



## Anti-Diversion Agreement

All black distributors, sales representative and signature salons agree that the product should be supplied through professional salons. A salon is defined as an establishment where at least one fulltime licensed cosmetologist is employed and engaged in providing such services including: hair styling, cutting, and coloring. A salon must have at least one shampoo bowl and at least one styling chair. The salon must, in both perception and practice, be in the business of performing professional hair care services.

Diversion of Professional Beauty Products. The **Salon/Stylist/Barber (“Salon”)** acknowledges that TNG Worldwide Inc. (“Company”) has expended significant resources to build the reputation and brand of black as a high-end professional brand. The Salon agrees to purchase and use black for cosmetology services performed within the business and as retail to salon clients only. The **Salon** further acknowledges that the sale of black to individuals or businesses including but not limited to retail Chains, Pharmacies, Grocery Stores or other **retail outlets** (hereinafter referred to as “Diversion”) seriously damages the reputation of the Company and black. The Salon may cause confusion as to the Company’s approval of the sale of black and may have a negative effect on the Company’s sales. **Salon** further acknowledges that Diversion disrupts the relations between the Company and **Salon** and causes the Company to expend significant sums of money every year to monitor and repurchase diverted black. Based on the foregoing and notwithstanding any other provision contained in this Agreement, if the Company determines that the Salon has sold, or in any way facilitated the diversion of black then the Salon shall pay the Company the total sum of One Hundred Thousand and 00/100 Dollars (\$100,000.00), as liquidated damages, and not as a penalty, for any such Diversion.

**PERFORMANCE.** The Salon shall exercise reasonable care and use its best efforts to sell black solely to Customers within the salon as outlined above (Internet sales also strictly prohibited). Salon shall also take appropriate steps to ensure that employees and independent contractors are aware of the requirements of this agreement.

Evidence of Diversion of black. For purposes of invoking the liquidated damages provision set forth above, there shall be a rebuttable presumption that the **Salon** has diverted black to someone other than In-Salon customers if the Company can prove (by tracking codes, serial numbers or otherwise) that black products shipped to the Salon were sold or offered for sale to business defined above as diversion. Rebuttable presumption shall be deemed to be conclusive proof of Diversion by the Salon unless the Salon can prove by clear and convincing evidence that the Salon was not responsible for the Diversion of black.

If the Salon commits a breach or threatens to commit a breach of this Agreement, then the Company shall have the right and remedy, to enforce by injunction, restraining order, or specific performance by any court having equity jurisdiction, it being acknowledged that any such breach or threatened breach shall cause irreparable injury to the Company and that money damages alone will not provide an adequate remedy to the Company.

**WAIVER.** The waiver by the Company of any particular breach of any provision of this Agreement by the Salon shall not operate or be construed as a waiver of any subsequent breach by the Salon.

**GOVERNING LAW & ATTORNEYS’ FEES.** This Agreement shall be governed by, interpreted, construed and enforced in accordance with the laws of the State of Michigan. In any action or proceeding arising out of or relating to this Agreement (an “Action”), each of the parties hereby irrevocably submits to the jurisdiction of any federal or state court sitting in Detroit, MI and further agrees that any Action may be heard and determined in such Michigan federal court or state court. If any legal action, arbitration or similar proceeding is brought for the enforcement of or to declare the rights or obligations of the parties under this Agreement or as a result of a breach, default or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party in any such action shall be entitled to recover reasonable attorneys’ fees and any other costs incurred in any such action in addition to any other relief to which such party may be entitled.

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|-------------------------------------|---------------|
| Distributor: Maritime Beauty Supply | Salon:        |
| Consultant:                         | Owner:        |
| Address:                            | Address cont: |
| MBS Account Number:                 | CANS License: |
| City:                               | Province:     |
| Postal Code:                        | Telephone:    |
| Printed Name:                       | email:        |
| Signature:                          | Date:         |

*Circle one:*

Signature Salon

Independent Contractor

Open Stock

Please complete and return to black15in1sales representative.

FAX to 248-479-0335