

## STARTENGINE SCOUT AGREEMENT

This Scout Agreement (“Agreement”) is entered into as of \_\_\_\_\_ (“Effective Date”), by and between StartEngine Crowdfunding, Inc. (“StartEngine”), a Delaware corporation, with its principal place of business at 4100 W. Alameda Avenue, 3rd Floor, Burbank, CA 91505; and \_\_\_\_\_, with its principle office/home located at \_\_\_\_\_ (“Scout”).

### RECITALS

WHEREAS, StartEngine operates the website www.StartEngine.com, a FINRA-registered Funding Portal and Broker-Dealer that permits issuers to independently connect with prospective investors on the platform (collectively “Services”);

WHEREAS, the parties desire to enter into a referral relationship under which Scout shall refer potential clients to StartEngine in exchange for a Referral Fee (as defined below and provided herein).

NOW THEREFORE, in consideration of the foregoing and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

#### 1. Definitions.

1.1 “Accepted Issuers” means a Referral that has been accepted by StartEngine under Section 3.1 of this Agreement.

1.2 “Eligible Issuer” means any Accepted Issuer whose Regulation CF Company Engagement and Posting Agreement or Regulation A or Regulation A+ Posting Agreement has not been terminated (i) on the basis of Regulation Crowdfunding Rule 227.100, (ii) on the basis of Regulation Crowdfunding Rule 227.301, (iii) on the basis not meeting StartEngine’s issuer eligibility criteria; or (iv) due to the Accepted Issuer’s failure to respond to communications from StartEngine for a period of 14 days. StartEngine’s determination of whether an Accepted Issuer is an Eligible Issuer shall be dispositive.

1.3 “Existing Client” means any client or customer to which StartEngine has furnished Services within the period of one year prior to the applicable Referral Date of a Referral or with which

StartEngine has already commenced discussions regarding the provision of StartEngine's Services.

1.4 "Large OPO" means an offering being conducted under Regulation A or Regulation A+ under the Securities Act of 1933, as amended.

1.5 "Referral" means a potential client or customer for Services, that is not an immediate family member of Scout, and which Scout has directly referred to StartEngine. For the avoidance of doubt, "immediate family member" means a parent, sibling, child, or spouse of Scout.

1.6 "Referral Date" means the date of transmission of a Referral by Scout to StartEngine.

1.7 "Small OPO" means an offering being conducted under Regulation Crowdfunding under the Securities Act of 1933, as amended.

1.8 "StartEngine Issuer Scout" means a Scout that has an executed posting agreement with StartEngine or has disbursed funds from a previous StartEngine offering.

## 2. Referral of Potential Clients or Customers by Scout.

During the term of this Agreement, Scout shall undertake commercially reasonable best efforts to send Referrals to StartEngine. For each Referral, Scout will fill out the form at:

<https://www.startengine.com/scout>

## 3. Referrals.

### 3.1 Acceptance.

Upon submission of the Referral to StartEngine by Scout, StartEngine will review the Referral to determine whether to designate the Referral as an Accepted Issuer. To be an Accepted Issuer, Referrals must not be an Existing Client and must comply with paragraph (a) or (b) of this section:

(a) For a Small OPO, Referral has signed a Regulation CF Company Engagement and Posting Agreement with StartEngine Capital LLC or StartEngine Primary LLC.

(b) For a Large OPO, Referral has signed a Regulation A or Regulation A+ Posting Agreement with StartEngine Primary, LLC.

### 3.2 Referral Fees or Referral Credit.

(a) For the referral of a Small OPO, Scouts will receive a fee of \$10,000, as defined under section 3.3 below, for each Accepted Issuer under section 3.1 (a) or (b).

(b) For the referral of a Large OPO, Scouts will receive a fee of \$25,000, as defined under section 3.3 below, for each Accepted Issuer under section 3.1 (a) or (b).

(c) If Scout is a StartEngine Issuer Scout, regardless of the type of referral in (a) and (b) above, Scout will have the option to receive instead a \$15,000 credit to be used towards marketing costs of Scout's StartEngine campaign ("Referral Credit"). The Referral Credit may not be used towards costs, fees, or expenses other than for marketing Scout's StartEngine offering.

### 3.3 Payment of Referral Fees or Application of Referral Credit.

(a) For a Small OPO, if within 60 days of the applicable Referral Date an Accepted Issuer signs on StartEngine, and within 60 days following such signing, the Accepted Issuer is still an Eligible Issuer, Scout shall be entitled to receive a Small OPO fee ("Referral Fee").

(b) For a Large OPO, if within 120 days of the applicable Referral Date an Accepted Issuer signs on StartEngine, and within 120 days following such signing, the Accepted Issuer is still an Eligible Issuer, Scout shall be entitled to receive a Large OPO Referral Fee.

The amount of the Referral Fee due is outlined in the above section 3.2. StartEngine will pay the applicable Referral Fee to Scout within 90 days of the signing date.

If StartEngine Issuer Scout elects to receive a Referral Credit, as outlined in the above section 3.2, the Referral Credit is applied immediately toward the marketing costs of StartEngine Issuer Scout's StartEngine offering or its next StartEngine offering. If, within 60 days of the applicable Referral Date, an Accepted Issuer signs on StartEngine, and within 60 days following such signing date, the Accepted Issuer is still an Eligible Issuer, StartEngine Issuer Scout will not be responsible for marketing costs incurred as outlined in the above section 3.2. If the Accepted Issuer is not an Eligible Issuer within 60 days of such signing date, StartEngine Issuer Scout shall be responsible for any and all marketing costs incurred under or through the Referral Credit, or the balance of any amounts remaining not to exceed \$15,000. StartEngine Issuer Scout may reimburse StartEngine either by deducting the amount from the first disbursement from escrow in StartEngine Issuer Scout's next StartEngine offering or by direct reimbursement to StartEngine.

### 3.4 Resolution of Conflicts Regarding Referral Fees or Referral Credit.

StartEngine shall not be liable for more than a single Referral Fee or Referral Credit for each Referral. If any third party should make a claim for any Referral Fee, Referral Credit, or parts thereof, then the Referral Fee or Referral Credit shall be awarded to Scout or StartEngine Issuer Scout with the earliest Referral Date. After StartEngine Issuer Scout has communicated to StartEngine its election to receive either the Referral Fee or Referral Credit, StartEngine Issuer Scout, it cannot be altered or changed and StartEngine shall not be obligated, responsible, or held liable for any costs, amounts, or monies contrary to that election, pursuant to section 3.2. StartEngine shall make a reasonable effort to consult with all relevant parties and the final decision of StartEngine regarding the Referral Fee or Referral Credit shall be final.

### 3.5 Disclosure.

Scout and StartEngine must disclose to Referral the compensation received by Scout from StartEngine. Disclosure should be conducted via written notice; email is acceptable.

### 3.6 Maximum Referral Fee Amount

Scouts will be limited to receiving \$80,000 in referral fees in a given calendar year.

## 4. Marketing Materials.

Each party may provide the other party with standard marketing, sales, and technical literature that it uses to promote its products and services. Each party will use the other party's marketing materials solely for the purposes of this Agreement. Each party may not copy, modify, alter, adapt or create derivative works based on the other party's marketing materials.

## 5. Publicity and Trademarks.

### 5.1 Trademark license from StartEngine.

Subject to the terms and conditions of this Agreement, StartEngine hereby grants to Scout a non-exclusive, non-transferable, royalty-free license, during the term of this Agreement, to use StartEngine trademarks, service marks, and logos solely for the purposes of this Agreement.

### 5.2 Trademark license from Scout.

Subject to the terms and conditions of this Agreement, Scout hereby grants to StartEngine a non-exclusive, non-transferable, royalty-free license, during the term of this Agreement, to use the Scout trademarks, service marks, and logos solely for the purposes of this Agreement.

## 6. No Exclusivity.

This Agreement shall not be construed to be a commitment by either party to work exclusively with the other party regarding referral of potential new business or any other business activities.

## 7. Representations and Warranties.

Each party represents and warrants that:

7.1 It has the necessary corporate power and authority to enter into this Agreement;

7.2 It will conduct business in a manner that reflects favorably on the other party and its products and services;

7.3 It will make no false or misleading representations with respect to the other party and its products and services; and

7.4 it will make no representations, warranties, or guarantees with respect to the

specifications, features, or capabilities of the other party's products and services that are inconsistent with the other party's marketing materials.

EXCEPT AS PROVIDED ABOVE IN SECTION 7, EACH PARTY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

#### 8. LIMITATION OF LIABILITY.

THE PARTIES' TOTAL CUMULATIVE LIABILITY FOR DAMAGES OF ANY KIND ARISING OUT OF THIS AGREEMENT SHALL BE LIMITED TO THE REFERRAL FEES PAYABLE BY STARTENGINE HEREUNDER.

#### 9. Term of Agreement; Survival.

The initial term of this Agreement shall commence as of the Effective Date and shall continue for a period of one year, after which this Agreement shall continue automatically from month to month unless terminated as provided herein. Notwithstanding the foregoing, either party may terminate this Agreement at any time and for any reason by providing 30 days' advance written notice to the other party. The obligations contained in Sections 3.2, 3.3, 4, 5, 7, 8, 9, and 10 shall survive the expiration or termination hereof.

#### 10. General.

##### 10.1 Termination for Cause.

Either party may terminate this Agreement upon written notice if the other party materially breaches this Agreement and fails to correct the breach within 10 days following written notice specifying the breach.

##### 10.2 Governing Law.

This Agreement and all matters arising out of or relating to this Agreement shall be governed by the laws of the State of California and shall be decided exclusively by the State or Federal courts located in Los Angeles, California.

##### 10.3 Waiver.

The waiver by either party of any default or breach of this Agreement shall not constitute a waiver of any other or subsequent default or breach.

##### 10.4 Severability.

In the event any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.

##### 10.5 Force Majeure.

Neither party shall be liable hereunder by reason of any failure or delay in the performance of its obligations hereunder (except for the payment of money) due to events beyond the reasonable control of such party (each a "Force Majeure Event"). Upon a Force Majeure Event, the non-performing party will be excused from any further performance of its obligations for so long as the event continues and such party continues to use reasonable efforts to resume performance.

10.6 Assignment.

This Agreement shall not be assigned by Scout, in whole or in part, without the express written consent of StartEngine.

10.7 Entire Agreement.

This Agreement constitutes the complete and exclusive agreement between the parties concerning its subject matter and supersedes all prior or contemporaneous agreements, written or oral, concerning the subject matter of this Agreement. Any modification or amendment of this Agreement will only be effective if in writing and signed by both parties.

10.8 No Third-Party Beneficiaries.

This Agreement is intended for the sole and exclusive benefit of the signatories and is not intended to benefit any third party. Only the parties to this Agreement may enforce it.

10.9 Independent Contractors.

The relationship of StartEngine and Scout shall be and shall at all times remain that of independent contractors. Neither party shall have any authority to bind the other party in any respect whatsoever.

10.10 Counterparts.

This Agreement may be executed in counterparts, each of which shall constitute an original, and all of which shall constitute one and the same instrument.

10.11 Headings.

The headings in this Agreement are for convenience only and have no legal effect.

10.12 Notices.

StartEngine may give notice to Scout by e-mail to Scout's e-mail address on record in StartEngine's account information. Scout may give notice to StartEngine by sending an e-mail to scouts@startengine.com.

StartEngine Crowdfunding, Inc.

Signature: \_\_\_\_\_  
Print: \_\_\_\_\_  
Title: \_\_\_\_\_

Scout

Signature: \_\_\_\_\_  
Scout: \_\_\_\_\_  
Print: \_\_\_\_\_  
Title: \_\_\_\_\_