

Zen Rewards™
Individual Arbitration Agreement and Dispute Resolution Policy

Survival: This Individual Arbitration Agreement & Dispute Resolution Policy will survive termination of the Agreement.

The Agreement: The contract between ZEN Rewards Unlimited, LLC d/b/a Zen Rewards (hereafter “Zen Rewards”) and each Associate. The Agreement is comprised of: 1) the Associate Application & Agreement; 2) the Policies & Procedures; 3) this Individual Arbitration Agreement & Dispute Resolution Policy; 4) The Business Entity Addendum (applicable only to Associates that operate as a Business Entity; and 5) the Zen Rewards Compensation Plan, each in their current forms and as modified in the future.

1. Mediation

Prior to instituting any arbitration as provided herein, the parties shall seek to resolve the dispute through mediation. If a party elects to pursue mediation, the party 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 10 calendar days following such request to select a mutually acceptable mediator. If the parties cannot agree on a mutually acceptable mediator, they shall apply to Judicial Arbitration and Mediation Services (JAMS) to have a neutral mediator appointed.

Mediation shall be conducted within 20 calendar days from the date on which the mediator is selected or appointed or as otherwise agreed upon by the parties and the mediator. The mediation shall occur in Hidalgo County, Texas unless the parties mutually agree on another location. Mediation shall take place telephonically or by videoconference if either party requests such. The parties shall split the mediator’s fees equally.

Unless otherwise agreed upon by the parties, the mediation shall be closed no later than 30 calendar days following the completion of the meeting between the mediator and the parties.

2. Individual Arbitration Agreement

THIS INDIVIDUAL ARBITRATION AGREEMENT AND CLASS ACTION WAIVER AFFECTS HOW ANY DISPUTE OF WHATEVER NATURE ARISING BETWEEN ASSOCIATE, ON THE ONE HAND, AND ZEN REWARDS AND/OR THE RELATED PARTIES, ON THE OTHER, SHALL BE RESOLVED. EXCEPT AS EXPRESSLY PROVIDED HEREIN, TO PROMOTE TO THE FULLEST EXTENT REASONABLY POSSIBLE A MUTUALLY AMICABLE RESOLUTION OF DISPUTES IN A TIMELY, EFFICIENT, AND COST-EFFECTIVE MANNER, **THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY OR ANY COURT.**

Separate and Distinct Agreement: Associate and Zen Rewards (each, together with, as applicable, each of the Related Parties, a “Party” and collectively, the “Parties”) understand and agree that this Individual Arbitration Agreement operates as a separate and distinct agreement between the Parties that is severable from the remainder of the Agreement and is enforceable regardless of the enforceability of any other provision of the Agreement. The Parties further understand and agree that the unenforceability of the Agreement in whole or in part shall not support a finding that this Individual Arbitration Agreement is unenforceable. Consideration for this Individual Arbitration Agreement includes, without limitation, the Parties’ mutual agreement to arbitrate Disputes.

Amendment: Notwithstanding anything to the contrary in the Agreement, any amendment by Zen Rewards to this Individual Arbitration Agreement shall take effect only upon an Associate’s express agreement to such amendment. An Associate may indicate agreement to such proposed amendment by following the instructions accompanying the proposed amendment. Zen Rewards may terminate the

Agreement of any Associate who does not agree to a proposed amendment to the Individual Arbitration Agreement within thirty (30) days after notice of the amendment is provided. Any such amendment shall apply to all claims or other Disputes brought by the Associate or Zen Rewards on or after the effective date of the amendment, regardless of the date of occurrence or accrual of any facts underlying such claims or Disputes.

Related Parties: Although the Agreement is made and entered into between Associate and Zen Rewards, Zen Rewards' and Associate's affiliates, owners, members, managers, directors, and employees (the "Related Parties") are intended third-party beneficiaries of the Agreement for purposes of the provisions of the Agreement referring specifically to them, including but not limited to this Individual Arbitration Agreement.

The Parties acknowledge that nothing contained herein is intended to create any involvement by, responsibility of, or liability for, the Related Parties with respect to any dealings between Associate and Zen Rewards, and the Parties further acknowledge that nothing contained herein shall be argued by any of them to constitute any waiver by the Related Parties of any defense that Related Parties may otherwise have concerning whether they can properly be made a party to any Dispute between the Parties.

Severance of Invalid Provisions: If any provision of this Individual Arbitration Agreement, in its current form or as may be amended, is found to be invalid or unenforceable for any reason, such provision shall be severed, and the severed provision shall be reformed only to the extent necessary to make it enforceable. The balance of the Individual Arbitration Agreement will remain in full force and effect.

Arbitration Agreement and Class Action Waiver: Except as otherwise provided herein, any controversy, claim or dispute of whatever nature arising between Associate, on the one hand, and Zen Rewards and/or the Related Parties, on the other, including but not limited to those arising out of or relating to the Agreement or the breach thereof; the sale, purchase or use of Zen Rewards products or services; or the commercial, economic or other relationship of the Parties, whether such claim is based on rights, privileges or interests recognized by or based upon statute, contract, tort, common law or otherwise ("Dispute") shall be settled through binding arbitration as provided herein.

Except as provided herein, all Disputes shall be submitted for resolution to binding arbitration in the state in which the Associate resides, in accordance with the rules of the Judicial Arbitration and Mediation Services (JAMS) and this Individual Arbitration Agreement, which shall control in the event of any conflict, unless the laws of the state or province in which the Associate resides expressly require otherwise. The JAMS rules and procedures are available at jamsadr.com. Copies of the JAMS rules and procedures will also be emailed to Associates upon request to the Zen Rewards Compliance Department (info@myzenrewards.com).

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES (INCLUDING THE RELATED PARTIES) AGREE THAT EACH PARTY MAY ASSERT A CLAIM OR COUNTERCLAIM IN THAT PARTY'S INDIVIDUAL CAPACITY ONLY AND NOT AS A CLAIMANT, PLAINTIFF, OR CLASS MEMBER IN ANY PURPORTED CLASS, COLLECTIVE, CONSOLIDATED, MASS, OR REPRESENTATIVE PROCEEDING. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE JAMS RULES, THE ARBITRATOR(S) SHALL HAVE NO AUTHORITY TO HEAR THE PARTIES' DISPUTES ON A CLASS, COLLECTIVE, CONSOLIDATED, MASS, OR REPRESENTATIVE BASIS AND, ACCORDINGLY, THE ARBITRATOR(S) MAY NOT CONSOLIDATE MORE THAN ONE PERSON'S DISPUTES AND MAY NOT OTHERWISE PRESIDE OVER ANY PROCEEDING ON A NON-INDIVIDUAL BASIS EXCEPT WITH THE WRITTEN CONSENT OF ALL PARTIES TO AN ARBITRATION PROCEEDING.

TO THE EXTENT THAT WAIVER OF THE RIGHT TO HAVE ANY CLAIM OR COUNTERCLAIM HEARD ON A REPRESENTATIVE BASIS IS NOT PERMITTED BY LAW, THE PARTIES AGREE THAT SUCH CLAIMS SHALL BE STAYED PENDING THE OUTCOME OF ANY INDIVIDUAL DISPUTES IN ARBITRATION. THE PARTIES FURTHER AGREE THAT IF SUCH A STAY IS LIFTED, UNLESS PROHIBITED BY APPLICABLE LAW, SUCH CLAIMS SHALL BE LITIGATED IN ACCORDANCE WITH THE GOVERNING LAW, JURISDICTION, AND VENUE PROVISION FOUND IN SECTION 4.

Arbitration Procedures: Notwithstanding the rules of JAMS, the following will apply to all arbitration actions:

- The Parties agree that time is of the essence.
- The arbitration will be conducted in English (with appropriate translators as may be necessary).
- The Federal Rules of Evidence will apply in all cases.
- The Parties will be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure.
- The Parties will be allotted equal time to present their respective cases, including cross-examinations.
- The decision of the arbitrator will be final and binding on the Parties and may, if necessary, be reduced to a judgment in a court of law, except that a Party may choose to appeal certain arbitration awards as described below. Any motion or action to confirm, vacate, modify, or otherwise enter judgment on the award shall comply with the provisions of this Individual Arbitration Agreement and Dispute Resolution Policy. Further, to the fullest extent allowed by law, any Party seeking to enforce an award of an arbitrator(s) shall submit the award under seal to maintain protections of Confidential Information, and the Parties hereby agree and consent to the filing of such a submission, motion, or order under seal.
- The arbitrator(s) will have no authority to award punitive damages, except where an applicable law or statute expressly require otherwise.

Notwithstanding the rules of JAMS, certain procedures will apply depending on the amount in controversy. For Disputes in which the amount in controversy is less than \$1,000,000.00 (one million dollars), the following procedures will apply absent mutual agreement of the Parties to the contrary:

- The arbitration will occur within 180 days from the date on which the arbitrator is appointed, and the final hearing will last no more than five business days.
- There will be one arbitrator selected from the roster of JAMS neutrals, using the JAMS rules for arbitrator selection.
- The arbitrator shall institute discovery consistent with the goals of arbitration. Discovery and disclosure of information will be conducted under the rules provided by JAMS to achieve the usual goals of arbitration, including cost effective and efficient resolution of disputes between parties, but in no event shall the Parties be entitled to discovery rights greater than provided by the Federal Rules of Civil Procedure.

For controversies and claims in which the amount in controversy is equal to or exceeds \$1,000,000.00, the following procedures will apply absent mutual agreement of the Parties to the contrary:

- There will be three arbitrators selected from the roster of JAMS neutrals, using the JAMS rules for arbitrator selection.
- The Parties will be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure.

- The Parties will be entitled to appeal any arbitration award to an Appeal Panel under the JAMS Optional Arbitration Appeal Procedures. The Parties agree to request oral argument for any appeal filed under the Optional Arbitration Appeal Procedures.

Except as provided herein, the arbitrator(s) shall have the exclusive power to determine and rule upon challenges to the arbitrator's jurisdiction to preside over the Dispute, including any objections with respect to the existence, scope, or validity of this Individual Arbitration Agreement and/or to the arbitrability of any Dispute. The arbitrator or arbitral panel shall not have the authority to determine whether the arbitration can proceed on behalf of or against a class.

Protection of Confidential Information: The Parties understand and agree that Zen Rewards has valuable trade secrets and Confidential Information, as defined in the Policies & Procedures. The Parties agree to take all necessary steps to protect from public disclosure such trade secrets and Confidential Information in any proceeding brought pursuant to this Individual Arbitration Agreement.

Costs of Arbitration: Each party to the Arbitration shall be responsible for paying their respective filing, administration, and arbitrator fees associated with the arbitration proceedings commenced pursuant to the provisions of this Individual Arbitration Agreement. Each party shall likewise be responsible for all additional fees and costs that they incur in the arbitration, including, without limitation, their attorney and expert witness fees and costs.

Temporary Injunctive and Enforcement Relief: Except as provided below, no Party shall be entitled to commence or maintain any action in a court of law upon any matter in dispute until such matter has been submitted and determined as provided here, and then only for the enforcement of such arbitration award. Notwithstanding this Individual Arbitration Agreement, any Party may apply to a court of competent jurisdiction as necessary to enforce an arbitration award, or to seek a temporary restraining order or temporary or preliminary injunction to ensure that the relief sought in arbitration is not rendered ineffectual during the pendency of, or after the rendition of, a decision in any arbitration proceeding. In particular, and without limitation, Associate acknowledges that Sections 34 and 35 of the Policies & Procedures related to "Nonsolicitation" and "Confidential Information" are reasonable and necessary to protect the legitimate interests of Zen Rewards. Associate further acknowledges that his or her breach of such provisions and covenants would cause Zen Rewards irreparable harm, the amount and extent of which would be very difficult to estimate or ascertain, and for which Zen Rewards may have no adequate remedy at law. Therefore, Associate agrees that Zen Rewards shall be entitled to obtain preliminary injunctive relief, a temporary restraining order, specific performance, or such other equitable relief as may be required to prevent the Associate from breaching or threatening to breach such provisions and covenants. Furthermore, notwithstanding anything to the contrary herein, to the extent a Party contests the jurisdiction of a state or federal court to preside over claims for a temporary restraining order or temporary or preliminary injunctive relief as described above, the court in which such claim is made shall have exclusive jurisdiction to determine whether it has jurisdiction to preside and rule upon a Party's request for the court to issue a temporary restraining order or temporary or preliminary injunction. The institution of any action shall not constitute a waiver of the right or obligation of any Party to submit any claim seeking relief other than that provided in this paragraph to arbitration.

Opt Out: Associates who do not want to be subject to this Individual Arbitration Agreement may opt out by notifying Zen Rewards in writing of their desire to opt out within thirty (30) days of the Associate's execution of the Individual Arbitration Agreement. Acceptable forms of notice include sending an email to Zen Rewards at (info@myzenrewards.com) or by sending a letter dated and signed by the Associate to the following address:

Zen Rewards Unlimited, LLC
Attn: Legal Department
702 W. Interstate 2
Suite G
Pharr, TX 78577

Either email or letter must clearly state the Associate's name and the intent to opt out of this Individual Arbitration Agreement.

Zen Rewards reserves the right to terminate the Agreement of any Associate who chooses to opt out of the Individual Arbitration Agreement.

3. Small Claims

Notwithstanding the foregoing Individual Arbitration Agreement in Section 2 above, claims that are within the jurisdictional limit of the small claims court in the jurisdiction in which the Associate resides may be, but need not be, resolved through confidential binding arbitration. Such claims may be initiated in the small claims court of the jurisdiction in which the Associate resides.

4. Governing Law and Jurisdiction

Except as provided herein, and to the fullest extent permitted under applicable law, jurisdiction and venue of any other matter or Dispute not subject to arbitration shall reside exclusively in a state or federal court sitting in the state in which the Associate resides.

Except as provided herein, and to the fullest extent permitted under applicable law, the Agreement is to be construed in accordance with and governed by the laws of the State of Texas, without regard to its choice of law principles, except that, as applicable, the Federal Arbitration Act ("FAA") shall govern the arbitration and Individual Arbitration Agreement without giving effect to any state law to the contrary.

For Associates residing in Louisiana, the Agreement shall be construed in accordance with and governed by the laws of the State of Louisiana, except that, as applicable, the Federal Arbitration Act ("FAA") shall govern the arbitration and Individual Arbitration Agreement without giving effect to any Louisiana law to the contrary.

5. Class Action Waiver

TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES (INCLUDING THE RELATED PARTIES) AGREE THAT EACH PARTY MAY BRING CLAIMS AND DISPUTES AGAINST THE OTHER PARTY ONLY IN AN INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS, REPRESENTATIVE, OR COLLECTIVE PROCEEDING, INCLUDING, WITHOUT LIMITATION, SUCH PROCEEDINGS BROUGHT IN FEDERAL OR STATE COURT. IF AN ACTION IS BROUGHT IN SMALL CLAIMS COURT INSTEAD OF ARBITRATION, THE PARTIES AGREE THAT THE MATTER SHALL REMAIN IN SMALL CLAIMS COURT AND SHALL ADVANCE ONLY ON AN INDIVIDUAL (NON-CLASS, NON-REPRESENTATIVE) BASIS.

6. Damages for Wrongful Termination

In any case which arises from or relates to the wrongful termination of an Associate's Agreement and/or independent business, the parties agree that damages will be extremely difficult to ascertain. Therefore, the parties stipulate that if the involuntary termination of an Associate's Agreement and/or loss of their independent business is proven and held to be wrongful under any theory of law, Associate's sole remedy shall be liquidated damages calculated as follows:

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

7. Damage Waiver

In any action arising from or relating to the Agreement, the parties waive all claims 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 breaching party was advised of the possibility of such damages, or (c) the legal or equitable theory (contract, tort, warranty or otherwise) upon which the claim is based. The parties further waive all claims to exemplary and punitive damages. Nothing in this provision or this Agreement shall restrict or limit a party's right to recover liquidated damages as set forth in this Zen Rewards Individual Arbitration Agreement and Dispute Resolution Policy.

8. Attorney's Fees & Costs

Each party to a dispute shall bear its own attorney's fees and costs.