

## SKINCARE MERCHANT CONTRACT

Moroccanoil Canada, Inc., (“**Moroccanoil**”) is the exclusive distributor of the Moroccanoil brand of Skincare products (“**Products**”). Moroccanoil has contracted with **MARITIME BEAUTY SUPPLY CO. LTD** (“**Distributor**”) to distribute its Products to qualifying Merchants in your area (“**Merchant**”). Distributor wishes to sell the Products to the Merchant identified below (“**Merchant**”). 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 Merchant agree with each other as follows:

### Representations and Warranties:

Merchant represents and warrants that all Products purchased from Distributor will be used only for (a) cosmetological services performed at Merchant’s premises, or (b) resale only to bona fide Merchant clients on the Merchant’s premises in such limited amounts as necessary for personal and family use at home. This limited distribution is called “**Merchant Use and Resale**”. Merchant represents and promises that it will not resell Products to any other business, retailer, salon, cosmetologist or redistributor.

Merchant is prohibited from selling Products over the internet or via direct mail or catalog.

Merchant will not remove, obliterate or tamper with any batch or tracking code, serial number or other codes applied to any Products, or box or pallet of Products and Merchant will not agree or conspire with others to do so.

Merchant agrees to create and maintain contemporaneous records of its sales of Products (“**Records**”) and make such record available to Distributor or Moroccanoil upon written request on forty-eight hours’ notice.

Merchant represents that it currently meets, and during the term of the Contract will continue to meet, Moroccanoil’s requirements to be a “**Merchant**”; as stated on the reverse side of this Contract if Merchant changes its business operation and no longer meets Moroccanoil’s requirements to be a Merchant, the Contract shall automatically terminate upon the change occurring. Merchant shall promptly notify Distributor and Moroccanoil in writing of any change in Merchant’s ability to satisfy Moroccanoil’s requirements to be a Merchant or Merchant’s ability to comply with the restriction on Moroccanoil Products.

**All Products delivered to Merchant are delivered in reliance on Merchant’s representation that they are solely for Merchant Use and Resale. Any other use or resale is prohibited and is considered to be “DIVERSION”. For each order that Merchant places with Distributor, Merchant reaffirms its representation that the Products are being ordered only for Merchant Use and Resale. If Merchant intends the Products for any purpose other than Merchant Use and Resale, Merchant must notify both Distributor and Moroccanoil of that purpose in writing mailed separately to each. If Merchant’s intention changes and it fails to inform Moroccanoil Distributor of that fact, Merchant will have committed fraud. Merchant agrees that DIVERSION damages Moroccanoil’s contractual relations with its distributors and other customers. If Moroccanoil, or Distributor, or any other manufacturer or distributor have any evidence indicating Merchant has diverted any Products, Merchant may be terminated for diverting Products and be subject to civil claims.**

### The Moroccanoil Skincare Program:

Merchants that meet certain Moroccanoil criteria will be able to obtain benefits through the Moroccanoil Skincare Program. Through the Program, Merchants will be rewarded by being able to obtain a number of one-time introductory packages (“**Packages**”) which may include free Products or Products that are at a cost that is less than regular cost (“**Program Products**”), limited edition products, marketing tools or materials that support the Moroccanoil brand (“**Marketing Support Material**”), and/or the right to place promotional displays (“**Displays**”) provided by Moroccanoil to showcase the Products at Merchant’s place of business. All details of the Program, including its timing and duration, the amount that a Merchant must purchase to qualify, and the amount of Program Products, Marketing Support Material and Displays that a Merchant may acquire will be set by Moroccanoil acting within its discretion from time to time, and the entire Program or any part of it may be changed or cancelled by Moroccanoil for all or any Merchant participants at any time and at Moroccanoil’s sole discretion.

To qualify to participate in the Program, Merchant must meet and must continue to meet at all times the following criteria (“**Merchant Criteria**”)

1. The Merchant must have and maintain a minimum 6-month average purchase of Moroccanoil brand products, including Professional Hair care Products. The specific minimum amount of purchases will be decided by Moroccanoil at its sole discretion. Moroccanoil will notify Distributor of any changes in the minimum purchases amounts, and Distributor will immediately notify the Merchant of this change;
2. The Merchant must be approved by Moroccanoil and be an active account in good standing of the Moroccanoil Loyalty Program;
3. The Merchant must acquire or has already acquired and utilizes on its premises Moroccanoil furniture described as “**Wall-Bay**” or “**Free-Standing**” Display Unit;

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

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

Merchant agrees that Moroccanoil Displays are and shall remain the property of Moroccanoil and not the property of Merchant 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 Merchant without further notification and without Moroccanoil having to pay any consideration for it. Merchant agrees that the Displays are provided to the Merchant on a loan basis and for no other consideration than the proper use of the Display while it is in the premises of the Merchant. 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 Merchant in the terms described herein, and may also result in the termination of this agreement.

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

Under the Program, Moroccanoil will obtain information about the Merchants, including email addresses and other contact information. Moroccanoil may use this information to communicate directly with the Merchants enrolled in the Program to make them aware of future promotions or events. It is understood that the information obtained by Moroccanoil is not confidential or proprietary information of the Distributor and that Moroccanoil may use the information to further promote the Moroccanoil brand.

General Terms: This Agreement shall be governed by, and shall be interpreted and enforced in all respects in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Merchant agrees that it can be sued in Montreal, Quebec, Canada, for any breach of this Contract and it consents to be exclusive jurisdiction of the Courts in Montreal, Quebec for all suits arising under this Contract. The amount of damages that Moroccanoil would suffer as a result of Diversion is extremely difficult to ascertain. Accordingly, Merchant agrees that equitable remedies should be granted to remedy any violation(s) of the Contract. Merchant further agrees that "actual damages" for breach of this Contract will be replaced by liquidated damages in the amount of three times the retail price of each Product that was diverted by Merchant. In any litigation arising from or related to this Contract, the prevailing party shall cover its reasonable attorneys' fees, whether the claims in litigation are based in contract or tort law.

Merchant shall take appropriate steps to ensure that each its employees and independent contractors are aware of the requirements of this contract. Merchant waives any defense based upon assertion or evidence that its employee(s), representative(s), or agent(s) did not know the requirements of this contract.

Either Merchant or Distributor may terminate this Contract immediately by giving written notice: (1) in the case of any breach hereunder, either Merchant or Distributor may terminate effective immediately upon the delivery of a written notice; (2) notwithstanding the lack of any breach of the Agreement, either Merchant or Distributor may terminate this Agreement upon thirty (30) days written notice. Upon termination, (1) Distributor will immediately stop selling Products directly or indirectly to Merchant; (2) Distributor and Moroccanoil shall each have the right to repurchase any Products sold to Merchant by Distributor that remain in Merchant's inventory, and (3) Moroccanoil shall have the right to immediately remove any Displays or Marketing Support Materials from the premises of the Merchant without Moroccanoil having to pay any consideration. The purchase price for the remaining inventory shall be the lowest price Merchant paid to Distributor for those Products. Distributor and Merchant waive any claim for lost profit arising from the termination of this Contract. The Contract is not assignable by Merchant. The contract is specifically intended to benefit Moroccanoil and either Moroccanoil or Distributor may initiate suit to enforce the terms of this contract against Merchant.

**Acknowledged and Agreed**

Merchant Name: \* \_\_\_\_\_

Merchant-Address: \* \_\_\_\_\_

**MARITIME BEAUTY SUPPLY CO. LTD**

City and P.C.: \* \_\_\_\_\_

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

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

E-Mail: \_\_\_\_\_

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

Printed Name: \* \_\_\_\_\_

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

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

Establishment License Number: \_\_\_\_\_

[AFFIX TO BACK OF MERCHANT CONTRACT]

**MOROCCANOIL DEFINITION OF SKINCARE MERCHANT**

All of MoroccanOil's distributors and sales representatives agree that Products shall be supplied only to authorized "Merchants". "Merchant" is defined either:

**1.** "Salon": a business entity where state licensed cosmetologists who are employees, or independent contractor cosmetologist(s) or booth renters perform cosmetological services, such as hair cutting, hair styling and hair coloring, at a government-licensed business location that has a commercial street address. A salon must have shampoo bowls and styling chairs. At least one (1) full-time licensed (to the extent the state/province/territory licenses cosmetologists) professional cosmetologist must be on the premises regularly and customarily, and must be performing services on patrons on the premises while the premises is open for business. A salon must have an appearance indicating that its principal business is the performance of professional services on hair rather than the making of retail sales, and must derive a substantial percentage of its revenue from the provision of hair care services (cutting, coloring, styling, etc.).

**2.** Spa: a business entity providing all or substantially all of the following services: massages, skin care (facial, body wraps), nail care (manicure, pedicure, nail polish), spa baths (whirl pool). To qualify as a Spa under this definition, the business operation must have at least 5 closed rooms dedicated exclusively to providing the above mentioned Spa services and at least 5 employees on premises at all times during normal business hours.