handbook. Employee understands that the information in the employee handbook is subject to change at the sole discretion of Kavaliro at any time. Employee understands that changes in company policies may supersede, modify, or eliminate the information summarized in the employee handbook. As the company provides updated policy information, Employee accepts responsibility for reading and abiding by the changes.

### **2. Confidential and Proprietary Information**

- a. **Confidential Information.** Employee acknowledges that in order to satisfy and perform effectively his or her duties and obligations under this Agreement, the Company will give Employee certain “Confidential Information” of the Company. “Confidential Information” means information or a compilation of information, in any form (tangible or intangible), related to the Company’s business that the Company has not made public or authorized public disclosure of and that is not already generally known to the public or to other persons who might obtain value or competitive advantage from its disclosure or use. Confidential Information includes, but is not limited to, information related to the Company’s systems, equipment, suppliers, accounts, customers, customer lists (including but not limited to customers of the Company on whom Employee calls or with whom Employee becomes acquainted during the term of his or her employment), pricing policies and characteristics, market plans, expiration dates of customer contracts, trade secrets, technical data, research, financial information, software, inventions, technology, information about key employees, personnel data, and any other confidential or proprietary information relating to the Company, its business and its methods of doing business. Employee acknowledges that such Confidential Information constitutes valuable, special



and unique property of the Company that it has developed and accumulated at great effort and expense, and that the disclosure of such information to other persons or entities or the unauthorized use of such information would result in irreparable harm to the Company and its business. Further, Employee understands that the Company's customer database and other information identifying customers and clients are proprietary information that has been collected over a significant amount of time and at great effort and expense. The information is among the most highly confidential proprietary information of Kavaliro and should only be used for the Company's benefit.

- b. **Nondisclosure.** Employee agrees that both during and after employment ceases (whether voluntarily or involuntarily), Employee will not divulge, disclose or make accessible to any other persons or entities the Confidential Information of the Company. Employee shall keep in strictest confidence and trust all of the Company's Confidential Information. Employee shall not knowingly disclose, use or induce or assist in the use or disclosure of any Confidential Information without the Company's express written consent, except as may be necessary in the ordinary course of performing his or her duties as a Kavaliro employee. If a time limitation on this restriction is required in order for it to be enforceable then this restriction shall be limited to a period of three years following the termination of Employee's employment for any information that does not qualify as a trade secret. Trade secret information will remain protected at all times and nothing herein shall be construed to reduce or diminish the applicability of trade secret protections, statutory or common law, that apply to the Company's trade secrets independent from this Agreement.
- c. **Client Information.** Employee acknowledges that his/her performance of work for the Company may require Employee to access and use data and information proprietary to a client or client contractor that is of a nature such that its dissemination or use, other than in performance of Employee's work, would be adverse to the interests of the client and/or others. The Employee shall not use, disclose, or reproduce proprietary data that bears a restrictive legend, other than as required in the performance of the client work. Nothing in this Agreement shall preclude the use of any data independently acquired by Employee without such limitations or prohibit an agreement (at no cost to the client) between Employee and the data owner which provides for greater rights to Employee.

### **3. Protective Covenants**

- a. **The Company.** The Company will: give Employee portions of its Confidential Information, as defined above; provide training on specialized aspects of the employee's job and/or the Business; and/or allow Employee the opportunity to develop goodwill with the Company's customers. The parties intend that the protective covenants in this Section 2 to be ancillary to the Company's promises and obligations under this Section 2(a). The parties further intend that Company's promises constitute a positive contract and that a court construe Company's promises and Employee's obligations as creating bi-lateral obligations.
- b. **Non-Solicitation of Customers and Clients.** Employee agrees that he or she will not, without the express written consent of the Company's CEO, for a period of 18 months immediately following the end of Employee's employment with Kavaliro (for any reason, whatever the cause), directly or indirectly, call upon, solicit, divert, or take away, or attempt to solicit, divert, or take away, a Covered Customer for the purpose of selling or offering Business or to encourage such Covered Customer to cease or reduce doing business with the Company. For employees residing in Arizona, this restriction is limited to the Restricted Area.
- c. **Non-Solicitation of Customer Prospects.** Employee agrees that he or she will not, without the express written consent of the Company's CEO, for a period of 18 months immediately following the end of Employee's employment with Kavaliro (for any reason, whatever the cause), directly or indirectly, call upon, solicit, divert, or take away, or attempt to solicit, divert, or take away, any Customer Prospect for the purpose of selling or offering Business. For employees residing in Arizona, this restriction is limited to the Restricted Area.
- d. **Non-Solicitation of Indirect Employees.** Employee agrees that, for a period of 18 months immediately following the termination of Employee's employment with the Company (for any reason, whatever the cause), Employee shall not, either directly or indirectly, solicit, induce, recruit, or encourage any of the Company's indirect employees to leave their



employment with the Company. If Employee violates this paragraph, in addition to injunctive relief prohibiting further violations, Employee agrees to pay the Company 25% of the previous 12 month's wages of any employee that the Company loses as a result of, in whole or in part, Employee's violation which shall serve as liquidated damages to cover part of the damages resulting from the loss of the employee. This remedy is provided to address a portion of the harm caused by such a violation, but cannot fully address all of the harm caused by the loss of an employee due to a violation of this agreement due to the irreparable nature of the harm it causes.

- e. **Non-Solicitation of Direct Employees.** Employee agrees that, for a period of 18 months immediately following the termination of Employee's employment with the Company (for any reason, whatever the cause), Employee shall not, either directly or indirectly, solicit, induce, recruit, or encourage any of the Company's direct employees to: (i) cease doing work for the Company at customers of the Company, or (ii) refrain from beginning work for the Company at customers of the Company, or (iii) provide services to a Competing Business.
- f. **Non-Competition.** Employee agrees that he or she will not, for a period of 18 months following the termination of Employee's employment (for any reason, whatever the cause), as an employee, consultant, contractor, officer, owner, director, or otherwise, provide services to a customer of the Company with respect to which Employee provided services as a Direct Employee of Company during the Look Back Period.

**\*\* Non-competition clause is null and void if conflicts with state laws governing employment agreements (i.e. CA). State Labor Laws will supersede items in conflict.**

- g. **Damages.** Employee recognizes and acknowledges that it would be difficult to ascertain the damages arising from a violation by Employee of the covenants contained in subsections b, c, e, f, and g above. Therefore, Employee agrees that, in addition to injunctive relief, Company is entitled to recover from Employee as damages arising as a consequence of a violation of the covenants contained in subsections b, c, e, and f, above, said damages to be, at a minimum, an amount equal to twenty-five percent (25%) of the gross sales, resulting from business generated by Employee, either directly or indirectly, on Employee's own account or as agent, owner, officer, director, trustee, creator, partner, consultant, stockholder, employer, employee, or otherwise for or in conjunction with any other person or entity, in violation of subsections b, c, e, and f, above. This remedy is provided to address a portion of the harm caused by such a violation, but cannot fully address all of the harm caused by conduct of Employee in violation of this agreement due to the irreparable nature of the harm it causes.
- h. **Definitions.** As used herein:
  - i. "Look Back Period" means the last two years of Employee's employment by Employer;
  - ii. "Business" means those products and services provided or offered by Employer to its clients and customers with which the Employee was involved or had knowledge of within the Look Back Period. The parties agree that at the time of execution of this Agreement, the Company offers the following products and services: staff augmentation and solutions (from contract, to contract-to-hire, to direct-hire) and outsourced project management, engineering and IT solutions.
  - iii. "Covered Customer" means a client who is a customer of Kavaliro upon whom Employee called or whom Employee serviced or solicited during the Look Back Period, or regarding whom Employee received Confidential Information during the Look Back Period, or regarding whom Employee supervised business-related activities during the Look Back Period.
  - iv. "Customer Prospect" means any person or business the Employee solicited on behalf of the Company or about whom the Employee obtained Confidential Information during the Look Back Period and who has not communicated a decision not to do business with the Company at the time of post-employment solicitation (if any) by Employee.



- v. "Competing Business" means any person or entity engaged in the Business or the provision of related products or services that would displace or compete with the products and services of the Company.
- i. **Florida.** While Employee is a resident of Florida and subject to its laws: (i) the restrictions in subsections b, c, and e of Section 2 will be limited so that they only apply where Employee is aided by the use or disclosure of Confidential Information; (ii) the restrictions in subsections f and g of Section 2 will not apply; and (iii) the restrictions in Section 2(d) are rewritten as follows: Employee agrees that, for a period of 18 months immediately following the termination of Employee's employment with the Company (for any reason, whatever the cause), Employee shall not, either directly or indirectly, solicit, any of the Company's indirect employees to leave their employment with the Company.
- j. **Reasonableness of Restrictions.** Employee has carefully read all of the terms in Sections 1 and 2 and represents, warrants and agrees that these terms are necessary for the reasonable and proper protection of the Business of the Company, and that the Company has been induced to hire Employee, or continue to employ Employee, by his/her representation that he/she will abide by and be bound by each of the described covenants and restraints. Employee also understands and agrees that each and every covenant is reasonable with respect to such matters as length of time and the relevant geographical area, and that irrespective of all other conditions, the covenants and restrictions above provided shall be operative during the full period stated and through the geographical area described. Employee acknowledges and warrants that in the event these non-competition restrictions shall become operative after termination of his or her employment, Employee will be able to engage in other businesses or employment for the purpose of earning a livelihood.
- k. **Remedies.** Employee acknowledges and agrees that in the event of any breach by him or her of Employee's nondisclosure obligation or any Protective Covenant set forth above, the Company may apply to any court of competent jurisdiction for the entry of an immediate order for an injunction restraining breach of the covenants by Employee. The Company's right to an injunction shall not limit its right to any other remedies, including damages (such damages to be decided by an arbitrator, as set forth in Section 5 below). Employee agrees to pay the Company's costs, including attorney's fees, for having to enforce any of the provisions of this Agreement. Employee agrees and consents that all actions to enforce the provisions of this Agreement shall be brought in the employee's state of residence.

#### **4. Obligations to Former Employer**

- a. Employee represents and warrants that Employee's execution of this Agreement and performance of services under this Agreement will not violate any obligations Employee may have to any other the Company, person or entity, including any obligations to keep confidential any proprietary information, knowledge or data acquired by Employee in confidence or in trust before becoming an employee of the Company.
- b. Employee will not improperly disclose or use any proprietary or confidential information or trade secrets of any former employer during or in furtherance of Employee's employment by Company.
- c. Employee represents and warrants to the Company that, upon leaving his/her previous employer, Employee returned all property of the former employer that was in his/her possession or control, including keys, credit cards, address lists, all business and customer information, and any other items of value. Examples of such items are software on a personal computer or handheld device; electronically stored data on a computer or handheld device; and information or property belonging to such previous employer that was stored at a location other than the previous employer's office or other place of business.
- d. Employee will not distribute, in any manner, any announcements about his/her employment with the Company to any customers or clients with whom Employee worked while with his/her former employer without the Company's prior approval. The Company will work with Employee to create an announcement of his/her association with the Company.



## **5. Company Property**

Employee agrees not to remove company property from the Company's premises without express permission from an authorized company representative. Should Employee's employment with Company terminate (whatever the reason or cause), Employee agrees to return (and will not keep in his/her possession, recreate or deliver to anyone else) all company property, information (whether in electronic or "hard" format), customer lists, address lists, keys, credit cards, cell phones, devices, records, data, notes, reports, proposals, lists, correspondence, specifications, materials, or other documents, or reproductions of any of these items, developed by Employee as part of his or her duties for the Company, or any other items belonging to the Company, its successors or assigns. Employee specifically agrees that upon termination of his or her relationship with the Company for any reason, Employee will deliver promptly to the Company all materials of any type in his or her possession or control that contain Confidential Information of the Company. Employee also agrees not to engage in any unauthorized destruction or deletion of Company records or data during employment or upon termination of employment, including, without limitation, the deletion of electronic files, data, records or e-mails. Employee acknowledges that Employee is only authorized to access and use the Company's computers, email, or related computer systems to pursue matters that are consistent with the Company's business interests. Employee recognizes that access or use of such systems to pursue personal business interests apart from the Company, to compete or to prepare to compete, or to otherwise knowingly undermine the Company's interests (such as, by way of example only, destroying its records or programs) is strictly prohibited and outside the scope of Employee's authorized use of Company's systems.

## **6. Arbitration**

- a. The Company and Employee agree that any dispute or controversy arising out of, relation to, or in connection with this Agreement, the interpretation, validity, construction, performance, breach or termination of this Agreement, or any issue arising out of Employee's employment (with the exception of claims for worker's compensation, unemployment insurance, and an matter within the exclusive jurisdiction of a federal or state agency) shall be settled by binding arbitration.
- b. The arbitration shall be conducted in accordance with the national Rules for the Resolution of Employment Disputes as promulgated by the American Arbitration Association. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. Unless otherwise agreed to by the parties, the arbitration proceeding shall be held in the city or other geographic location where Employee was last employed by the Company on a full-time or otherwise regular basis.
- c. Civil discovery shall be permitted for interrogatories, production of documents and the taking of depositions. All discovery shall be governed by the federal rules of civil procedure. All issues regarding compliance with discovery requests shall be decided by the arbitrator in accordance with the rules of the American Arbitration Association.
- d. The arbitrator shall have the authority to award any remedy or relief that a court of the state where Employee was last employed could order or grant, including, without limitation, summary judgment, specific performance, and payment of damages, issuance of final or permanent injunctions, or the imposition of sanctions for abuse or frustration of the arbitration process. Nothing about this agreement to arbitrate should be construed as preventing a court of competent jurisdiction from issuing a temporary restraining order, preliminary injunction or temporary injunction to address actual, threatened, or imminent breach of this agreement.
- e. This agreement does not shorten time limits under which Employee may bring a claim to arbitration. The time limits under which a dispute claim or controversy may be brought to arbitration will be governed by the applicable statutes of limitations as set forth in the laws of the state where Employee was last employed.
- f. Following a hearing conducted by the arbitrator, the arbitrator shall issue a written opinion and award, which shall be signed and dated. The opinion and award shall decide all issues submitted and shall set forth the legal principles



and findings of fact supporting each part of the opinion. The arbitrator shall be permitted to award only those remedies in law or equity which is requested by the parties and which the arbitrator determines to be supported by credible, relevant evidence.

- g. The Company shall pay the arbitration costs, to the extent required by law. The parties may apply to any court of competent jurisdiction for a temporary restraining order, preliminary injunction, or other interim or conservatory relief, as necessary, without breach of this arbitration agreement and without abridgment of the powers of the arbitrator. Each party shall bear the expense of its own counsel, experts, witnesses, and the preparation and presentation of evidence, except as allowed under applicable law.

- h. **EMPLOYEE HAS READ AND UNDERSTANDS SECTION 5 WHICH DISCUSSES ARBITRATION. EMPLOYEE UNDERSTANDS THAT BY SIGNING THIS AGREEMENT, EMPLOYEE AGREES TO SUBMIT ANY FUTURE CLAIMS ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH EMPLOYEE'S EMPLOYMENT, OR THE TERMINATION OF THAT EMPLOYMENT, OR THE INTERPRETATION, VALIDITY, CONSTRUCTION, PERFORMANCE OR BREACH OF THIS AGREEMENT (EXCEPT WITH REGARD TO CLAIMS FOR WORKERS' COMPENSATION, UNEMPLOYMENT INSURANCE AND ANY MATTER WITHIN THE JURISDICTION OF THE EMPLOYEE'S STATE OF RESIDENCE LABOR COMMISSIONER OR EQUIVALENT STATE OFFICIAL) TO BINDING ARBITRATION AND THAT THIS ARBITRATION CLAUSE CONSTITUTES A WAIVER OF EMPLOYEE'S RIGHT TO A JURY TRIAL AND RELATES TO THE RESOLUTION OF ALL DISPUTES RELATING TO ALL ASPECTS OF THE COMPANY/EMPLOYEE RELATIONSHIP.**

#### **7. Notice and Early Resolution Conference**

In order to help avoid disputes and related litigation costs, during employment and for a period of 18 months thereafter, Employee will give the Company thirty (30) days advance written notice prior to accepting any position with a Competing Business and will engage in an interactive dialogue and exchange of information about the position Employee is considering accepting if requested to do so. Employee understands that the purpose of this notice obligation is to help avoid the cost of litigation that might otherwise be necessary to pursue discovery, and to explore negotiated restrictions that would protect the Company's legitimate business interests. Accordingly, if Employee fails to provide such notice Employee may be held responsible for costs of litigation and other consequential damages.

#### **8. General Provisions**

- a. Employee understands that the post-employment obligations under this Agreement will survive the termination of this agreement and/or termination of Employee's employment by the Company, regardless of the cause of the termination. No modification of or amendment to this Agreement will be effective unless in writing signed by the Employee and the CEO of the Company.
- b. In the event Employee violates one of the time-limited restrictions in this Agreement, then the restricted period for such violated restriction shall be extended by one day for each day Employee has violated the restriction up to a maximum extension equal to the length of the period of forbearance originally bargained for.

#### **9. Employee Information**

- a. Employee understands that he/she has an obligation to inform his/her Manager or department head of any changes in personal information, such as phone number, address, etc. Employee also accepts responsibility for contacting his/her Manager or Corporate Human Resources if he/she has questions or concerns or need further explanation.