

## SALON LOYALTY PROGRAM AGREEMENT

Moroccanoil Canada, Inc., (“**Moroccanoil**”) produces and distributes hair care and cosmetic products (“**Products**”). Moroccanoil has contracted with **MARITIME BEAUTY SUPPLY CO. LTD** (“**Distributor**”) to distribute its Products to qualifying salons in your area. Distributor wishes to nominate the salon identified below (“**Salon**”) to be accepted in the Moroccanoil loyalty program (“**Program**”). Although not a party to this Agreement, Moroccanoil is hereby acknowledged by the parties as a third party beneficiary hereunder, pursuant to which it is entitled to the benefit of certain provisions contained herein. Distributor and Salon agree with each other as follows:

Moroccanoil is introducing its salon loyalty program. Through the Program, Salons meeting those criteria set by Moroccanoil will be rewarded by being able to obtain some Products for free or at a cost that is less than salon cost. Additionally, the Salons may be eligible under the Program to obtain marketing materials (“**Marketing Support Material**”) that support the Moroccanoil brand in their salons. All details of the Program, including its timing and duration, the amount that a Salon must purchase to qualify, and the amount of free or reduced cost Products and Marketing Support Material that a Salon may acquire, will be set by Moroccanoil acting within its discretion, and the entire Program or any part of it may be changed or cancelled by Moroccanoil for all or any Salon participants at any time and at Moroccanoil’s sole discretion.

To qualify to participate in the Program, Salon must:

- Have signed a Moroccanoil Salon Contract;
- Purchase a minimum average of CAD \$400 a month of Moroccanoil Products for a period of three consecutive months. This is a continuing obligation. If Salon fails to meet the minimum purchase of CAD \$400 of Moroccanoil Products for a period of six (6) months, the Salon will lose its status in the Loyalty Program, and would have to maintain a minimum average purchase of at least \$400 for a period of three (3) months.
- Use and sell only Moroccanoil Hair Oil Treatment and no other hair oil treatment.

A Salon that qualifies to participate in the Program shall receive the free back bar products and marketing support valued at the percent of its purchase in the applicable month shown in the following table:

<b>Salon’s Monthly Purchases</b>	<b>Rewards</b>
\$400-\$800	14% backbar products + 4% marketing support
\$801-\$1800	16% backbar products + 4% marketing support
\$1801-\$3000	18% backbar products + 5% marketing support
\$3001 or more	20% backbar products + 6% marketing support

Salon agrees that all Marketing Support Material is provided under the terms of this Program by Moroccanoil to the Salons for the sole purpose of facilitating sales of Moroccanoil products and to reinforce the Moroccanoil brand in the Salons. Any improper use of the Marketing Support Material, such as promoting other brands of hair oil treatment, placing products not made by Moroccanoil that bear Moroccanoil trademarks or degrading the Moroccanoil brand is prohibited and can result in termination of Salon’s participation in the Program, the repossession of all Marketing Support Materials, the termination of Salon’s right to purchase, use and sell Products, the repurchase of any inventory of Moroccanoil products in the Salon, and to the Salon being subject to civil lawsuit.

Additionally, a Salon that qualifies for the Program may obtain a number of one-time introductory packages (“**Packages**”) after being admitted to the Program which may include both discounted Moroccanoil products as well as the right to place promotional displays (“**Displays**”) provided by Moroccanoil to showcase the Moroccanoil products in the Salon. **Moroccanoil displays are and shall remain the property of Moroccanoil and not the property of Salon and it is to be used only to hold Moroccanoil Products and not for any other use. During the term of this contract, Displays shall remain the sole property of Moroccanoil, and upon termination of the agreement for any reason, Moroccanoil may claim the Displays back from the Salon without further notification and without Moroccanoil having to pay any consideration for it.** Salon agrees that the Displays are provided to the Salon on a loan basis and for no other consideration than the proper use of the Display while it is in the premises of the Salon. Using the Displays in other way or for any other purpose than the stated herein may result in Moroccanoil claiming the Display back from the Salon in the terms described herein, and may also result in the termination of this agreement.

Additionally, Salons qualifying for the Program might be eligible to benefit from the Moroccanoil’s E-store Profit Sharing Program. Under the E-store Profit Sharing Program eligible registered Moroccanoil Loyalty Salons may be compensated with a percentage of the sales of **Hair Care** products made by Moroccanoil through the Moroccanoil E-store to end customers and linked by the consumer to the eligible Loyalty Salon. All details of the E-store Profit Sharing Program including its timing, duration, and the amount or type of compensation, will be set by Moroccanoil acting at its sole discretion, and the entire E-store Profit Sharing Program or any part of it may be changed or cancelled by Moroccanoil for all or any Salon participants at any time and at Moroccanoil’s sole discretion. The E-Store Profit Sharing Program shall not be considered or construed to be a partnership or joint venture, and Moroccanoil shall not be liable for any obligations incurred by Salon unless specifically authorized in writing.

Salon understand that the requirements to qualify for the Program are a continuous obligation of the Salon, and that Salon may lose all benefits related to the Program if at any time after joining the Program the Salon stops complying with the requirements described herein above. Additional from the

requirements already mentioned, after joining the Program Salon agrees to purchase the complete line of Moroccanoil products and to offer those products for sale to its customers. This is also a continuous obligation of the Salon to continue receiving the benefits of the Program.

The Program will make available hundreds of thousands of dollars of benefits based on the records for Salons' purchases and the agreement of Salon not to use or sell any hair oil treatment other than Moroccanoil Hair Oil Treatment. Moroccanoil realizes that persons can manipulate the Program using false, misleading, or incorrect information so that unqualified Salons and persons acting with them can obtain free or reduced cost Products to which they are not truly entitled.

**Salon agrees that all Products delivered to a Salon in the Program are delivered in reliance on Salon's continuing representation to Moroccanoil that all Products ordered or obtained are solely for Salon use and resale. Any other use or resale is prohibited and will be considered "DIVERSION". If Salon intends that any Products it orders or obtains are for any purpose other than Salon use and resale, Salon must notify both Distributor and Moroccanoil of that different purpose in a signed writing mailed separately to each. If Salon's intention changes and it fails to inform Moroccanoil and Distributor of that fact or if a Salon allows false, misleading or incorrect information to cause it to qualify for free Products or reduced cost Products under the Program that in truth Salon should not obtain, Salon is committing fraud which is punishable as a crime under federal and state penal law and under civil law. Salon agrees that fraud and diversion deprives Moroccanoil of money and damages Moroccanoil's contractual and economic relations with its distributors and other salon customers and that the damages occur in Montreal, province of Quebec,, its principal place of business. Like diversion, submission of false, misleading or incorrect information for the Program can result in termination and the Salon being subject to civil lawsuit.**

Moroccanoil has the right to change, modify or terminate all or any part of the Program for all or any of the Salon participants.

Salon agrees that any suit or arbitration concerning the Program shall be in Montreal, Quebec, Canada, and it consents to the exclusive personal jurisdiction of the courts in Montreal, Quebec for all matters arising out of or related to the Program, in which litigation the governing law shall be the laws of the Province of Quebec and the federal laws of Canada applicable therein. In any arbitration or litigation arising from or related to the Program, the prevailing party shall recover its reasonable attorneys' fees and expenses. Salon shall take appropriate steps to ensure that each of its employees and independent contractors are aware of the requirements of this Program. Salon waives any defense based upon the assertion or evidence that its employee(s), representative(s), or agent(s) did not know the requirements of this Program.

Either Salon or Distributor may terminate its participation in the Program immediately by giving written notice: (1) in the case of any breach hereunder, either Salon or Distributor may terminate effective immediately upon the delivery of a written notice; (2) notwithstanding the lack of any breach of the Agreement, either Salon or Distributor may terminate this Agreement upon thirty (30) days written notice. Additionally this Salon Loyalty Program Agreement shall be deemed terminate if the Salon Contract between Moroccanoil, Distributor and Salon is terminated for any reason.

Upon termination, (1) Moroccanoil shall have the right to repurchase any Products sold to Salon by Moroccanoil or its Distributors that remain in Salon's inventory and (2) Moroccanoil shall have the right to immediately remove any Displays or Marketing Support Materials from the premises of the Salon without Moroccanoil having to pay any consideration. The purchase price for any of Salon's Product inventory shall be the lowest price Salon paid for those Products. Salon waives any claim for lost profits arising from the termination of this Program. Any right or duty under the Program is not assignable by Salon.

**Acknowledged and Agreed:**

**MARITIME BEAUTY SUPPLY CO. LTD**

Salon Name: \* \_\_\_\_\_

Salon Address: \* \_\_\_\_\_

City/Postal Code: \* \_\_\_\_\_

Telephone: \_\_\_\_\_

By: \* \_\_\_\_\_

E-mail: \_\_\_\_\_

Title: \* \_\_\_\_\_

Name (printed)): \* \_\_\_\_\_

Date: \* \_\_\_\_\_

Signature: \* \_\_\_\_\_

Establishment License No. : \_\_\_\_\_