

EMPLOYMENT AGREEMENT – Michael Pedersen



EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), effective this 2nd day of July, 2012 (the "Effective Date") by and between Michael Pedersen ("Employee"), a resident of New Jersey, and OrcaTec, LLC ("Company"), a Georgia limited liability company. Because Company desires to employ Employee and because Employee desires to be employed by Company, both parties, in consideration of the mutual and exchanged promises and agreements contained herein and of wages paid and services rendered hereunder, hereby agree as follows:

Section 1. Employment.

(a) Subject to the terms contained in this Agreement, Company hereby employs Employee in a Developer role with the Company, reporting to Company's CTO and Employee hereby accepts such employment. Employee shall perform all duties set forth in the attached Exhibit "A," and such other duties as may be assigned by the Manager from time to time. During normal business hours, Employee shall devote their full time and best efforts exclusively to rendering services on behalf of Company. Employee agrees to perform faithfully, industriously, and to the best efforts of Employee's experience and talent all of the duties that may be required by the express and implicit terms of this Agreement, to the reasonable satisfaction of Company. Such duties shall be provided at such place(s) and time(s) as Company may require.

(b) Employee's employment with Company hereunder shall be for no fixed period of time and may be terminated at any time, with or without cause, in accordance with the terms of Section 4 ("Termination").

Section 2. Compensation.

(a) Base Salary. While employed hereunder, Employee shall be paid a salary at the annual rate of Ninety Five Thousand Dollars (\$95,000.00), less withholding for taxes and deductions for other appropriate items ("Base Salary"). Employee's Base Salary shall be paid in approximately equal installments on a semi-monthly basis. Any salary adjustments shall be in the discretion of the Manager of the Company. All compensation payments will cease upon termination of this Agreement; provided, however, that Employee shall be paid for all time worked prior to the termination.

(b) Performance and Discretionary Bonus. During Employee's employment hereunder, Employee will be eligible to receive certain cash bonus payments if their

EMPLOYMENT AGREEMENT – Michael Pedersen



performance and the performance of Company meet certain criteria set by the Manager (or by any compensation committee established by the Manager).

(c) New Idea Creation Bonus. Employee will be eligible to receive cash bonus payments for the creation of new business ideas that lead to savings or marketable products or service ideas, or anything that helps provide OrcaTec a competitive advantage.

Section 3. Benefits.

Employee shall be eligible to participate in employee benefit plans made available to the majority of similarly situated employees of Company in the United States, subject to the terms, conditions and eligibility requirements of each benefit plan.

Section 4. Vacation.

Employee shall be eligible to 10 working days paid vacation, in addition to the company's published list of paid holidays.

Section 5. Termination.

(a) Employee At-Will. Company may terminate Employee's employment at any time with or without cause by providing Employee with written notice of the termination. If Company terminates Employee's employment hereunder, Company shall be obligated to pay Employee's pro-rated salary and pro-rated bonus, if any, only through the actual effective date of termination, less any amount owed to Company pursuant to Section 2 (b) hereof. Company shall have no other payment obligation under this Agreement or otherwise. Other benefits, including accrued but unused vacation, will not be provided or paid after termination except as may be required by applicable law.

(b) Probation period: Both Employer and Company has a 90 day tryout period during which time, either can terminate the relationship for whatever reason, with 24 hours' notice.

(c) Resignation Notice: In the event that the Employee wishes to terminate their employment with Company, two weeks written notice is required.

(d) Death. This agreement shall terminate immediately upon Employee's death. In that event, Company shall be obligated to pay to employee's estate Employee's prorated Base Salary only through the actual effective date of termination and shall have

EMPLOYMENT AGREEMENT – Michael Pedersen



no other payment obligation or other liability to Employee or their estate under this Agreement or otherwise.

(e) Survival Upon Termination. Sections 6, 7, 8, 9, 10, 11 and 12(d) and (e) of this Agreement shall survive the expiration or termination of this Agreement for any reason.

Section 6. Nondisclosure of Trade Secrets and Confidential Information.

(a) Trade Secrets Defined. As used in this Agreement, the term "Trade Secrets" shall mean all secret, proprietary or confidential information regarding Company or Company activities that fits within the definition of "trade secrets" under the Georgia Trade Secrets Act. Without limiting the foregoing or any definition of Trade Secrets, Trade Secrets protected hereunder shall include all source codes and object codes for Company software and all website design information to the extent that such information fits within the Georgia Trade Secrets Act. Nothing in this Agreement is intended, or shall be construed, to limit the protections of the Georgia Trade Secrets Act or any other applicable law protecting trade secrets or other confidential information. "Trade Secrets" shall not include information that has become generally available to the public by the act of one who has the right to disclose such information without violating any right or privilege of Company. This definition shall not limit any definition of "trade secrets" or any equivalent term under the Georgia Trade Secrets Act or any other state, local or federal law.

(b) "Confidential Information" and "Client Confidential Information" Defined. As used in this Agreement, the term "Confidential Information" shall mean all information regarding Company, Company's activities, Company's business or Company's clients that is not generally known to persons not employed (as employees or independent agents) by Company, that is not generally disclosed by Company practice or authority to persons not employed by Company and is the subject of reasonable efforts to keep it confidential. Confidential Information shall include, but not be limited to product code, product concepts, production techniques, technical information regarding Company products or services, production processes and product/service development, operations techniques, product/service formulas, information concerning Company techniques for use and integration of its website and other products/services, current and future development and expansion or contraction plans of Company, sale/acquisition plans and contacts, marketing plans and contacts, information concerning the legal affairs of Company and certain information concerning the costing, pricing, strategy, tactics and financial affairs of Company. "Client Confidential Information" is any information

EMPLOYMENT AGREEMENT – Michael Pedersen



provided by client to OrcaTec or acquired from client or any third party by OrcaTec in the course of an engagement with any client. Client confidential information includes any personal or confidential corporate information, any information owned, under the control of, or provided by a client or third party, any privileged information or any other client information not generally known to the public. "Confidential Information" shall not include information that has become generally available to the public by the act of one who has the right to disclose such information without violating any right or privilege of Company. This definition shall not limit any definition of "confidential information" or any equivalent term under the Georgia Trade Secrets Act or any other state, local or federal law.

(c) Nondisclosure of Confidential Information. During Employee's employment hereunder and for a period of two (2) years after Employee's employment with Company terminates for any reason, Employee shall not directly or indirectly transmit or disclose any Confidential Information to any person, concern or entity, or make use of any such Confidential Information, directly or indirectly, for himself or for others, without the prior express written consent of the Manager of the Company. During the term of this Agreement and perpetually thereafter, for so long as the information remains a Trade Secret, Employee shall not directly or indirectly, for himself or for others, without the prior express written consent of the Manager of the Company, transmit or disclose any Trade Secrets to any person, concern or entity, or make use of any such Trade Secrets. Employee warrants that they have not disclosed or used for their own benefit or the benefit of anyone other than Company any Confidential Information or Trade Secrets prior to the execution of this Agreement.

(d) Disclosure of Client Confidential Information. During Employee's employment hereunder and for an unlimited period after Employee's employment with Company terminates for any reason, Employee shall not directly or indirectly transmit or disclose any Client Confidential Information to any person, concern or entity, or make use of any such Confidential Information, directly or indirectly, for Employee or for others. "Confidential Information" shall not include information that has become generally available to the public by the act of one who has the right to disclose such information without violating any right or privilege of Client. Company will not be held liable and will not protect or indemnify any such breach, unless the disclosure was ordered in writing by a Court of Law or Officer of the Court or similar. In such instances, where disclosure is possible or likely, Employee will work with Company to inform Client of the need to disclose such information. Where no Court ordered or similar disclosure occurs, Employee shall be fully liable for any legal or monetary consequences of their actions and optionally may have their employment terminated with prejudice.

EMPLOYMENT AGREEMENT – Michael Pedersen



(e) Enforceability of Covenants. Employee and Company agree that Employee's obligations under these nondisclosure covenants are separate and distinct from other provisions of this Agreement, and a failure or alleged failure of Company to perform their obligations under any provision of this Agreement or other agreements with Company shall not constitute a defense to the enforceability of these nondisclosure covenants. Nothing in this provision or this Agreement shall limit any rights or remedies otherwise available to Company under federal, state or local law.

Section 7. Ownership of Protected Works.

(a) Protected Works. The term "Protected Works" as used in this Agreement means any and all ideas, inventions, formulas, source codes, object codes, techniques, processes, concepts, systems, programs, software, software integration techniques, hardware systems, schematics, flow charts, computer data bases, client lists, trademarks, service marks, brand names, trade names, compilations, documents, data, notes, pricing calculators, designs, drawings, technical data and/or training materials, including improvements thereto or derivatives therefrom, whether or not patentable, or subject to copyright or trademark or trade secret protection, developed and produced by Employee pursuant to this Agreement or other agreements between Employee and Company and used or intended for use by or on behalf of Company, or Company's clients.

(b) Ownership and Assignment of Protected Works. Employee agrees that any and all Protected Works developed by Employee during their employment or other engagement with Company under this Agreement and during their employment with, or other engagement by Company prior to the execution of this Agreement (whether as employee or independent contractor) are the sole property of Company, and that no compensation in addition to the amounts set forth in Section 2 of this Agreement is due to Employee for development or transfer of such Protected Works. Employee hereby assigns and agrees to assign all of their respective rights, title and interest in Protected Works, including all patents or patent applications, and all copyrights therein, to Company. Employee further agrees at Company's request and without further consideration, but at the expense of Company, that Employee will communicate to Company any facts known to Employee and testify in any legal proceedings, sign all lawful papers, make all rightful oaths, execute all divisional, continuing, continuation-in-part, or reissue applications, all assignments, all registration applications and all other instruments or papers to carry into full force and effect, the assignment, transfer and conveyance hereby made or intended to be made and generally do everything possible for title to the Protected Works and all patents or copyrights or trademarks or service marks therein to be clearly and exclusively held by Company. Employee agrees that they will not apply for any state, federal, foreign or other jurisdiction's registration of rights in any

EMPLOYMENT AGREEMENT – Michael Pedersen



of the Protected Works and that they will not oppose or object in any way to applications for registration of same by Company or others designated by Company.

Section 8. Non Solicitation; Non-Competition.

(a) Non-Solicitation. Employee hereby agrees and covenants with the Company that during the term of their employment with Company and for a period of two (2) years after their employment is terminated, Employee shall not, either directly or indirectly, (including any entity in which or for which the Employee is, at such time, a shareholder, partner, joint venturer, consultant, employee, officer, or agent being hereinafter referred to as a “Related Entity”), hire, seek to hire or cause or induce any Related Entity to hire or seek to hire, any employee of the Company (i) who was an employee of the Company at the time the Employee was employed by the Company, and (ii) whose employment had not been terminated by either the Company or such other employee prior to discussing such employee’s employment by the Employee and/or any Related Entity. In addition, the Employee hereby agrees and covenants with the Company that during the term of their employment with the Company and for a period of two (2) years thereafter, the Employee shall not, either directly or indirectly, as through a Related Entity, or cause or induce any Related Entity to call on, solicit, take away, or attempt to, call on, solicit, or take away any of the customers of the Company on whom the Employee called or with whom the Employee became acquainted during employment with the Company.

(b) Non-Competition. Employee shall refrain from any activity or action that creates a conflict of interest with Company, creates the appearance of a conflict of interest with Company or reasonably could be expected to have a detrimental effect on any aspect of Company's performance. Employee agrees that during the term of this Agreement, they shall not be employed by any entity providing software or services similar to OrcaTec's Document Decisioning Suite, specifically predictive coding and text analytics, which includes conceptual search and clustering; electronic document archiving, search, and retention or production services to third parties, including regulatory compliance and discovery compliance in connection with pending litigation (a “Competing Entity”). Employee shall not accept any position as a director, trustee or other affiliate of any business organization without the consent of the Manager of the Company. In addition, for a period of two years following the effective date of termination of this Agreement, Employee shall not, directly or indirectly, acting alone or together with others, or as a partner, employee, consultant, advisor, owner or shareholder of any person or entity, engage in or carry on any activities comprising the business that the Company conducts as of the date hereof (“Prohibited Activities”); provided however, that this prohibition shall only be applicable to Prohibited Activities in respect to or for the benefit of customers of Company, or representative of customers of Company, with

EMPLOYMENT AGREEMENT – Michael Pedersen



which Employee had contact during the period of two years immediately preceding cessation of Employee's employment with Company.

Section 9. Rights to Materials and Return of Materials.

All records, files, software, software code, memoranda, reports, price lists, customer lists, drawings, plans, sketches, documents, technical information, information on the use, development and integration of software, and the like (together with all copies of such documents and things) relating to the business of Company, which Employee shall use or prepare or come in contact with in the course of, or as a result of, Employee's employment or other engagement by Company shall, as between the parties to this Agreement, remain the sole property of Company. Laptop computers, other computers, software and related data, information and things provided to Employee by Company or obtained by Employee, directly or indirectly, from Company, also shall remain the sole property of Company. Upon the termination of Employee's employment or upon the prior demand of Company, Employee shall immediately return all such materials and things to Company and shall not retain any copies or remove or participate in removing any such materials or things from the premises of Company after termination or Company's request for return. Likewise, the contents of all computers under the control of Employee are to remain intact and not be subject to clean up or purge operations.

Section 10. Works Made for Hire.

company owned
computers MP

Company and Employee acknowledge that in the course of Employee's employment (as employee or independent contractor) by Company, Employee may from time to time create, and has previously created, for Company copyrightable works. Such works may consist of manuals, pamphlets, instructional materials, computer programs, software, software integration techniques, processes, software codes, and data, technical data, photographs, drawings, logos, designs, artwork or other copyrightable material, or portions thereof, and may be created within or without Company's facilities and before, during or after normal business hours. Employee acknowledges and agrees that all documentation, software, creative works, know-how, information, and inventions created, in whole or in part, by Employee or any of its employees or subcontractors in connection with the rendition of the Services, whether or not subject to copyright or other intellectual property rights (collectively, "Work Product") shall be considered "work for hire" as defined in Public Law 94-553, The Copyright Revision Act of 1976, granting Company full ownership to all intellectual property rights in the Work Product. Should any Work Product of Employee not fall within the definition of "work for hire" as set forth in said Act, Employee hereby transfers and assigns to ~~Employee~~ Employer full ownership of the copyright

Employer MP

Page 7 of 11



and all other intellectual property rights in the Work Product. Employee shall not question or otherwise challenge, either directly or indirectly, during the term of this Agreement or after its termination or expiration, Company's ownership of the copyright and other intellectual property rights in the Work Product or the validity of any copyright registration or application for copyright registration by Company for the Work Product. Employee will execute any required application for registration of such copyrights, and will sign all other documents and perform all other acts necessary or convenient to carry out the terms of this Agreement.

Section 11. Compliance with Policies and Laws.

(a) Policies. Employee agrees to comply with any and all Company policies, work rules or standards of conduct and pledges to observe order and discipline of work.

(b) Laws. Employee agrees to abide by the laws of the United States and all other applicable jurisdictions and to exercise good judgment in the best interest of Company.

Section 12. Miscellaneous.

(a) Severability. The covenants set forth in this Agreement shall be considered and construed as separate and independent covenants. Should any part or provision of any covenant be held invalid, void or unenforceable in any court of competent jurisdiction, such invalidity, voidness or unenforceability shall not render invalid, void or unenforceable any other part or provision of this Agreement. If any portion of the foregoing provisions is found to be invalid or unenforceable by a court of competent jurisdiction because of its duration, the territory, the definition of activities or the definition of information covered is invalid or unreasonable in scope, the invalid or unreasonable term shall be redefined, or a new enforceable term provided, such that the intent of Company and Employee in agreeing to the provisions of this Agreement will not be impaired and the provision in question shall be enforceable to the fullest extent of the applicable laws.

(b) Waiver. The waiver by any party to this Agreement of a breach of any of the provisions of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach.

(c) Governing Law. This Agreement shall be deemed to be made in and shall in all respects be interpreted, construed and governed by and in accordance with the laws of the State of Georgia (without giving effect to the conflict of law principles thereof).

EMPLOYMENT AGREEMENT – Michael Pedersen



No provision of this Agreement or any related documents shall be construed against, or interpreted to the disadvantage of, any party hereto by any court or any governmental or judicial authority by reason of such party having, or being deemed to have, structured or drafted such provision.

(d) Entire Agreement. This Agreement is intended by the parties hereto to be the final expression of their agreement with respect to the subject matter hereof and this is the complete and exclusive statement of the terms of their agreement, notwithstanding any representations, statements or agreements to the contrary heretofore made. This Agreement supersedes any former agreements governing the same subject matter. This Agreement may be modified only by a written instrument signed by each of the parties hereto. Nothing in this Agreement or Employee's employment shall be construed to give Employee any rights, of ownership or otherwise, in any Protected Works, Inventions, Works Made for hire or other software, hardware, data or systems that they create or obtain or have created or obtained, while employed or otherwise engaged by Company.

(e) Injunctive Relief. Employee acknowledges that in the event of any actual or threatened breach of section 5, 6 or 7 of this Agreement may cause Client irreparable damage for which remedies other than injunctive relief may be inadequate, and both parties agree that the Client may request injunctive or other equitable relief seeking to restrain such breach and specific performance in addition to any other remedies Client may have at law or equity.

EMPLOYMENT AGREEMENT – Michael Pedersen



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Company: OrcaTec, LLC

By: _____
Arnaud Viviers, CEO & President

Employee: Michael J. Pedersen

Date: Jun 30, 2012

EMPLOYMENT AGREEMENT – Michael Pedersen



Exhibit “A”

Tasks: *To Be Determined*

- End of Exhibit “A” -