

## Living Proof/Distributor Salon Agreement

Thank you for taking the opportunity to offer your clients the Living Proof prestige brand of haircare products. Our goal is to continue to bring forth new and unprecedented technologies, in addition to fresh retail concepts and growth opportunities for You and Your salon. Any great relationship needs clearly defined expectations, and so this Agreement sets out the terms upon which Living Proof will sell its products to you. If you have any questions, please be certain to discuss with your Living Proof Distributor before signing. Thank you for your business and welcome aboard!

1. **Scope.** This Select Account Agreement governs all purchases by you, the customer signing below (“You”) of any products of Living Proof, Inc. (“Living Proof”) supplied by our Authorized Distributor partner and represents the entire agreement governing Living Proof’s product supply relationship with You.
2. **Salon Qualifications.** In order to purchase Living Products for your salon the following will apply:
  - a. You must first agree to purchase one of our Salon Introductory Collections (see your distributor sales consultant for current selections) and agree to carry all Living Proof Products in your salon.
  - b. You will carry no more than four other manufacture’s haircare retail product lines in your salon
  - c. Your salon retail sales cannot exceed 25% of the total salon revenue.
  - d. Your average Female client haircut price should be no less than \$40.00.
  - e. You will provide your salon address, telephone #, website and 3 photos of your Salon (exterior, interior service area and your retail area) for posting on Living Proof’s Salon Locator Section of our website. \*Living Proof reserves the right to post salon photos on our website. Please allow up to 45 days for salon data to be added to Living Proof’s website.
  - f. Unless otherwise prohibited by applicable law, You agree to honor our suggested retail prices
3. **Resale Restrictions.** You agree that You will only sell Living Proof products to consumers in Your salon. You will keep Your Living Proof Distributor informed of the retail price at which you sell Living Proof products. Further, You agree to purchase Living Proof products directly from Living Proof’s Authorized Distributor only.
4. **Warranties.** Living Proof provides warranties to consumers on its products to the extent such warranties are required or implied by applicable law; no other warranties, express or implied, are given to You or any third party.
5. **Product Presentation.** You agree to refrain from altering the contents, packaging or markings of Living Proof products and will use commercially reasonable efforts to preserve the condition of Living Proof products.
6. **Website Sales.** Sale of Living Proof products on your website or through other websites is strictly prohibited. However, You are permitted to feature Living Proof products on your website for marketing purposes only. You may only use Living Proof trademarks on your website in accordance with Living Proof’s trademark usage guidelines and subject to Living Proof’s prior approval. All uses of Living Proof’s trademarks will inure to Living Proof.
7. **Termination.** Either You, Living Proof or your Living Proof Authorized Distributor may terminate this Agreement at any time on written notice.
8. **Intellectual Property.** [If Living Proof or our Authorized Distributor provides you with copies of product brochures, you may distribute them in your salon.] You agree to obtain prior written permission

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You are the Living Proof.<sup>™</sup>

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## Living Proof/Distributor Salon Agreement

from Living Proof for the use of any Living Proof intellectual property, including trademarks, product images, advertisements, or marketing material. You shall acquire no interest or rights in Living Proof intellectual property by virtue of this Agreement or Your performance of it. Some Living Proof advertisements and marketing material feature the name and image of celebrities, including those of Jennifer Aniston ("Celebrity Materials"). YOU HAVE NO RIGHT TO USE, RE-USE, RE-PUBLISH OR INCORPORATE INTO YOUR OWN ADVERTISING, MARKETING OR WEB/SOCIAL MEDIA SITES ANY CELEBRITY MATERIALS. If You misuse any Celebrity Materials, You will pay Living Proof, as liquidated damages and not as a penalty, the sum of FIVE THOUSAND DOLLARS (\$5,000) per misuse, together with any attorneys' fees incurred by Living Proof to remedy the misuse and collect damages from You. Living Proof may also immediately terminate this Agreement without further notice or liability. Your payment of liquidated damages will not be Your exclusive liability for any misuse."

9. **Miscellaneous.** If any provision of this Agreement is held to be unenforceable, it shall be severed and the remaining provisions will remain enforceable. The severed provision will be replaced by an enforceable provision most nearly reflecting the intention of the parties. If the Distributor is located in the United States, this Agreement shall be governed by the laws of the State of New York, without regard to its principles of conflicts of law. If the Distributor is located outside the United States, this Agreement shall be governed by the laws of the jurisdiction in which the Distributor's head office is located. This Agreement shall not be modified, nor compliance with any provision waived, except in writing signed by both parties. Living Proof, Inc., although not a party to this Agreement shall be an intended third party beneficiary of it, and shall have the right to enforce this Agreement against You.

Acknowledged and Agreed to by:

and LIVING PROOF'S Authorized Distributor  
PRINCESS PROFESSIONAL

\_\_\_\_\_  
Salon Name

\_\_\_\_\_  
Distributor Name

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Sales Representative Name

\_\_\_\_\_  
Please Print Name

\_\_\_\_\_  
Date of Agreement

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

\_\_\_\_\_  
Living Proof Salon Collection Purchased

\_\_\_\_\_  
City/State/Zip

\_\_\_\_\_  
\$ Amount of initial purchase

\_\_\_\_\_  
Telephone

\_\_\_\_\_  
Email Address

\_\_\_\_\_  
Website

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You are the Living Proof.™

## Gratis Rewards Program "Salon Enrollment Form"

SALON NAME:		
ADDRESS:		
CITY:	STATE:	ZIP CODE:
SALON OWNER:		TELEPHONE:
COSMETOLOGY LICENSE NUMBER:		
SALON WEBSITE:		EMAIL ADDRESS:
NUMBER OF STYLISTS:		
TYPE OF SALON:                    ___ COMMISSION                    ___ INDEPENDENT STYLIST		
RETAIL PRODUCT LINES OFFERED:		
LIVING PROOF BRAND SPECIALIST:		

Living Proof Collection Purchased: \_\_\_\_\_

Date of Purchase: \_\_\_\_\_ Purchase Amount: \$ \_\_\_\_\_

Purchaser agrees that all Living Proof products: (a) will be sold by Purchaser on its salon premises in connection with providing services and retail to salon clients, (b) will not be resold to any diverter, re-diverter, product collector or retail outlet, (C) will not be sold via multilevel marketing. (d) Will not be sold on the internet or salon website

Salon Owner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Brand Specialist Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Note: To participate in the Living Proof Gratis Rewards Program, you must: purchase a Living Proof Salon Intro Collection, attach a copy of invoice with this enrollment form, and be in good standing with Living Proof.

**Please submit this form to your Living Proof Brand Specialist**

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*Living Proof Information Only:*

Date Received: \_\_\_\_\_ Gratis Rewards Membership #: \_\_\_\_\_

## Living Proof – Anti-diversion Policy and Practices for Professional Salons

Living Proof's innovative hair products are beloved around the world. The strong consumer demand and appeal of our science-based brand has created the incentive for diverters to unacceptably obtain and sell Living Proof products in unauthorized sales channels.

Living Proof stands behind the authenticity and quality of its products and is committed to actively seeking out and stopping diversion.

*Grace Ray*  
CEO

### HOW WE DEFINE DIVERSION

Diversion is the unauthorized distribution of our products. A list of authorized resellers can be found at [www.livingproof.com/cs/locations](http://www.livingproof.com/cs/locations). If you see our products sold anywhere else, it is likely the result of diversion.

### THE RISKS WITH DIVERSION

Diverted products bring many risks. It may be counterfeit product that does not have Living Proof's assurance for quality and performance. Diverted products may also be tampered with and could be unsafe. Living Proof and its authorized resellers stand behind our science, our products and our brand. No one else can promise to do the same.

We fight diversion because it damages the Living Proof brand and the reputations of our authorized resellers. Everyone in the Living Proof family takes enormous pride in our work, our products and our satisfied customers. We will not accept actions that put these values at risk.

### WHO IS DIVERTING

Any individual or entity offering to purchase product in large quantities not from Living Proof or an authorized distributor are most likely trying to divert products and steal from the success of our authorized resellers. Large purchases (5 or more of one SKU) should happen through the corporate office or Living Proof's distributor network.

### ZERO TOLERANCE POLICY

There is a team at Living Proof designated to stop diversion and track diverted products to the source. Our zero-tolerance policy is to terminate any relationship that is the source of diversion and seek damages to the furthest extent possible. **All of our vendor / customer agreements specifically prohibit diversion.**

### OUR PROCESS

We work with selected vendors and our logistics teams to track Living Proof products after they leave our warehouses. We have mechanisms in place to track our products and to assist us in identifying the source of diversion. We also work directly with our partners to ensure that we all take measures to identify and stop diversion that may happen within their customer base.

If we identify diverted product and trace the original shipment to one of our resellers, we notify the reseller and ask them to take appropriate steps to isolate the source. We also review their shipment data to assist in this process. If diversion continues to originate from a specific reseller, we will terminate the relationship.

Salons or other customers who are found to have participated in diversion will be prohibited from buying Living Proof products immediately. Partners that divert product themselves or who allow diversion to happen within their customer base are subject to termination without notice.

**YOU CAN HELP**

Customers and resellers are often the best at identifying diverted product. If you see product that you suspect is diverted, take a picture of the top, front, back and bottom of the item, note the date and location of this product, and send the pictures to [nodiversion@livingproof.com](mailto:nodiversion@livingproof.com). Do not buy the product. This only encourages more diversion. If anyone approaches you about buying diverted product, contact Terry Rice, Director of Sales Operations, immediately at 1.617.500.1509.

\* \* \* \*

*We have received a copy of Living Proof's Anti-Diversion Policy and Practices and we understand that compliance with this document is a necessary requirement of our business relationship with Living Proof.*

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*Signature*

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*Title / Business Name*

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*Date*



## NEW – Proof Positive Program

### “SALON BENEFIT OUTLINE”

Welcome to the Living Proof’s - Proof Positive Program. As a member, you may qualify to receive **Proof Dollars** for of your overall quarterly purchases of Living Proof products; redeemable in free station and back bar products, sample & trial size products, in-salon and destination education, and marketing support material. Here’s how it works:

1. Purchase a **Salon Collection by Living Proof**. Please see your Living Proof Brand Representative for details. (Collections not eligible for proof dollars)
2. When you meet the minimum purchase of \$1,500 in Living Proof products per quarter, you will earn Proof Dollars in accordance with the Award Level achieved (below).
3. Salons that do not meet the minimum quarterly purchase requirements will not receive benefits for that quarter. However, salons may qualify on a quarter-by-quarter basis.
4. Proof Dollars may be redeemed for your choice free station and back bar products, sample/trial size products, in-salon and destination education and marketing support material (see **Proof Positive Order Form**). \*\*Living Proof reserves the right to change available product choices each quarter

#### HOW TO EARN PROOF DOLLARS:

Proof Positive Proof Dollars are earned quarterly and are based on dollar value of your total Living Proof purchases for the quarter. All eligible purchases of \$1,500 minimum per quarter will earn Proof Dollars.

#### AWARD LEVELS:

Salons earn Proof Dollars based on their Living Proof purchases for the current quarter. The more your Salon purchases the more Proof Dollars you will earn for each dollar in purchases. An Award Level is earned just by purchasing a minimum of \$1,500 in Living Proof products per quarter. Listed below are the qualifying Award Levels effective January 1, 2015:

Quarterly Purchases	Status Level	Proof Dollars Earned	Education Proof Dollars
\$1500-2500	Bronze	5%	Salon allocates \$ amount
\$2501-3500	Silver	10%	Salon allocates \$ amount
\$3501-5000	Gold	15%	Salon allocates \$ amount
\$5001 +	Platinum	20%	Salon allocates \$ amount

#### HOW DO I REDEEM SALON REWARD PROOF DOLLARS?

- Contact your Living Proof Brand Representative and provide them with your completed Proof Positive Order Form.
- Your Living Proof Brand representative will verify the earned Proof Dollars within 15 business days from quarter end, and will ship your order within 15 business days of receiving your Proof Positive Order Form.

## HOW ARE SALON REWARD PROOF DOLLARS TRACKED AND REDEEMED?

- Please contact your Living Proof Brand Representative to receive your total purchases for each quarter.
- Earned Back Bar Proof Dollars expire within 45 days of the following quarter and may not carry over to the following quarter. However, your allocated Education Proof Dollars may be accumulated and must be redeemed within 12 months of certificate issue date.
- Living Proof will provide education certificates for qualified Proof Positive earnings within 30 business days of receiving redemption request.
- The timelines for submitting the Proof Positive Order Forms are listed below:

Quarter 1: January – March	Salon Reward Order Forms must be submitted no later than May 15
Quarter 2: April – June	Salon Reward Order Forms must be submitted no later than Aug 15
Quarter 3: July – September	Salon Reward Order Forms must be submitted no later than Nov 15
Quarter 4: October – December	Salon Reward Order Forms must be submitted no later than Feb 15

Redemption Example:

Salon Quarter Purchase Amount	Qualifying Level	Qualifying Percent	Proof Dollars Earned	Salon Support Dollars Requested	Proof Dollar expiration date	Education Dollars Requested	Education Dollar Expiration Date
\$3000	Silver	10%	\$300	\$200	45 Days after quarter ends	\$100	12 Months from issue date

## TERMS AND CONDITIONS:

1. Salon Reward Proof Dollars are issued quarterly based on the status level attained (Bronze, Silver, Gold or Platinum) during that quarter.
2. Any unused Back Bar Proof Dollars for product or marketing material redemption will not be carried over into following quarters and must be redeemed within 45 days of the qualifying ending quarter.
3. Earned Education Proof Dollars may be accumulated but must be redeemed within 12 months of certificate issue date.
4. Only salons located in the United States and Canada are eligible to participate in the Proof Positive Program.
5. Your account must be current on all payments. In the event account balances are not paid on time, you will forfeit any earned Proof Dollars.
6. Your initial Salon Collection purchase does not qualify for Proof Dollar earnings.
7. Products received with this program are not intended for resale. These products are solely intended to be used for back bar, styling station, consumer gift with purchase programs and sampling programs. Failure to adhere to the policy will result in forfeiture of future Proof Positive earnings and participation in the program.
8. Living Proof reserves the right to modify or cancel the Proof Positive Program at any time for any reason. Any issue not specifically covered by the rules contained herein will be decided by Living Proof. Any and all such decisions will be final.

*Revised Feb 2015*