

LIMBIC ARC™, LLC

ARBITRATION & DISPUTE RESOLUTION POLICY

1. **Dispute Resolution.** If a Dispute between an Affiliate (“Affiliate,” “You,” or “Your”), a Customer (“Customer” “You” or “Your” and Limbic Arc arises from or relates to the Agreement and/or the SaaS Agreement, the Limbic Arc business, or the rights and obligations of a Party, (a “Dispute”), the Parties shall resolve the Dispute as set forth in this Arbitration & Dispute Resolution Policy.

The Company shall not be required to apply this policy prior to taking disciplinary action against an Affiliate for a violation or suspected violation of the Affiliate Application & Agreement &/or any document incorporated by reference thereto.

- a. **Stages of Dispute Resolution & General Dispute Resolution Procedures.** Disputes shall be resolved according to the three-step procedure of (a) informal negotiation; (b) mediation; and (c) trial before a court for claims under \$50,000.00 so long as equitable relief is not sought (except as set forth below), or binding arbitration if the claim is for \$50,000.00 or more or if equitable relief is claimed. **IF A CLAIM SEEKS DAMAGES FOR \$50,000.00 OR MORE OR SEEKS EQUITABLE RELIEF (EXCEPT AS SET FORTH BELOW), THE PARTIES AGREE TO RESOLVE THE DISPUTE THROUGH BINDING ARBITRATION AND WAIVE CLAIMS TO A TRIAL BEFORE ANY COURT OR JURY.** The following shall apply to all proceedings under this Dispute resolution provision:

- Any claim a Party has against the other must be brought within one year from the date on which the first act or omission supporting or giving rise to the claim occurred. In cases in which informal negotiation is required, once informal negotiation is requested in writing this one-year limitation of action provision shall be tolled until the completion of the mediation phase of this provision and for ten calendar days thereafter.
- At no time prior to the negotiation and mediation procedures below are completed shall either Party initiate arbitration or litigation related to the Agreement, the SaaS Agreement or the business except as may be specified otherwise in this Dispute resolution provision.
- All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation and/or mediation by any of the

Parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible for any purpose, including impeachment, in arbitration or other proceeding involving the Parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the negotiation and/or mediation.

- Informal negotiations and mediation shall occur in Lindon, State of Utah unless the Parties mutually agree on another forum. Informal negotiations and mediation may take place telephonically if either Party requests such.
- Each Party shall be responsible for its own attorney's fees, expert, professional and witness fees incurred in pursuing any claim, regardless of the forum.
- If litigation is filed in court the action may be brought in the jurisdiction in which either Party resides or has its principal place of business.
- Unless otherwise agreed upon by the Parties, if arbitration is filed all arbitration proceedings shall be filed and held in Lindon, State of Utah.

Step 1 - Informal Negotiation. The Parties shall attempt in good faith to resolve any Dispute arising out of or relating to this Agreement or the Company's business promptly by negotiation between the aggrieved Affiliate(s) and executives of the Company who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this Agreement. A Party may, at its election, choose to be accompanied in such negotiation by an attorney. If one Party elects to have its attorney present, the other Party must also agree to have its attorney present if that Party has retained counsel.

To institute the negotiation process, a Party may give the other Party written Notice of Dispute of any Dispute not resolved in the normal course of business. Within 10 days after delivery of the Notice, the recipient of the Notice shall submit to the other a written response. The Notice and Response shall include with reasonable particularity (a) a statement of each Party's position and a summary of legal and factual arguments supporting that position, and (b) the name and title of the executive and attorney who will accompany that Party (if applicable), or the name of the Affiliate or Customer and his/her attorney (if applicable) who will accompany him/her in the negotiation. Within 20 days after delivery of the Notice, the Parties and the attorneys (if applicable) of both Parties shall meet at a mutually acceptable time and place. Such meeting may occur telephonically if one Party requests that the meeting be held telephonically.

Unless otherwise agreed in writing by the negotiating Parties, mediation may be commenced one business day following the close of the negotiation phase described above. The negotiation phase is “closed” when one Party notifies the other in writing that it considers the negotiation “closed” so long as negotiation has taken place. Such closure shall not preclude continuing or later negotiations if desired by both Parties.

Step 2 – Mediation. If the Parties are unsuccessful in resolving their Dispute through good faith negotiation, they shall seek to resolve the Dispute through mediation. The Party asserting the dispute shall submit a written request for mediation to the other Party within 10 calendar days after the negotiation phase is completed. The Parties shall have 30 days following such request to select a mutually acceptable mediator. If the Parties cannot agree on a mutually acceptable mediator, they shall apply to JAMS to have a neutral mediator appointed.

Mediation shall be conducted within 30 days from the date on which the mediator is selected or appointed or as otherwise agreed upon by the Parties and the mediator.

Unless otherwise agreed upon by the Parties, the mediation shall be closed 30 days following the completion of the mediation.

Step 3(a) – Claims for under \$50,000.00 with no claim for equitable relief. Claims for less than \$50,000.00 and in which equitable relief is NOT sought may be brought pursuant to the arbitration provision below if the Parties agree. If the Parties do not agree, a claim may be brought before the small claims or district courts in the county in which either Party resides or has its principal place of business.

Step 3(b) – Claims for \$50,000.00 or more and/or claims seeking equitable relief – Confidential Arbitration. If a claim seeks \$50,000.00 or more, and/or seeks equitable relief, but the Parties do not successfully resolve their Dispute through the negotiation or mediation procedures above, the Dispute shall be resolved through confidential binding arbitration as set forth below.

Step 3(c) – Equitable Relief. If equitable relief is specifically authorized by federal or state statute, the Parties agree that an action may be brought before the district court in the county in which either Party resides or has its principal place of business so long as the relief sought is limited to equitable relief that is specifically authorized by federal or state statute. The confidentiality provisions and

corresponding liquidated damage provisions for breach of the confidentiality provision contained in this Dispute resolution policy shall remain in effect for claims and actions asserted under this Step 3(c) unless an action is brought before a court as specifically permitted pursuant to this subsection and the disclosure is related solely to material that is not filed with the court under seal. Affiliates agree and stipulate that any violation of Policies 29-31 (inclusive) will cause Limbic Arc irreparable harm for which there is no adequate remedy at law, and that the harm to the Limbic Arc if no equitable relief is awarded will outweigh any potential harm to Affiliate. Therefore, Limbic Arc shall be entitled to immediate and permanent equitable relief to prevent further violation in addition to recovering any actual damages it incurs.

b. **JAMS to Administer Arbitration.** The arbitration shall be filed with and administered by JAMS in accordance with its Comprehensive Rules and Procedures, which are available on JAMS' website at <https://www.jamsadr.com/rules-comprehensive-arbitration/>. Copies of JAMS Rules and Procedures will also be emailed to Affiliates and Customers upon request to Limbic Arc's customer Service Department. Notwithstanding the rules of JAMS, unless otherwise stipulated by the Parties, the following shall apply to all Arbitration actions:

- The Federal Rules of Evidence shall apply in all cases;
- The Parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure;
- The Parties shall be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure;
- The arbitration hearing shall commence no later than 500 days from the date on which the arbitrator is appointed, and shall last no more than five business days;
- The Parties shall be allotted equal time to present their respective cases;
- An Arbitrator's Award will consist of a written statement stating the disposition of each claim. The award will also provide a concise written statement of the essential findings and conclusions on which the award is based;
- Any Dispute relating to whether the Dispute is subject to arbitration shall be decided by through arbitration.
- The Parties shall divide the arbitrator's fees evenly.

c. **Confidentiality.** With the exception of discussing the claims with their respective attorneys and with bona fide witnesses to the Dispute, neither Party shall verbally

or in writing discuss, publish, or otherwise disseminate the claims, allegations, merits, evidence, positions, pleadings, testimony, rulings, awards, orders, issues, or any other aspect of the Dispute to any third Party, including but not limited to disclosure on the internet or on any social media or blog platform, prior to, during, or after any phase of the Dispute resolution process unless a specific exemption contained in this Dispute resolution provision applies. Nothing in this provision shall prohibit or limit the Company from discussing any compliance matter and/or its resolution with the upline of an Affiliate who has received disciplinary action by the Company.

- d. **Arbitration Opt-Out.** If an Affiliate or Customer does not want to be subject to this Arbitration Provision may opt out by notifying Limbic Arc in writing of its desire to opt out of this Arbitration Provision within 30 days of the Affiliate's execution of the Agreement or the SaaS Agreement. Acceptable forms of notice include sending electronic mail to legal@limbicarc.com.
- e. **Disputes Not Subject the Three-Step Dispute Resolution Procedure.** A Party need not go through the informal negotiation or mediation steps in the following situations:
- **Action to Enforce Arbitration Award or Order.** A Party may bring an action in a court properly vested with jurisdiction to enforce an Arbitration award or order, including but not limited to an order for emergency relief.
 - **Petitions for Emergency Relief.** If a Party deems it necessary to seek emergency relief to protect its interests, it may seek emergency relief as set forth in this arbitration provision without engaging in the negotiation provision mediation process set forth above. Notwithstanding the foregoing, the Parties are encouraged, but not required, to engage in negotiation and or mediation concurrently with any pending request for emergency relief.
 - **Equitable Relief.** If equitable relief is authorized by federal or state statute, an action may be brought before a court properly vested with jurisdiction over the Parties so long as: (a) the relief sought is limited to equitable relief that is authorized by federal or state statute; and (b) the equitable relief is unavailable through arbitration proceedings.
 - **Disciplinary Sanctions.** The Company shall not be required to engage in the three-step Dispute resolution process prior to imposing disciplinary sanctions for violation of the Agreement.

- f. **Remedies.** Unless limited by the terms of this Agreement, remedies available to You under the law of the State of Utah shall remain available to You in any arbitration proceeding.
 - g. **Emergency Relief.** Either Party may bring an action before JAMS seeking emergency relief to protect its intellectual property rights, including but not limited to protecting its rights pursuant to the non-solicitation provisions of these policies. A claim or cause of action seeking emergency relief shall be brought pursuant to the Emergency Relief Procedures in JAMS Comprehensive Rules and Procedures, available at <https://www.jamsadr.com/rules-comprehensive-arbitration/#Rule%202>, or by contacting the company at legal@limbicarc.com.
2. **Class Action Waiver.** All Disputes, whether pursued through arbitration or before the courts, that arise from or relate to the Agreement or the SaaS Agreement, that arise from or relate to the Limbic Arc business, or that arise from or relate to the relationship between the Parties, or that relate to the software provided by the Company, shall be brought and proceed on an individual basis. The Parties waive their rights to pursue any action against the Company and/or its respective owners, officers, directors and agents, on a class or consolidated basis. You may opt out of this class action waiver if You wish by submitting written notice to the Company of Your desire to opt out within 30 days from the date on which You enroll as an Affiliate or execute the SaaS Agreement. Submit Your written opt-out notice to the Company at legal@limbicarc.com.
3. **Governing Law.** The Federal Arbitration Act shall govern all matters relating to arbitration. Except as is otherwise specifically referenced in the policies, the law of the State of Utah without regard to principals of conflicts of laws, shall govern all other matters relating to or arising from the Agreement, the SaaS Agreement, the business, the relationship between the Parties, or any other claim between the Parties, whether such claim is grounded in contract, tort, warranty or any other theory of law. Notwithstanding the foregoing, if a Dispute is brought in a small claims court properly vested with jurisdiction, the law of the state in which the small claims court resides shall apply.
4. **Damages for Wrongful Termination.** In any case which arises from or relates to the wrongful termination of an Affiliate's Agreement and/or an independent business the Services, the Parties agree that damages will be extremely difficult to ascertain. Therefore, the Parties stipulate that if the involuntary termination of an Affiliate's Agreement and/or the loss of their independent business is proven and held to be

wrongful under any theory of law, Affiliate's sole remedy shall be liquidated damages calculated as follows:

- For Affiliates earning up to \$10,000.00 in the 12 calendar months prior to termination, liquidated damages shall be in the amount of her gross compensation that he/she earned pursuant to Limbic Arc's Compensation Plan in the twelve (12) months immediately preceding the termination.
- For Affiliates earning between \$10,000.01 and \$20,000.00 during the 12 calendar months prior to termination, liquidated damages shall be in the amount of her gross compensation that he/she earned pursuant to Limbic Arc's Compensation Plan in the twenty-four (24) months immediately preceding the termination.
- For Affiliates earning more than \$20,000.00 in the 12-calendar months prior to termination, liquidated damages shall be in the amount of her gross compensation that he/she earned pursuant to Limbic Arc's Compensation Plan in the 36 months immediately preceding the termination.

h. **Liquidated Damages for Breach of the Confidentiality Obligation.** If a Party violates its confidentiality obligations under this arbitration provision, the nonbreaching Party shall incur significant damages to its reputation and goodwill that shall not be readily calculable. Therefore, if a Party, its attorneys, agents, or a proxy of a Party breaches the confidentiality provision of this Dispute resolution provision, the following shall apply:

- The non-breaching Party shall be entitled to liquidated damages in the amount of \$10,000.00 per violation, or \$50,000 per violation if the disclosure is published on the internet, including but not limited to disclosure on any website or on any social media forum. Every disclosure of each claim, allegation, pleading, or other prohibited disclosure shall constitute a separate violation. Notwithstanding this confidentiality and liquidated damage provision, nothing herein shall limit the right or ability of a Party to disclose evidence, claims or allegations relating to the Dispute to their attorney or any individual who is, or who may be, a bona fide witness in the Dispute. Similarly, nothing shall prohibit the Company from discussing the matter with the upline Affiliates of an Affiliate who has a Dispute with the Company. **The Parties agree that this liquidated damage amount is reasonable and waive all claims and defenses that it constitutes a penalty; AND**

- **Breach of the confidentiality provision by disseminating or publishing information described in subparagraph c. above through any form of mass media (including but not limited to posting on the Internet or on any social media platform) by a Party, a Party's agent, or a Party's proxy shall constitute an act of wanton and gross bad faith, and shall constitute a waiver of the breaching Party's right to pursue the claim(s) and/or defense(s) against the non-breaching Party, and shall entitle the non-breaching Party to a default judgment against the breaching Party.**

5. **DAMAGE WAIVER.** NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, OR LOST PROFITS OR REVENUES, ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH ANY BREACH OF THE AGREEMENT, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER OR NOT THE PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT, WARRANTY OR OTHERWISE) UPON WHICH THE CLAIM IS BASED.

6. **Attorney's Fees and Costs.** Each Party to a Dispute shall bear its own attorney's fees and costs.

7. **Louisiana Residents.** The Dispute Resolution and Arbitration Policy shall apply to Louisiana residents with the exception that Louisiana residents may bring arbitration against Limbic Arc in his/her home forum and pursuant to Louisiana law.