

**EXHIBIT A  
ANTI-DIVERSION AGREEMENT**

This Anti-Diversion Contract is entered into between PRINCESS PROFESSIONAL ("**Distributor**") and \_\_\_\_\_ ("**Salon**"), for the purposes of using and reselling hair care and cosmetic products ("**Products**") owned and created by Pai-Shau Inc. ("**Pai-Shau**"). Pai-Shau has contracted with ("**Distributor**") to distribute its Products to qualifying salons in designated areas. Although Pai-Shau is not a party to this Agreement, Pai-Shau 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:

1. Salon represents and promises that all Products purchased from Distributor will be used only for: (a) cosmetological services performed at Salon's premises, or (b) resale only to bona fide salon clients on the Salon's premises in such limited amounts as necessary for personal and family use at home. This limited distribution is called "Salon Use and Resale". Salon represents and promises that it will not resell Products to any other business, retailer, salon, cosmetologist or distributor.
2. Salon is prohibited from selling Products over the Internet or via direct mail or catalog.
3. Salon will not remove, obliterate, or tamper with any batch or tracking code, serial number or other codes applied to any product, box or pallet of products. Salon will not agree or conspire with others to do so.
4. Salon represents that it currently meets, and during the term of the Contract will continue to meet, Pai-Shau's requirements to be a "Salon" as stated on the reverse side of this Contract.
5. **All Products delivered to Salon are delivered in reliance on Salon's representation that they are solely for Salon Use and Resale. Any other use or resale is prohibited and is considered to be "DIVERSION". For each order that Salon places with Distributor, Salon reaffirms its representation that the Products are being ordered only for Salon Use and Resale. If Salon intends the Products for any purpose other than Salon Use and Resale, Salon must notify both Distributor and Pai-Shau of that purpose in writing mailed separately to each. If Salon's intention changes and it fails to inform Pai-Shau and Distributor of that fact, Salon will have committed fraud. Salon agrees that DIVERSION damages Pai-Shau's contractual relations with its distributors and other salon customers. If Pai-Shau, or Distributor, or any other manufacturer, or distributor have any evidence indicating Salon has diverted any Products, Salon may be terminated for diverting Products and be subject to civil action.**
6. Salon agrees that it can be sued in the City of Toronto in the Province of Ontario, for any breach of this Contract and consents to the exclusive jurisdiction of the Courts in the City of Toronto in the Province of Ontario for all suits arising under this Contract, in which litigation the governing law shall be the laws of the Province of Ontario and the laws of the Canada applicable therein. The amount of damages that Pai-Shau would suffer as a result of Diversion is extremely difficult to ascertain. Accordingly, Salon agrees that equitable remedies should be granted to remedy any violation(s) of the Contract. Salon 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 Salon. In any litigation arising from or related to this Contract, the prevailing party shall recover its reasonable attorneys' fees, whether the claims in the litigation are based in contract or tort law.
7. Salon shall take appropriate steps to ensure that each of its employees and independent contractors are aware of the requirements of this Contract. 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 Contract.
8. Either Salon or Distributor may terminate this Contract 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. Upon termination, (1) Distributor will immediately stop selling Products directly or indirectly to Salon; and (2) Distributor and Pai-Shau shall each have the right to repurchase any Products sold to Salon by Distributor that remain in Salon's inventory. The purchase price for the remaining inventory shall be the lowest price Salon paid to Distributor for those Products. Distributor and Salon waive any claim for lost profits arising from the termination of this Contract. This Contract is not assignable by Salon. The Contract is specifically intended to benefit Pai-Shau and either Pai-Shau or Distributor may initiate suit to enforce the terms of this Contract against Salon.

Acknowledged and Agreed: \_\_\_\_\_ Princess Account # \_\_\_\_\_

Name of Salon: \_\_\_\_\_ Establishment License Number: \_\_\_\_\_

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

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

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

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

Name of Distributor: PRINCESS PROFESSIONAL \_\_\_\_\_

By: \_\_\_\_\_ Title: CUSTOMER SERVICE MANAGER \_\_\_\_\_

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