

## SALON LOYALTY PARTNER PROGRAM AGREEMENT

Moroccanoil Inc. (“**Moroccanoil**”) produces and distributes hair care and cosmetic products (“**Products**”). Moroccanoil has contracted with \_\_\_\_\_ (“**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 salon loyalty partner 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 partner program. Through the Program, Salons meeting those criteria set by Moroccanoil will be rewarded by being able to obtain Products for free or at a cost that is less than salon cost, marketing and/or educational materials that support the Moroccanoil brand in their salons, or various other benefits (“**Rewards**”). All details of the Program, including its timing and duration, the amount that a Salon must purchase to qualify, and the amount of Rewards 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 USD \$500 a month of Moroccanoil Products (“**Minimum Average**”) for a period of three (3) consecutive months. This is a continuing obligation. After three (3) consecutive months of maintaining the Minimum Average, the Rewards will be calculated based on the average of purchases made by the Salon during the previous three (3) months (“**Rolling Average**”). If Salon fails to meet the minimum purchase of USD \$500 of Moroccanoil Products for a period of six (6) months, the Salon will lose its status in the Program, and Salon would have to once again maintain a minimum average purchase of at least \$500 for a period of three (3) months to re-establish their participation in the Program; and
- Use and sell only Moroccanoil Hair Oil Treatment and no other argan oil hair treatment; and
- At all times maintain a sufficient stock of each of the Products to supply the needs of existing and expected clientele.

A Salon that qualifies to participate in the Program shall receive Rewards valued at a percent of its purchases in the applicable month(s),

Salon agrees that all marketing support materials are 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 materials, 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 purchase a one-time introductory package (“**Package**”) 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. **The Displays are and shall remain the property of Moroccanoil and not the property of Salon, and shall be used only to hold Moroccanoil Products and not for any other use. 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.

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 of 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 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 the City of Los Angeles, State of California, and it consents to the exclusive personal jurisdiction of the courts in the City of Los Angeles, State of California, for all matters arising out of or related to the Program, in which litigation the governing law shall be the laws of the State of California and the laws of the United States 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 Agreement shall be deemed terminated 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**

	Salon Name:	_____
	Salon Address:	_____
Distributor: _____	City and Zip:	_____
	Telephone:	_____
By: _____	E-mail:	_____
Title: _____	Printed Name:	_____
Date: _____	Signature:	_____
	Establishment License #	_____