ARBITRATION AGREEMENT

MICROSOFT SOFTWARE LICENSE TERMS

FOR MICROSOFT SOFTWARE THAT LINKS TO aka.ms/arb-agreement-1

BINDING ARBITRATION AND CLASS ACTION WAIVER IF YOU LIVE IN OR ARE A BUSINESS WITH YOUR PRINCIPAL PLACE OF BUSINESS IN THE UNITED STATES

If your Microsoft Software License Terms include a Binding Arbitration and Class Action Waiver that links to aka.ms/arb-agreement-1, this Arbitration Agreement is part of the Microsoft Software License Terms that govern your right to use that software. You can find most Microsoft Software License Terms here.

You and we also agree to these terms:

Individual Arbitration and Not in Court. We hope we never have a dispute, but if we do, you and we agree to try for 60 days to resolve it informally. If we can't, you and we agree to binding individual arbitration before the American Arbitration Association ("AAA") under the Federal Arbitration Act ("FAA"), and not to sue in court in front of a judge or jury. Instead, a neutral arbitrator will decide and the arbitrator's decision will be final except for a limited right of review under the FAA. Class action lawsuits, class-wide arbitrations, private attorney-general actions, and any other proceeding where someone acts in a representative capacity aren't allowed. Nor is combining individual proceedings without the consent of all parties.

- a. Disputes Covered—Everything Except IP. The term "dispute" is as broad as it can be. It includes any claim or controversy between you and us concerning the software, its price, or this agreement, under any legal theory including contract, warranty, tort, statute, or regulation, except disputes relating to the enforcement or validity of your, your licensors', our, or our licensors' intellectual property rights.
- b. **Mail a Notice of Dispute First.** If you have a dispute and our customer service representatives can't resolve it, send a Notice of Dispute by U.S. Mail to Microsoft Corporation, ATTN: CELA ARBITRATION, One Microsoft Way, Redmond, WA 98052-6399. Tell us your name, address, how to contact you, what the problem is, and what you want. A form is available at http://go.microsoft.com/fwlink/?LinkId=245499. We'll do the same if we have

- a dispute with you. After 60 days, you or we may start an arbitration if the dispute is unresolved.
- c. **Small Claims Court Option.** Instead of mailing a Notice of Dispute, you may sue us in small claims court in your county of residence (or, if a business, your principal place of business) or King County, Washington, if you meet the court's requirements.
- d. **Arbitration Procedure.** The AAA will conduct any arbitration under its Commercial Arbitration Rules (or if you are an individual and use the software for personal or household use, or if the value of the dispute is \$75,000 or less whether or not you are an individual or how you use the software, its Consumer Arbitration Rules). For more information, see www.adr.org or call 1-800-778-7879. To start an arbitration, submit the form available at http://go.microsoft.com/fwlink/?LinkId=245497 to the AAA and mail a copy to us. In a dispute involving \$25,000 or less, any hearing will be telephonic unless the arbitrator finds good cause to hold an in-person hearing instead. Any inperson hearing will take place in your county of residence (or if a business your principal place of business) or King County, Washington. You choose. The arbitrator may award the same damages to you individually as a court could. The arbitrator may award declaratory or injunctive relief only to you individually to satisfy your individual claim.

e. Arbitration Fees and Payments.

- i. Disputes Involving \$75,000 or Less. Microsoft will promptly reimburse your filing fees and pay the AAA's and arbitrator's fees and expenses. If you reject our last written settlement offer made before the arbitrator was appointed, your dispute goes all the way to an arbitrator's decision (called an "award"), and the arbitrator awards you more than this last written offer, we will: (i) pay the greater of the award or \$1,000; (ii) pay your reasonable attorney's fees, if any; and (iii) reimburse any expenses (including expert witness fees and costs) that your attorney reasonably accrues for investigating, preparing, and pursuing your claim in arbitration.
- ii. **Disputes Involving More than \$75,000**. The AAA rules will govern payment of filing fees and the AAA's and arbitrator's fees and expenses.

- f. **Must File Within One Year.** You and we must file in small claims court or arbitration any claim or dispute (except intellectual property disputes—see section a) within one year from when it first could be filed. Otherwise, it's permanently barred.
- g. **Severability.** If the class action waiver is found to be illegal or unenforceable as to all or some parts of a dispute, then those parts won't be arbitrated but will proceed in court, with the rest proceeding in arbitration. If any other provision of this arbitration agreement is found to be illegal or unenforceable, that provision will be severed but the rest still applies.
- h. **Conflict with AAA Rules.** This agreement governs to the extent it conflicts with the AAA's Commercial Arbitration Rules or Consumer Arbitration Rules.