

# Free People Dispute Resolution Procedure (Including Arbitration Agreement, Class Action Waiver, Jury Trial Waiver, Governing Law, and Venue)

## ARBITRATION AGREEMENT

Mindful of the high cost of legal disputes, not only in dollars but also in time and energy, both you and Free People, Inc. and its past, present, and future subsidiaries and affiliates (“Free People,” “we,” “our,” or “us”) agree that any controversy, claim, action, or dispute in any way related to your use of any Free People website or mobile app, to any purchase from Free People, to any products or services offered, sold or distributed by Free People, or to your relationship with Free People, whether based in contract, tort, statute, fraud, misrepresentation, or any other legal theory (“Dispute”) will be resolved through this Dispute Resolution Procedure, including this arbitration agreement (“Arbitration Agreement”), class action waiver, and jury trial waiver. In arbitration there is less discovery and appellate review than in court. Please review these provisions carefully as they affect your legal rights.

**Binding Arbitration.** Dispute is to be interpreted broadly and to the fullest extent permitted by the Federal Arbitration Act. It includes, but is not limited to: (1) any dispute or claim that arose before the existence of these or any prior [Terms of Use](#) (“Terms”) (including, but not limited to, claims relating to advertising); (2) any dispute or claim that is currently the subject of purported class action litigation in which you are not a member of a certified class; and (3) any dispute or claim that may arise after termination of these Terms. Dispute, however, does not include disagreements or claims concerning patents, copyrights, trademarks, and trade secrets and claims of piracy or unauthorized use of intellectual property. The arbitrator shall decide all issues **except** the following (which are for a court of competent jurisdiction to decide): (1) issues that are reserved for a court in the Terms; (2) issues that relate to the scope, validity, and enforceability of this Arbitration Agreement, class action waiver, or any of the provisions of this Dispute Resolution Procedure; (3) issues that relate to the arbitrability of any Dispute; and (4) disagreements about whether these Terms or any other terms apply to a Dispute. You and we agree that these Terms evidence a transaction in interstate commerce and that this Arbitration Agreement will be interpreted and enforced in accordance with the Federal Arbitration Act and federal arbitration law (not state arbitration law). Notwithstanding the foregoing, you or we may elect to have a Dispute heard in small claims court as long as it is brought and maintained as an individual claim, and it remains in that court and is not removed or appealed to a court of general jurisdiction. Whether a Dispute falls within the jurisdictional limits of small claims court is for the small claims court to decide in the first instance, and for a court of competent jurisdiction to otherwise decide.

**Informal Dispute Resolution.** If a Dispute arises between you and Free People, we prefer amicable resolution to formal legal proceedings. To that end, we have an informal dispute resolution process (“Process”) we believe should resolve most matters. The party asserting the Dispute shall first try in good faith to resolve such Dispute by providing written notice to the other party (by first class or registered mail) that includes all of the following information (the “Notice”): (1) information sufficient to identify any transaction and account at issue (including any purchase details and receipt if applicable); (2) the party’s contact information (including name, address, telephone number, and email address); and (3) a detailed description of the nature and basis of the Dispute and the relief sought, including a calculation for it. The Notice must be personally signed by the party initiating the Dispute (and their counsel, if represented). If you have the Dispute with us, you must send this Notice to: Free People Legal Department, 5000 South Broad St, Philadelphia, PA 19112, Attn: General Counsel. If we have a Dispute with you, we will send this Notice to your last-used billing address or the billing and/or shipping address in your online profile. For a period of 60 days from receipt of a completed Notice (which can be extended by agreement of the parties), you and we agree to negotiate in good faith in an effort to informally resolve the Dispute. The party receiving the notice may request a telephone or video settlement conference to aid in the resolution of the Dispute. If such a conference is requested, you and an Free People representative will personally attend (with counsel, if represented). The conference will be scheduled for a mutually convenient time, which may be outside of the 60-day period. Completion of this Process is a condition precedent to initiating a claim in arbitration. If the sufficiency of a Notice or compliance with this Process is at issue, such issue may be raised with and decided by a court of competent jurisdiction at either party’s election, and any arbitration shall be stayed. The court shall have the authority to enforce this condition precedent to arbitration, which includes the power to enjoin the filing or prosecution of arbitrations and the assessment or collection of arbitration fees. Nothing in this paragraph limits the right of a party to seek damages for non-compliance with this Process in arbitration. All applicable limitations periods (including statutes of limitations) will be tolled from the date of receipt of a completed Notice through the conclusion of this Process. You or we may commence arbitration if the Dispute is not resolved through this Process.

**How Arbitration Works.** The arbitration of any Dispute shall be administered by JAMS and conducted in accordance with the then-current JAMS rules including the Streamlined Arbitration Rules and Procedures and any Mass Arbitration Procedures and Guidelines applicable to the Dispute (together “JAMS Rules”), as modified by this Arbitration Agreement. The JAMS Rules are available online at [www.jamsadr.com/adr-rules-procedures/](http://www.jamsadr.com/adr-rules-procedures/). An arbitration demand must be accompanied by the Notice, a certification of compliance with the Process, and a disclosure of any person or entity funding the arbitration, and be personally signed by the party initiating arbitration (and counsel, if represented). By submitting an arbitration demand, the party and counsel represent that, as in federal court, that they are complying with the requirements of Federal Rule of Civil Procedure 11(b). The arbitrator is authorized to impose any sanctions available under Federal Rule of Civil

Procedure 11 on represented parties and their counsel. You may choose to have the arbitration conducted by a phone, video, or in-person hearing, or through written submissions, except any Dispute seeking \$25,000 or more or injunctive relief shall have an in-person or video hearing if the respondent elects one. You and we reserve the right to request a hearing in any matter from the arbitrator. You and an Free People representative will personally appear at any hearing (with counsel, if represented). Any in-person hearing will be held in the county or parish in which you reside or at another mutually agreed location. **An arbitrator may award on an individual basis any relief that would be available in a court, including injunctive or declaratory relief only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual claim. To the fullest extent permitted by applicable law, you and we agree that each may bring claims against the other only in your or our individual capacity and not as a plaintiff or class member in any purported class, collective, consolidated, private attorney general, or representative proceeding. Further, unless both you and we agree otherwise, an arbitrator may not consolidate more than one person's claims and may not otherwise preside over any form of class, collective, consolidated, private attorney general, or representative proceeding.** An arbitrator must follow and enforce the Terms as a court would. If, after exhaustion of all appeals, any of these prohibitions on non-individualized injunctive or declaratory relief and class, collective, consolidated, private attorney general, or representative proceedings are found to be unenforceable with respect to a particular claim or request for relief (such as a request for public injunctive relief), then such a claim or request for relief will be decided by a court of competent jurisdiction, after all other claims and requests for relief are arbitrated. The arbitrator shall issue a reasoned written decision sufficient to explain their essential findings and conclusions. The arbitrator shall apply the cost-shifting provisions of Federal Rule of Civil Procedure 68 after entry of an award. Judgment on any arbitration award may be entered in any court of competent jurisdiction, except an award that has been satisfied may not be entered. An award shall have no preclusive effect in any other arbitration or proceeding involving non-identical parties.

**What Arbitration Costs.** Payment of arbitration fees will be governed by the JAMS Rules and fee schedule. You and we agree that the parties have a shared interest in reducing the costs and increasing the efficiencies associated with arbitration. Therefore, you or we may elect to engage with JAMS about arbitration fees, and you and we agree that the parties (and counsel, if represented) will work together in good faith to ensure that arbitration remains cost-effective for all parties.

**Additional Procedures for Mass Arbitration.** You and we agree that these Additional Procedures for Mass Arbitration (in addition to the other provisions of this Arbitration Agreement) shall apply if you choose to participate in a Mass Arbitration. If 25 or more similar Disputes (including yours) are asserted against Free People by the same or coordinated counsel or are otherwise coordinated ("Mass Arbitration"), you agree that your Dispute might be delayed and ultimately proceed in court. If your Dispute is part of a Mass Arbitration, any applicable limitations periods (including statutes of

limitations) shall be tolled for your Dispute from the time that your Dispute is first submitted to JAMS until your Dispute is selected to proceed as part of a staged process or is settled, withdrawn, otherwise resolved, or opted out of arbitration pursuant to this provision.

- STAGE ONE: Counsel for the claimants and counsel for Free People shall each select 10 Disputes (20 total) to be filed and to proceed as cases in individual arbitrations as part of this initial staged process. The number of Disputes to be selected to proceed in Stage One can be modified by agreement of counsel for the parties. Each of the 20 cases shall be assigned to a different arbitrator and proceed individually. If a case is withdrawn before the issuance of an arbitration award, another claim shall be selected to proceed as part of Stage One. The remaining Disputes shall not be filed or deemed filed in arbitration nor shall any arbitration fees be assessed or collected in connection with those claims. After this initial set of proceedings, counsel for the parties shall participate in a global mediation session jointly selected by counsel in an effort to resolve the remaining Disputes (as informed by the adjudications of cases in Stage One), and Free People shall pay the mediator's fee.
- STAGE TWO: If the remaining Disputes have not been resolved at the conclusion of Stage One, the same staged process set forth for Stage One will repeat for Stage Two with counsel for the claimants and counsel for Free People each selecting 25 Disputes (50 total) to proceed in individual arbitrations. After this second set of staged proceedings, counsel for the parties will participate in another global mediation to try to resolve all of the remaining Disputes, and Free People shall again pay the mediator's fee. Upon completion of the mediation set forth in Stage Two, each remaining Dispute (if any) that is not settled or not withdrawn shall be opted out of arbitration and may proceed in a court of competent jurisdiction consistent with the remainder of the Terms and the Dispute Resolution Procedure. Counsel for the parties, however, may mutually agree in writing to proceed with the adjudication of some or all of the remaining Disputes in individual arbitrations consistent with the process set forth in Stage Two (except Disputes shall be randomly selected and mediation shall be elective by agreement of counsel) or through another mutually-agreeable process, including consolidated arbitrations consistent with the JAMS Rules. A court of competent jurisdiction shall have the authority to enforce the Additional Procedures for Mass Arbitration, including the power to enjoin the filing or prosecution of arbitrations. The Additional Procedures for Mass Arbitration provision and each of its requirements are essential parts of this Arbitration Agreement. If, after exhaustion of all appeals, a court of competent jurisdiction decides that the Additional Procedures for Mass Arbitration apply to your Dispute and are not enforceable, then your Dispute shall not proceed in arbitration and shall only proceed in a court of competent jurisdiction consistent with the remainder of the Terms and the Dispute Resolution Procedure.

**Future Changes to Arbitration Agreement.** If we make any future changes to this Arbitration Agreement (other than a change to our contact information), you may reject any such change by sending your personally signed, written notice to the following address within 30 days of the change: Free People Legal Department, 5000 South Broad St, Philadelphia, PA 19112, Attn: General Counsel. Such written notice does not constitute an opt out of arbitration altogether. By rejecting any future change, you are agreeing that you will arbitrate any Dispute between you and Free People in accordance with this version of the Arbitration Agreement.

#### **CLASS ACTION WAIVER**

**You and we each agree that any proceeding, whether in arbitration or in court, will be conducted only on an individual basis and not in a class, collective, consolidated (except as specifically provided in the Additional Procedures for Mass Arbitration set forth above), private attorney general, or representative action. You and we agree to waive any right to bring or to participate in such an action in arbitration or in court to the fullest extent permitted by applicable law. Notwithstanding the foregoing, the parties retain the right to participate in a class-wide settlement.**

#### **JURY TRIAL WAIVER**

To the fullest extent permitted by applicable law, you and we waive the right to a jury trial.

#### **GOVERNING LAW AND VENUE**

The Terms, including the Dispute Resolution Procedure, and your use of any Free People website or mobile app, are governed by the laws of the State of New York, without regard to New York conflict of laws rules. If the Arbitration Agreement is ever deemed unenforceable or void in connection with your Dispute, or if a claim between the parties is not subject to arbitration, you irrevocably consent to the exclusive jurisdiction of the federal and state courts encompassed by New York County, New York for purposes of any legal action (including any action challenging the enforceability of the Terms, including the Dispute Resolution Procedure), and if New York venue is unavailable, to the exclusive jurisdiction of the federal and state courts encompassed by Philadelphia County, Pennsylvania. You waive any objections as to personal jurisdiction or as to the laying of venue in such courts due to: (1) inconvenient forum or (2) any other basis or any right to seek to transfer or change venue of any such action to another court.

#### **OTHER TERMS**

Please review the other provisions set forth in the [Terms](#) carefully. The provisions of the Dispute Resolution Procedure (including the Arbitration Agreement, class action waiver, jury trial waiver, and the governing law and venue provision) shall survive your relationship with Free People and/or your use of our websites or other services and

products ends. Except as set forth above, if any portion of the Arbitration Agreement is deemed unenforceable, it will not invalidate the remaining portions of the Arbitration Agreement.