

## **MUTUAL AGREEMENT TO ARBITRATE CLAIMS**

**IMPORTANT NOTICE: THIS AGREEMENT WAIVES YOUR RIGHT TO A JURY TRIAL, TO PURSUE LITIGATION IN COURT, AND TO PARTICIPATE IN A CLASS ACTION OR SIMILAR COLLECTIVE PROCEEDING (EXCEPT AS PROVIDED BELOW). READ IT CAREFULLY BEFORE SIGNING.**

This Mutual Agreement to Arbitrate Claims (“Agreement”) is entered between the Company<sup>1</sup> and its applicant/associate (“Associate”) (collectively, the “Parties”).

The Parties recognize that disputes may arise between them. By entering into this Agreement, the Parties anticipate gaining the benefits of individual arbitration as a fair, prompt, cost-effective, final and binding dispute-resolution procedure. Each party shall have the right to proceed with or without counsel.

1. **Agreement to Arbitrate:**

- a. Except as otherwise provided in this Agreement, the Parties agree to resolve by arbitration all claims or controversies arising out of or related to Associate’s application for employment, offer or denial of employment, prospective employment, employment or its termination, and/or related to or arising out of acts or omissions occurring on Company’s premises, at Company events or on Company travel, that the Company may have against Associate or that the Associate may have against any of the following: (1) the Company, (2) its officers, directors, employees, or agents, (3) the Company’s benefit plans or the plans’ sponsors, fiduciaries, administrators, affiliates, and agents, and/or (4) all successors and assigns of any of them; and, where Associate asserts a claim against any Company officer, director, employee or agent (“co-defendant”), claims that any such co-defendant may have against Associate. Each of the individuals/entities listed above may enforce this Agreement.
- b. In the case of a court ordered arbitration, including by consent order, the demand for arbitration must be filed within 90 days (or within the time remaining under the applicable statute of limitations, whichever is longer) after entry of the court order. The arbitrator may excuse this deadline upon a showing of good cause.

2. **Covered Claims:** Claims subject to arbitration include, but are not limited to, claims for: overtime, misclassification as to exempt status, breaks, meal periods, expense reimbursement, off the clock work, minimum wage, overtime, wages, or other compensation; work conditions,

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<sup>1</sup> “The Company” or “Family Dollar” means Family Dollar Stores, LLC and any of its direct or indirect subsidiaries organized under the laws of the United States or a state or jurisdiction of the United States that employs Associate.

including seating; breach of contract or covenant (express or implied); torts (including without limitation defamation related to the application process or during or after employment with the Company); wrongful termination; harassment, retaliation or discrimination (including, but not limited to, race, sex, sexual orientation, religion, national origin, age, marital status, physical or mental disability or handicap, or medical condition); intellectual property, privacy, confidential information, or trade secrets; all employment related laws including, but not limited to, Title VII, the Fair Labor Standards Act, the Family and Medical Leave Act, the Equal Pay Act, the Pregnancy Discrimination Act, the Pregnant Workers Fairness Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Worker Adjustment and Retraining Notification Act, the Employee Retirement Income Security Act of 1974 (“ERISA”) (except for claims for employee benefits under any benefit plan sponsored by the Company to the extent applicable plan documents set forth a different procedure for resolution of those claims), and any other claims arising under any federal, state or local statute, ordinance, regulation, public policy or common law (except as provided below), including, to the extent permitted by law, individual claims brought under the California Private Attorneys General Act (“PAGA”). If Associate works in Texas or any other state where the Company does not participate in the workers’ compensation system, all legal and equitable claims relating to on-the-job injuries are covered by this Agreement.

**Except as specifically exempted below, the arbitrator shall have exclusive authority to resolve any dispute or claim regarding arbitrability or the formation, interpretation, validity, applicability, unconscionability, or enforceability of this Agreement or any provision of this Agreement.**

3. **Claims Not Subject to Arbitration Under This Agreement:** The following are not Covered Claims and are not subject to arbitration under this Agreement:

- a. An action filed in court for the limited purpose of seeking immediate, preliminary, or temporary injunctive relief to prevent imminent harm or to preserve the status quo or to preserve the status quo ante, such as to prevent imminent disclosure of trade secrets or confidential information or violation of a restrictive covenant. But after temporary or preliminary relief is considered, the substance of the dispute is a Covered Claim that must be resolved solely and exclusively through binding arbitration under this Agreement.
- b. An action filed in court to confirm or enforce an arbitration award, to compel arbitration, to compel the selection of an arbitrator, or to prevent the arbitrator from exercising authority that is explicitly denied to the arbitrator in this Agreement.
- c. A charge or complaint filed with any government agency, such as the Equal Employment Opportunity Commission, the California Civil Rights Department, the U.S. Department of Labor, the National Labor Relations Board, or other governmental agency if applicable law permits the agency to adjudicate the claim. However, any lawsuit that you are permitted to file after a governmental agency charge or complaint is a Covered Claim, is covered under this

Agreement, and the arbitration asserting such claim must be initiated within the same time period that the claim could otherwise be filed in court. Nothing in this Agreement shall be deemed to preclude or excuse a party from bringing an administrative claim before any agency in order to fulfill the party's obligation to exhaust administrative remedies before making a claim in arbitration.

- d. Claims for workers' compensation or unemployment compensation benefits; however, claims for discrimination or retaliation based on seeking such benefits are subject to arbitration, except in states in which an administrative agency by law adjudicates such claims;
- e. Disputes that an applicable federal statute expressly states cannot be arbitrated or be subject to pre-dispute arbitration agreements, such as claims that are not subject to a pre-dispute arbitration agreement as provided by the Sarbanes-Oxley Act, 18 U.S.C. Section 1514A, and the Ending Forced Arbitration of Sexual Assault and Sexual Harassment Act;
- f. An individual claim that meets the jurisdictional criteria for small claims court filings in the state in which Associate sought employment, is or was last employed by the Company, whichever is later, if either party elects for such claim to be heard in small claims court instead of in arbitration. If these conditions are satisfied, either party may compel dismissal of the arbitration and refiling of the dispute in small claims court. But if at any time the dispute becomes ineligible for adjudication in small claims court, it becomes a Covered Claim and must be resolved through arbitration.
- g. A claim for which this Agreement would be invalid or unenforceable as a matter of law.
- h. Claims for employee benefits under any benefit plan sponsored by the Company and covered by ERISA to the extent applicable plan documents set forth a different procedure for resolution of those claims; and
- i. Claims for employee benefits under any benefit plan sponsored by the Company and funded by insurance.

4. **Waiver of Class and Collective Actions:** Arbitration shall occur on an individual basis only. To the maximum extent permitted by law, Associate and the Company waive the right (in any forum) to initiate, participate in, or recover through, any class, collective or representative action. For avoidance of doubt, an arbitrator shall not have authority to adjudicate a class, collective or representative action, nor may an arbitrator consolidate or join proceedings involving more than one person's claims. Nothing in this Agreement, however, prohibits Associate from initiating, or recovering on an individual basis through individual arbitration, a claim under the Labor Code Private Attorneys General Act or similar statute, and, if required by law, representing, as an aggrieved employee, a governmental entity's interest on behalf of other associates (and recovering on its behalf) but such representative claim may be pursued only in court. When the foregoing occurs, the parties agree to jointly seek a stay of

the representative claim in court until the individual claim has been resolved through arbitration; provided, however, that if the Associate is deemed through arbitration not to be an aggrieved party, then the representative claim shall be dismissed, to the fullest extent permitted by law. Nothing in this paragraph shall be construed to prohibit settlements on a class-wide, collective, and/or representative basis.

5. **Time Limits for Initiating Arbitration:** The Parties agree that written notice initiating arbitration (a “Demand for Arbitration”) must be provided to the other Party no later than the expiration of the applicable statute of limitations. Otherwise, the claim shall be subject to dismissal as determined by the Arbitrator under the same standards as would be applied in a court of law. The initiating Party is encouraged to give written notice of any claim as soon as possible after the event in dispute so that arbitration may take place promptly.

6. **Required Notice of All Claims:** If initiated by Associate, the Demand for Arbitration, or any counterclaim, shall be sent by certified or registered mail, return receipt requested to the Company at the following address: Family Dollar Arbitration Program c/o the Chief Legal Officer, Volvo Parkway, Chesapeake, VA 23320.

If Associate initiates arbitration against a former officer, director, employee or agent of Company, then, in sending the Demand for Arbitration to such individual, Associate must follow procedures for serving a lawsuit in accordance with the laws of the state in which Associate’s claim arose.

If initiated by the Company, the Demand for Arbitration, or any counterclaim, shall be sent by certified or registered mail, return receipt requested to Associate at the last address recorded in Associate’s Company profile.

The Demand for Arbitration shall be signed by the initiating Party, identify and describe the nature of all claims asserted, the facts upon which such claims are based, and the relief or remedy sought, including the monetary value of the amount in controversy. Any request for injunctive relief, declaratory relief, or attorneys’ fees shall not count toward the calculation of the amount in controversy unless such injunctive or declaratory relief seeks the payment of money. A Demand for Arbitration form can be found at [www.fdarbitration.com](http://www.fdarbitration.com).

7. **Arbitration Procedures:**

- a. After receipt of a Demand for Arbitration, the Parties will discuss whether to participate in a pre-arbitration mediation, using a mutually-selected mediator. If the Parties agree to mediate, such mediation will be held promptly. The Parties agree that mediation is encouraged as an initial step in this dispute-resolution process, but participation in mediation is entirely voluntary.
- b. If the Parties choose not to participate in pre-arbitration mediation or if the mediation is unsuccessful in resolving all of the Parties’ claims, Associate and the Company will meet and confer to select an Arbitration Administrator (or

arbitral forum) or may select an individual arbitrator and may forego an Arbitration Administrator.

- c. Unless the Parties agree otherwise, the Arbitration shall be conducted before a single arbitrator, who shall have at least ten years of experience in employment law or the relevant subject matter of the dispute either as a litigator or a judge, and if there are claims under state or local law, in the state where the arbitration is to be convened (the “Arbitrator”). The parties will engage in good faith efforts to select an arbitrator.
- d. If the parties cannot agree on an Arbitrator or arbitral forum within sixty (60) days after the submission of the Demand for Arbitration (or if the parties have agreed to mediation, within sixty days (60) days after mediation concludes), then either party may file an action in federal court for the limited purpose of invoking the procedures for selection of a private arbitrator under the Federal Arbitration Act at 9 U.S.C. § 5. Continued refusal by either party to cooperate in the selection of an arbitrator or in the arbitration process may be grounds for dismissal with prejudice of the uncooperating party’s claim or the entry of a default judgment against the uncooperating party.
- e. Unless the Parties mutually agree to hold the arbitration by video conference or some exigent circumstances exist, as determined by the arbitrator, the arbitration shall take place in person in the county or metropolitan area in which Associate sought employment, is or was last employed by the Company, whichever is later, unless all Parties otherwise agree in writing.
- f. The Arbitrator shall apply the same substantive law (and the law of remedies, if applicable) that would be applied if the matter was brought in court. The Arbitrator is without jurisdiction to apply any different substantive law or law of remedies.
- g. The Federal Rules of Evidence shall apply, and a link to these rules can be found at [www.fdarbitration.com](http://www.fdarbitration.com).
- h. The Arbitrator shall entertain dispositive motions, including but not limited to a motion to dismiss and/or a motion for summary judgment by any Party and shall apply the standards governing such motions under the Federal Rules of Civil Procedure, and a link to these rules can be found at [www.fdarbitration.com](http://www.fdarbitration.com).
- i. Either Party upon its request shall be given leave to file a post-hearing brief.
- j. The Arbitrator shall render an award and written opinion in the form typically rendered in labor and employment arbitrations, normally no later than thirty (30) days from the date the arbitration hearing concludes or post-hearing briefs (if requested) are received, whichever is later. The opinion shall

include the essential factual and legal basis for the award. The award shall be binding only among the Parties to the arbitration and shall have no preclusive effect in any other arbitration or other proceeding involving a different party. Any Party may bring an action in any court of competent jurisdiction to compel arbitration under this Agreement, as well as to enforce, confirm, modify, correct, or vacate an arbitration award as provided by law.

k. The arbitration shall be held in accordance with this Agreement.

8. **Good Faith and Offer of Judgment:**

- a. Good Faith: The Parties agree that all proceedings brought under this Agreement shall be brought in good faith. By presenting a Demand for Arbitration, written motion, or other paper—whether by signing, filing, submitting, or later advocating it—the Party and the Party’s representative agree that the requirements of Federal Rule of Civil Procedure 11 shall apply to them and that the arbitrator has the authority to and may impose sanctions to the same extent that a court may for violations of Rule 11.
- b. Offer of Judgment: Federal Rule of Civil Procedure 68 shall apply to any offer of judgment made in or before any arbitration proceeding brought in connection with this Agreement.

9. **Representation:** Any Party may be represented by an attorney in arbitration.

10. **Consolidation:** Claims made by different Associates shall not be consolidated in arbitration under any circumstance unless expressly agreed to in writing by all the Parties.

11. **Discovery and Subpoenas:** Each Party shall have the right to propound written discovery requests and to take depositions of fact and expert witnesses. Unless the Parties agree otherwise, the amount and nature of discovery will be determined by the Arbitrator based on the facts and circumstances of the case to allow adequate opportunity for the parties to present evidence that the Arbitrator determines is material and relevant to the dispute and consistent with the goals of providing a fast, fair, and cost-efficient method for resolving disputes. All Parties shall have the right to subpoena witnesses and documents to the extent allowable by law, subject to any limitations the Arbitrator imposes for good cause shown.

12. **Arbitration Fees and Costs:** The Company will be responsible for paying any filing fee and the fees and costs of the Arbitrator and arbitral forum; provided, however, that if Associate is the Party initiating the claim, Associate will contribute the lesser of the filing fee required by the arbitral forum or the filing fee to initiate a claim in the court of general jurisdiction in the state in which Associate sought employment, is or was last employed by the Company, whichever is later, with the Company making up the difference.

Each Party shall pay in the first instance its own litigation costs and attorneys’ fees, if any.

However, if any Party prevails on a claim which affords the prevailing Party attorneys' fees and litigation costs, or if there is a written agreement providing for attorneys' fees and/or litigation costs, the Arbitrator shall rule upon a motion for attorneys' fees and/or litigation costs under the same standards a court would apply under the law applicable to the claim(s) at issue.

13. **Governing Law:** The Parties agree to the maximum extent permitted by law, the Federal Arbitration Act, 9 U.S.C. section 1, et seq., shall govern the interpretation and enforcement of this Agreement and shall govern all proceedings relating to this Agreement. If for any reason the FAA does not apply, then the law of arbitration of the state in which Associate applied for work or worked for the Company (whichever is later), shall apply.

14. **Interstate Commerce:** Associate agrees that the Company is engaged in transactions involving interstate commerce and that Associate's application for and/or employment is related to such interstate transactions.

15. **Survival:** This Agreement will be enforceable throughout your application process and employment, and thereafter with respect to any such claims arising out of or related to Associate's application for employment, employment and/or the termination of employment.

16. **At Will Employment:** This Agreement does not create a promise of employment for any period of time. Associate understands that, if employed, he or she is and will remain employed "at will" and that Associate or the Company may terminate Associate's employment at any time.

17. **Entire Agreement:** This Agreement is the full and complete agreement relating to the formal resolution of disputes between the Parties. No Party is relying on any representations, oral or written, relating to the subject matter of this Agreement, except as specifically set forth in this Agreement.

18. **Construction and Severability:** If any provision, portion, or application of the class, collective, and representative action waiver is found to be unenforceable or unlawful for any reason, (1) the unenforceable provision, portion, or application shall be severed from this agreement; (2) the rest of the waiver shall remain valid; and (3) the class, collective, consolidated, or representative action must be litigated in a civil court of competent jurisdiction and not in arbitration. If any other provision of this Agreement is found to be unenforceable or unlawful for any reason, in whole or in part, such adjudication shall not affect the validity of the remainder of the Agreement, and all other provisions shall remain in full force and effect based on the Parties' mutual intent to create a binding agreement to arbitrate their disputes.

19. **Consideration:** The promises by the Company and by Associate to arbitrate disputes, rather than litigate them before courts or other bodies, provide consideration for each other. In addition, the Company's consideration of the employment application of Associate, any offer of employment by the Company to Associate, and any employment pursuant to that offer, is conditioned on and made in consideration of this Agreement.

20. **Electronic Signatures:** The Parties agree that their electronic signatures, whether digital or encrypted, are intended to authenticate their agreement to this writing and to have the same

force and effect as manual signatures. Electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a Party with the intent to sign such record.


ASSOCIATE ACKNOWLEDGES THAT ASSOCIATE HAS CAREFULLY READ THIS AGREEMENT AND UNDERSTANDS ITS TERMS, THAT ALL UNDERSTANDINGS AND AGREEMENTS BETWEEN THE PARTIES RELATING TO THE SUBJECTS COVERED IN THE AGREEMENT ARE CONTAINED IN IT, AND THAT ASSOCIATE HAS ENTERED INTO THE AGREEMENT VOLUNTARILY AND NOT IN RELIANCE ON ANY PROMISES OR REPRESENTATIONS BY THE COMPANY, OTHER THAN THOSE CONTAINED IN THIS AGREEMENT ITSELF.

ASSOCIATE FURTHER ACKNOWLEDGES THAT ASSOCIATE HAS BEEN GIVEN THE OPPORTUNITY TO DISCUSS THIS AGREEMENT WITH ASSOCIATE'S PRIVATE LEGAL COUNSEL AND HAS DONE SO TO THE EXTENT ASSOCIATE WISHES.

THE PARTIES UNDERSTAND THAT (EXCEPT AS PROVIDED ABOVE) THEY ARE GIVING UP THE RIGHT TO A TRIAL IN COURT WITH A JUDGE OR JURY AS TO CLAIMS COVERED BY THIS AGREEMENT.

This Agreement is made by the Parties:

FAMILY DOLLAR STORES, LLC

By:   
Travis McNail  
Chief Human Resources Officer,  
Family Dollar Stores, LLC

By: \_\_\_\_\_  
ASSOCIATE (electronically signed)