



POLICIES & PROCEDURES / TERMS & CONDITIONS

- 1. PRODUCT OWNERSHIP; INTELLECTUAL PROPERTY RIGHTS:** Nothing in this Agreement shall be deemed to grant to Retailer, its employees or agents, any right, title or interest whatsoever in or to the Product or Merchandise, including, but not limited, to all trademarks, copyrights or patents, which shall be deemed at all times the sole and exclusive property of Lip Ink. Lip Ink is the sole, absolute, legal and beneficial owner of all copyrights, patents, trademarks and proprietary information constituent to and derived from the Product, Merchandise, logos, trademarks, trade dress and the trade name "Lip Ink" and all renewals thereof. Retailer may not reproduce, copy or disseminate reproductions or copies of any of the proprietary information associated with the Product or Merchandise, including, but not limited to, any copyrightable material, any patent or to be patented material, or any material that can be, or is covered by trademark, trade dress or the trade name "Lip ink" without the prior written approval of Lip Ink.
- 2. REQUIRED DOCUMENTS TO BE ON FILE WITH LIP INK:** Upon execution and during the term of this Agreement, Retailer must maintain the following documents and supply to Lip Ink, upon request by Lip Ink (verbal and or written): (i) proof of business in the form of a current business license or letter of approval from the applicable government entity authorizing Retailers place of business; (ii) Proof of compliance with all government and regulatory sales tax collection and payment requirements: and (iii) A current internal Revenue Service W-9 form (domestic taxpayer identification number) or W-8 form (certificate of foreign status), as applicable.
- 3. LIP INK ACTIVE/INACTIVE RETAILER DESIGNATION:** To maintain "Active Status", a Retailer must (1) Purchase a minimum of \$1,500 during each calendar year from Lip Ink, or the prorated amount of 1,500 (not including the initial purchase) in the year the retailer becomes active. (2) A Retailer must make all payments due to Lip Ink International in a timely manner. (3) Keep Lip Ink informed of any changes of address & contact information. (4) Adhere to the requirements per this agreement. (5) Replace Product Testers as needed (but at minimum annually). (6) Follow applicable Health Department requirements, (7) Maintain current product knowledge. (8) Must conduct business in a legal and ethical manner,

A Retailer shall be deemed inactive for any of the following reasons (1) Retailer does not make the minimum required purchases during the year (see above). (2) A Retailer moves and leaves no forwarding address (form A-3 located in the retailers benefits package is used to update this information when needed). (3) Retailer has acted in bad faith. (4) Retailer fails to maintain adequate testers to demo products. If a Retailer fails to maintain Active Status the Retailer will become "Inactive". An Inactive Retailer will not be eligible to, among other things, earn or receive Product Credit, return damaged products or customer returns or purchases Product and Merchandise, during any such inactive period. When a Retailer becomes Inactive all accumulated Product Credits are forfeited. Products returned by an inactive Retailer will not be credited; rather will be recycled to art classes.

In order for an Inactive Retailer to reinstate Active Status, Retailer must submit an updated Retailer Agreement (signed and dated) and upon written acceptance by Lip Ink, purchase at least \$1,500.00 of Product and Merchandise including Replacement Testers from Lip Ink,

Lip Ink International retains the right to terminate any retailer at any time.

- 4. SALES TAX:** For purchases made from Lip Ink International Corporate Offices, Lip Ink International shall collect and remit any applicable state tax that may be due on the suggested retail price of products and/or merchandise that are subject to tax. The applicable rate of tax due is based on the zip code and address that the product or merchandise is being shipped and delivered to. Retailers requesting tax- exempt purchases from Lip Ink International must provide the Corporate Office with a true and correct copy of their valid resale exemption certificate, or a permit showing a resale tax number in the name of the retailer or business. On any supplies Or products not intended for resale by the distributor, Lip Ink International will charge appropriate sales tax, even if the Retailer has a valid resale exemption certificate or permit on file. Unless a California Sales Permit is supplied, California Sales Tax will apply. Applicable to California Retailers only, unless other states adapt this policy and if that occurs those states will also follow the same rules. Form A-2 located in the retailer benefits package must be completed and submitted to our corporate office to insure sales tax deductions on orders where applicable.
- 5. CURRENCY:** Lip Ink International transacts all business in United States currency.
- 6. METHODS OF PAYMENT:** Lip Ink International transacts all business in United States Dollars, Credit Cards, Certified Funds (i.e. cashiers checks or money orders) and Bank Transfers.
- 7. PRICING:** Wholesale Product prices will depend upon the order placed. Wholesale prices do not apply to shipping, merchandise, product credit, demo kits and testers, etc Suggested retail prices may change without notice. For the most up to date prices contact Lip Ink.
- 8. LIP INK PRODUCT AND MERCHANDISE DESIGNATION:** Lip Ink International "Products" refers to Lip Ink International's manufactured and patented Products. Lip Ink International Products currently include Lip coloring products, Eye coloring products, Brow coloring products, Lash coloring products, Lip Ink Magic Powders, Lip Ink Shine Moisturizers, Lip Ink Original and Tinted Waxless Lip Balms. Lip Ink Tinted Shines, Lip Ink Off if Removers, and Lip Inc Kits, etc. Lip Ink International's "Merchandise" refers to other cosmetic items, and Sales and Demonstration Aides testers sold by Lip Ink International, some of which display the Lip Ink International trade name. Lip Ink. International Merchandise currently includes, but is not limited to, Sales Aides, Demonstration Aides and Lip Ink Gear, testers including but not limited to Demonstration Kits and Replacement Testers, Printed Materials, point of purchase displays and Kiosks. Lip Ink International reserves the right, at its sole discretion, to modify, discontinue, or add to its available line of sales items at any time. The distinction between "Product" and "Merchandise" is important when it comes to identifying and calculating Product Credit.
- 9. CUSTOMER/RETAILER SALES, REFUNDS, PRODUCT RETURNS, AND EXCHANGES:** Retailer shall follow Lip Ink's policies and procedures regarding the selling of Product or Merchandise to any third party ("Customer"). Retailer shall provide all Customers with a method of contacting the Retailer upon each and every sale. Furthermore, Retailer shall take back all Product returned by a Customer who purchased the Product from Retailer and shall give Customer a full refund or exchange of Product provided that el customer returns the Product within thirty (30) days from the date of purchase; (ii) Customer gives Retailer the original receipt of purchase; (iii) Customer returns the Product in the same form in which it was purchased;(iv) Customer fills out the information required on the return and exchange form provided by Lip Ink International to retailer in the retailer benefits package, and (v) Returns must include a copy of the customer's original receipt and a copy of the credit slip showing a refund has been made and an RMA number that

has been preauthorized by calling the Lip Ink International customer service department RMA will only be issued for products that have been purchased directly from the Lip Ink International in the last 90 days. Lip Ink International will, at Lip Ink International's sole discretion, issue a product credit. For purposes of returns, your Product Credit Rate will be calculated at the highest discount level you purchased at over 12 month period of time. Lip Ink International does not accept Customer Returns directly from the customer. All Customer Returns must go through the Retailer who sold the Product to the customer. Returns must include a copy of the customer's original receipt and a copy of the credit slip showing the refund has been made, All color returns are donated to local schools for their art programs. Retailer shall give Customer a copy of the return and exchange form B-1 located in the retailers benefits package to fill out upon return Of Product, Lip Ink will, at Lip Ink's sole discretion, issue product credit at the highest buying level the retailer has achieved in the last 12 month period, providing that they were active and in good standing during that period as per Lip Ink's policies and procedures. Retailer further acknowledges and agrees that Lip Ink does not buy back, nor give refunds for, Product or Merchandise All Retailer purchases of Lip Ink Merchandise are final.

DEFECTIVE OR DAMAGED PRODUCT OR MERCHANDISE: Lip Ink International may issue Product Credit for merchandise that contains defects in materials or workmanship to the extent that such defects rendered the product or merchandise tin-merchantable. A Retailer should immediately notify Lip Ink International of any product or merchandise defects and of any adverse or unexpected results or consequences arising from the use of product or merchandise. If a retailer wishes to return defective or damaged product for product credit, the retailer must request an RMA NUMBER (This number is required for all returned, damaged or defective products, or products that are shipped or packed wrong, to be returned to Lip Ink International. Your Ft MA number can only be obtained by calling our Customer Service Department during normal business hours earne5pm, Monday to Friday, Pacific Standard Time. Form 0-6 must be completed and included with shipment. These forms are located in the benefit package forms summary) from Lip Ink International for a replacement (in the form of Product Credit) within (30) days of the date of purchase of the item(s) by the Retailer from Lip Ink International. Discontinued or products that have been reformulated will not be allowed to be returned unless they include 3 copy of a customer receipt or are identified within 30 days of purchase by the retailer due to the fact that these items cannot be restocked, and are not considered damaged or defective. All color returns are donated to local schools for their art program as part of our recycling program,

SHIPPING ERRORS: Retailers must contact Lip Ink International within 6 business days of receipt of Product/Merchandise when Retailer receives incorrect Product / Merchandise from Lip Ink International. Lip Ink International will take the appropriate action to rectify the situation.

EXCHANGES: Lip Ink International will not accept Product for exchange or return.

PRODUCT CREDIT: An active Retailer may receive "Product Credit", which may be used to buy Lip Ink "Products", not "Merchandise, shipping or sales tax" Product Credit is accumulated and issued quarterly. If you wish to use your Product Credit please call the Lip Ink International Sales Department during our regular business hours or log onto the Business-to-Business website at www.lipink.com Product Credit is non-transferable.

RETAILER ID NUMBER: Lip Ink International will provide all Active Retailers with a Retailer Identification Number that shall be used to fulfill the Retailers obligation under its Agreement with Lip Ink International. The same Retailer Identification Number shall be used on orders, Retailer Forms, the B2B (Business-to-Business) Lip Ink International website: www.lipink.com

10. **INTERNET SALES:** Retailer may not sell Lip Ink Products/Merchandise on their websites without prior written permission by Lip Ink International. Retailer may not sell Lip Ink Products/Merchandise on or through any other web site (i.e. eBay) without prior written permission by Lip Ink International, Furthermore; Retailer may not sell Lip Ink Products/Merchandise to anyone who sells Lip Ink Products/Merchandise over the Internet without prior written permission by Lip Ink International.
11. **SHIPPING:** Lip Ink International generally ships orders within one (1) or two (2) business days of receipt of your order. Lip Ink International may change delivery schedules from time to time at its sole discretion and will notify the Retailer of any such changes within a reasonable time period. A Retailer must specify desired shipping method upon placing an order. Shipping methods generally include Fed- Ex three (3) business days, two (2) business days, and next day (overnight delivery). Fed-Ex ground shipping is another method of choice (7-10 days), and is the most economical. if a Retailer desires a Saturday delivery, or any other special or rush shipping request, the Retailer will be solely responsible for paying all premiums required for fulfilling such a request A Retailer is responsible for payment of all applicable shipping and handling charges from the Lip Ink International factory located at 225 Arena St, El Segundo, CA 90245. Generally, Lip Ink International selects the carrier and charges the Retailer accordingly. Retailers may not select delivery by USPS on the Lip Ink International web site.

A retailer must notify Lip Ink International within seven (5) business days of any discrepancies contained within any order received by Retailer from Lip Ink International. "Discrepancies" include Product or Merchandise that is missing from the order or Product or Merchandise that has been incorrectly shipped.

A Retailer may choose to use the Retailer's own Carrier. In such a case, it is the Retailer's sole responsibility to (i) notify Lip Ink International, upon placement of the order, that the Retailer wishes to use a Retailer designated carrier, including all relevant information: (ii) take full responsibility for the safe passage of the Product or Merchandise once the items have left the Lip Ink International factory by insuring for any damage during delivery from the Lip Ink International factory to the Retailer's designation point; (iii) confirm with Lip Ink International Sales Department, prior to shipment of Product or Merchandise, that all items prepared to ship are as ordered (i.e., the order contains no mistakes and is not missing anything), and (iv)waive any objection to the order as shipped to the Retailer's designation point, if prior to shipment, the Retailer does not notify Lip Ink International of any discrepancies in the order. If Retailer chooses to use their own carrier, a charge of 1.5% of the order (before taxes and shipping) will be added to the cost. Any changes to the shipping method or the order of Product/Merchandise after the order has been placed but before the order is shipped can result in additional charges at the discretion of Lip Ink International. These charges will be based on the amount of time and materials necessary to make the change.

Special instructions or procedures requested by Retailer for the packing or shipping of an order can also result in additional charges by Lip Ink International. These additional charges will be discussed with Retailer before the order is packed.

12. **DEMONSTRATION KITS:** All Demonstration Kits, Product Testers, and like materials received by a Retailer, purchased or otherwise, must be used for product demonstration and testing purposes only, and may not be sold, resold, or returned for cash payment or Product Credit. For sanitary reasons, Lip Ink International's policy requires that all product testing, product demonstrations and product applications involving any third party, must be applied with an appropriate disposable application device only. To ensure compliance with the product safety standards, a Retailer must not alter, add to or change Lip Ink Product or Merchandise.
13. **LIP INK PRODUCT AND MERCHANDISE DESIGNATION:** Retailer shall use the names and designations established by Lip Ink for the Product or Merchandise. All advertisements, promotional materials, packaging and all concomitant packing, symbols, trade dress or trade names identifying or describing the Product or Merchandise or its origin shall identify the Product or Merchandise as "Lip Ink" and the mark owner as Lip Ink, and may not be used without Lip Ink's written permission. All Product and Merchandise by Retailer shall also be identified by Retailer's name and/or business name as the source of the sale and distribution of the Product and Merchandise only. At no time shall Retailer represent itself to be Lip Ink. Lip Ink prohibits, unless specifically permitted in writing by Lip Ink at Lip Ink's sole discretion, the use or depiction of the lip Ink name, trade dress,

trade names, or Product or Merchandise on any website, website links or directories, domain names, phone numbers, phone directory assistance or advertising. Retailer also agrees not to use or contest, during or under the terms of this agreement. any name, merit, or designation used by Lip Ink

14. **LIP INK PRODUCT AND MERCHANDISE MARKETING:** All decisions relating to the title, format, design, price, continuation, promotion, distribution or advertising of Product or Merchandise shall remain within the sole discretion of Lip Ink. All advertising of any form must be pre-approved by Lip Ink. Retailer shall strictly comply with Lip Ink's marketing guidelines and instructions. Retailer shall not market the Product or Merchandise in any manner, or make any representations to anyone regarding any aspect of the Product or Merchandise, or their uses, unless said representations have been authorized by Lip Ink. Retailer shall not misrepresent the attributes or characteristics of the Product or Merchandise. Retailer shall caution every Product or Merchandise user, consumer, or potential user or consumer, that without proper application and use, the integrity of the Product or Merchandise may be compromised.
15. **NOTIFICATION OF POTENTIAL CLAIMS:** Retailer shall immediately notify Lip Ink of any adverse or unexpected results or consequences arising from the use of the Product or Merchandise, any actual or potential government action relevant to the Product or Merchandise, or any serious injury or death in which the Product or Merchandise could be implicated within twenty-four (24) hours of Retailer becoming aware of same.
16. **SUSPENSION OF SALES OR RECALL OF PRODUCT:** In the event of a recall of the Product or Merchandise, or instructions from Lip Ink to suspend sales of the Product or Merchandise for any reason, Retailer shall immediately cease any and all sales activity and shall fully cooperate in the recall of the Product or Merchandise, including, but not limited to, promptly contacting all customers and notifying them of such recall. Notwithstanding the foregoing, Lip Ink is under no obligation to replace or refund Product or Merchandise unless otherwise specified in writing by Lip Ink.
17. **COVENANT NOT TO COMPETE:** Retailer shall conduct its business in a manner that reflects favorably on Lip Ink and Lip Ink's Product and Merchandise.
18. **NON/ DISCLOSURE:** During the term of this Agreement, Retailer will have access to proprietary information belonging to Lip Ink. Retailer shall keep confidential any and all such proprietary information, including, but not limited to, marketing, formulation and methodology, belonging to Lip Ink. Retailer shall take all reasonable precautions to protect such proprietary information, including, but not limited to, taking sole responsibility to insure the compliance of its agents and employees with the terms of this Agreement by informing said individuals of the confidential nature of the information. Otherwise, Retailer shall not disclose any proprietary information or the terms or conditions of this Agreement at any time or for any reason to any person or entity not a party hereto, except (i) to the extent such communication is required by law or is necessary to comply with the law, or (ii) to Retailer's legal and tax advisors for the sole purpose of obtaining their advice with respect to this Agreement, provided that each of them likewise agrees to comply with this non-disclosure requirement. The rights and obligations of both parties regarding the representations and warranties hereunder shall survive the termination of this Agreement.
19. **INDEMNITY:** Retailer shall indemnify Lip Ink, its directors, officers, employees and agents, and shall defend and hold each of them harmless from and against any and all loss, claim, damage, liability, cost or expense, including, but not limited to, reasonable attorneys' fees and disbursements, which Lip Ink may incur arising out of or in connection with Retailer's representations and warranties contained herein, or by the negligence or willful misconduct of Retailer, its employees or agents. Retailer shall, with reasonable promptness, apprise Lip Ink of any claim, demand or suit pertaining to the Product or Merchandise, and shall cooperate fully in the defense of any such claim, demand or suit brought against Lip Ink by a third party.
20. **DISCLAIMER AND LIABILITY LIMITATION:** Lip Ink makes no warranties to retailer with respect to the product, merchandise, or any services and disclaims all implied warranties, including warranties of merchantability, non-infringement and fitness for a particular purpose. Retailer acknowledges and agrees that Lip Ink has made no representation, warranty or promise about the success of sales of the product or merchandise that retailer will realize as a result of this agreement, or any other matter whatsoever relating to the subject matter of this agreement.
21. **RELATIONSHIP OF THE PARTIES:** The parties acknowledge and agree that nothing in this Agreement shall be construed to create an employment relationship, partnership or joint venture between the parties, and that Retailer shall be deemed to be at all times an independent entity in the capacity of an independent contractor that is solely responsible for all of its employees and agents, and any and all of its taxes, and its labor costs and expenses arising in connection therewith. Neither Retailer nor any of its employees or agents shall represent that it or they are in any way employees, agents, or partners of Lip Ink. Lip Ink is in no manner associated with or otherwise connected with the actual performance of this Agreement on the part of the Retailer. Lip Ink may enter into agreements with other parties regarding, among other things, the subject matter of this Agreement, and nothing in this Agreement shall be deemed to interfere with Lip Ink's right to enter into such agreements.
22. **FOREIGN TERRITORIES:** Retailer is prohibited from selling Product or Merchandise outside of the United States of America without obtaining Lip Ink's prior written approval, which may be granted in Lip Ink's sole discretion. Prior to determining whether to permit Retailer to retail Product or Merchandise in a foreign territory, Lip Ink shall require Retailer, at Retailer's sole expense, to provide Lip Ink with detailed information regarding the proposed retail location, retail means, country and/or territory tax and legal requirements and protections, and projected sales analysis. Retailer shall be solely responsible, at Retailer's sole expense, for obtaining all necessary approvals to retail in a foreign territory, and for paying any and all duties, shipping, taxes, and other costs. Retailer expressly acknowledges and agrees that Retailer shall protect Lip Ink's image, patents, proprietary information, and any and all other rights, at all times in, and beyond, their sales territories. Lip Ink International will not provide any regulatory documents other than MSDS sheets and ingredients lists.
23. **POLICY CHANGES:** Retailer expressly acknowledges and agrees that Lip Ink may, in its sole discretion, modify, amend, or eliminate its policies and procedures regarding Lip Ink retailers for any reason, which may affect the administration and certain terms of this Agreement.
24. **TERM:** The term this Agreement shall be effective as of the date of execution of this Agreement by the last party. This Agreement shall continue in effect until terminated by either party as hereinafter provided. You agree to be bound by any modification to this Agreement when you use our Website after any such modification is posted; it is therefore important that you review this Agreement regularly.
25. **TERMINATION:** This Agreement may be terminated by either party at any time without cause upon written notice ("Notice of Termination") to the other party. In addition, Lip Ink reserves the right to terminate this Agreement, in its sole discretion, in the event that (i) Lip Ink terminates or suspends its business; (ii) Lip Ink becomes subject to any bankruptcy or insolvency proceeding; (iii) Lip Ink becomes insolvent or subject to direct control by a trustee, receiver, or similar authority; (iv) Lip Ink sells substantially all of its common stock or assets to a third party; (v) Lip Ink makes an exclusive license for the territory that includes the market in which the Retailer sells the Product; (vi) Lip Ink has wound up or liquidated, voluntarily or otherwise; (vii) Retailer materially breaches this Agreement; or (viii) a "force majeure" (as defined and described in paragraph 28 below) occurs.
26. **PROCEDURE UPON TERMINATION:** Upon receipt of Notice of Termination by either party, Lip Ink will not accept any orders from Retailer nor will Retailer be eligible to earn referral fees or product credits. Upon termination of this Agreement, Retailer must return all proprietary information belonging to Lip Ink in any form whatsoever to Lip Ink within ten (10) business days. Lip Ink may, at Lip Ink's sole election, purchase from Retailer all of the complete, undamaged Product which Retailer may hold in its possession, at the same price Retailer originally purchased the Product, less the cost of restocking, shipping, and repackaging of the Product. Lip Ink is under no obligation to repurchase or refund any inventory of Product at any time regardless of which party terminates this Agreement. Retailer acknowledges and agrees that Retailer shall not act in any manner to derogate Lip Ink's ongoing operation, and that any inventory of Product and Merchandise remaining in the possession of Retailer upon termination of this Agreement must be sold, if at all, within sixty (60) days of the termination date in a manner that does not breach the provisions of this Agreement. Retailer's representation and warranty of the foregoing shall survive the termination of this Agreement.
27. **NOTICES:** All notices shall be made in writing and sent to the persons and addresses listed on the front page of this agreement.

28. **FORCE MAJEURE:** In the event of a "force majeure, as defined below, or for any cause not entirely within Lip Ink's control or which Lip Ink could not, with reasonable diligence have avoided, Lip Ink may cease Product or Merchandise delivery and sales for the duration of such contingency or may terminate this Agreement without notice or liability to Retailer. For purposes of this Agreement, "force majeure" shall mean circumstances or occurrences beyond Lip Ink's reasonable control, whether or not foreseeable at the time of signing this Agreement, in consequence of which Lip Ink cannot reasonably be required to perform its obligations hereunder. Such circumstances or occurrences include, but are not limited to: acts of God, war, civil war, insurrection, tares, floods, earthquakes, labor disputes, epidemics, governmental regulations or similar acts, embargoes, termination or temporary unavailability of any permits, licenses or authorizations required by governmental authority.
29. **ASSIGNMENT/TRANSFER:** This Agreement may not be assigned or transferred by Retailer, nor may Retailer subcontract or delegate any of its duties or obligations hereunder. Except as provided in the immediately preceding sentence, this Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto. Notwithstanding the foregoing, Lip Ink may transfer or assign this Agreement or its rights hereunder in whole or in part to any subsidiary, affiliated or controlling corporation or to any person owning or acquiring a substantial portion of the stock or assets of Lip Ink.
30. **PARTIAL INVALIDITY:** If any provision of this Agreement is held to be unenforceable or contrary to public policy by any court of competent jurisdiction, then such provision shall be enforced to the maximum extent permitted by law, and the parties hereto consent and agree that the scope of such provision may be judicially modified accordingly such that the whole of this Agreement shall not thereby fail, but that the scope of such provision shall be curtailed only to the extent necessary to conform to applicable law.
31. **COSTS AND ATTORNEYS' FEES:** In any action under or arising out of this Agreement or to collect damages caused by a breach of this Agreement, the prevailing party shall be entitled to recover its costs including, without limitation, reasonable attorneys' fees.
32. **SECTION HEADINGS:** Section and paragraph headings in this Agreement are for convenience of reference only.
33. **SIGNATURES:** Whenever either party requires a signature, an original fax or facsimile signature by the applicable party is valid for said purpose.



LIP INK® INTERNATIONAL RETAIL AGREEMENT

This Retailer Agreement (this "Agreement"), is made and entered into by and between LIP INK® INTERNATIONAL, INC. (hereinafter referred to as "Lip Ink"), a California corporation, with its principal place of business located at 225 Arena St., El Segundo, CA 90245, and _____ with a principal place of business at _____ (Hereinafter referred to as "Retailer").

RECITAL

Lip Ink manufactures and sells patented products including lip-coloring, eye-coloring, and brow-coloring products and accessories for use in the cosmetics industry (the "Product"). Lip Ink also sells other products, such as powders, oils, fragrances, and merchandise, displaying the "Lip Ink" trade name (the "Merchandise"). Retailer wishes to purchase Product and Merchandise from Lip Ink, and Lip Ink wishes to sell and supply Product and Merchandise to Retailer at wholesale list prices, on the terms and conditions set forth herein.

NOW, THEREFORE, Lip Ink and Retailer agree as follows.

1. SCOPE OF AGREEMENT

Lip Ink hereby authorizes Retailer, during the term of this Agreement, to buy, sell, and solicit orders for Product and Merchandise utilizing a retail location and/or retail means pre-approved by Lip Ink in the non-exclusive territory of the United States of America, and other territories as pre-approved by Lip Ink. Retailer agrees to consult, and cooperate with, Lip Ink concerning Retailer's activities. Retailer expressly acknowledges and agrees to follow Lip Ink's policies and procedures pertaining to Retailers, including, but not limited to, policies and procedures regarding the buying, selling, solicitation, distribution and administration of Product and Merchandise. Lip Ink reserves the absolute right to set and modify Lip Ink's policies and procedures and pricing at Lip Ink's sole discretion.

2. INITIAL MINIMUM ORDER BY RETAILER

Retailer must make an initial minimum product order of \$1,500.00 directly from Lip Ink upon execution of this Agreement.

3. WHOLESALE LIST PRICE AND TERMS OF SALE

Upon placing an order from Lip Ink of Product or Merchandise, under the terms and conditions as outlined in this Agreement and in Lip Ink's Policies and Procedures for Retailers, Retailer shall be eligible to purchase Product and Merchandise at the Lip Ink designated wholesale list price prevailing at the time of purchase.

4. ENTIRE AGREEMENT; MODIFICATION; WAIVER

This Agreement contains the entire agreement between the parties hereto with respect to the subject matter covered herein and supersedes all negotiations, conversations, discussions, or other agreements, oral or written, purportedly agreed to or represented by or on behalf of Lip Ink by any of its employees or agents, or contained in any sales materials, consulting proposals or brochures, and shall be deemed to bind the parties hereto with respect to the subject matter hereof. No provision of this Agreement may be modified, amended, or waived without written consent of both parties. It is understood that no waiver of any breach of any term hereof shall constitute a waiver of any preceding or succeeding breach of the same or any other term.

5. GOVERNING LAW; VENUE

The validity, construction and effect of this Agreement shall be governed by the laws of the State of California applicable to contracts entered into between residents of California. Any dispute, action, cause of action, claim or proceeding with respect to this Agreement shall be commenced solely in the courts of the State of California, with jurisdiction exclusive to the Superior and Municipal Courts within Los Angeles County, or the Federal Courts of the United States of America located in the Central District of California.

6. TERMS AND CONDITIONS

Other important provisions of this agreement are contained in the Terms and Conditions and Policies and Procedures for Retailers

attached to this agreement or previously provided to me. The Terms and Conditions and Policies and Procedures are incorporated by reference herein. I acknowledge that the Terms and Conditions and Policies and Procedures are either attached to this agreement or have been previously provided to me.

IN WITNESS WHEREOF, the parties have executed and delivered, or caused their duly-authorized representatives to execute and deliver this Agreement as of the date set forth at the beginning of this Agreement.

ACCEPTED AND AGREED:

"Lip Ink"

LIP INK® INTERNATIONAL, INC.

A California Corporation

By: Rosemarie Nichols, President

Date

"Retailer"

Print Name Address

BUS. Name / Title City, State, ZIP/Postcode

_____ / _____

Signature Phone Number / Facsimile Number

Social Security or Federal Tax ID No./Alt. Phone Number

PLEASE NOTE — After completing and signing your Lip Ink Retailer Agreement, please RETURN ALL 2 COPIES to Lip Ink International Corporate Office at the address below. Your copy of the agreement will be sent back to you after processing.

WHITE: Lip Ink® International copy

YELLOW: Retailer copy

LIP INK® INTERNATIONAL

225 Arena Street, El Segundo, CA 90245

Phone: 310-414-9246 Fax: 310-414-9233 customerservice@lipink.com



RETAIL AGREEMENT ADDENDUM TERMS AND CONDITIONS/POLICIES AND PROCEDURES

LIP-INK® Specialty Retailer selling goods with approved testers
SPECIALTY RETAILER

Thank you for your interest in becoming a Specialty Retailer with Lip Ink® International.

1. There is a minimum purchase of \$400 in specialty retail lip ink products per month for the first 3 months, then will raise to \$800 per month thereafter. From the start date of signing your agreement and making you initial first purchase of your full Lip Color Tester Unit.
2. Specialty retailers go inactive once they drop below purchasing \$400 in products per month during the first three months, then \$800 thereafter. Monthly minimum is accumulated over a 90 day period. Specialty Retailers are required to purchase a full Lip Color Tester Unit initially prorated the first year then every 12 months annually.
3. Approved specialty retailers may resell the following items in their retail locations only: Sampler kit, Mini Kit, Trial kit, Gel Sampler Kit, and Gel Mini kit. Kits will be sold at wholesale prices, bonuses are not applicable in this instance, but will go toward monthly minimum. Retailer must purchase Kits in groups of ten by category, mixing and matching kits is not applicable. Kits purchased in this manner by retailers are non-refundable and may not be returned for cash or credit. Retailer is to pay all shipping fees, vats, duties, tariffs, and sales tax if applicable, such as not having a resale license in the state of California.
4. All active USA Specialty Retailer customers are entitled to our benefits programs online when you place their orders on our Lip Ink direct to consumer members only web site. Additionally, they will receive the gold star treatment which includes return privileges within a 30 day period and great customer care. You will receive a bonus for all customer orders placed on www.lipink.com using your unique coupon code provided upon becoming an approved Specialty Retailer with Lip Ink® International. Specialty Retailers must stay active to qualify for these benefits. All USA Specialty Retailers must have a current W-9 on file with Lip Ink® International.
5. All Specialty Retailer will be listed on our corporate store locator once they purchase their full set color tester unit and they are in good standing per the retailer agreement, policies and procedures with an approved retail location. This can vary for international retailers.
6. Specialty retailers may purchase for their customers, all goods listed on our Lip Ink whole sale members only direct to consumer web site.
7. Specialty Retailers receive a bonus paid monthly on product only, purchased from our Lip Ink direct to consumer approved web site. You will also receive a bonus using your retailer coupon code on our corporate website. (www.lipink.com)
8. Specialty Retailers must abide by the entire retailer agreement and the policies and procedures with the only exceptions being those listed in this addendum. This is acknowledged by signing the agreement and

the addendum.

9. Lip Ink is a registered trademark and so is the Lip Ink picture mark. The Lip Ink registered trademark and all copy and pictures related to it, cannot be used for any reason in commerce on line or advertising other than on your Facebook , twitter, blog or Instagram. No sales or on-line commerce can take place with Lip Ink or it's registered trademarks other than the areas outlined in this agreement and addendum.

COMPANY NAME: SPECIALTY

RETAILER NAME:

SIGNATURE

DATE

LIP INK® International - 225 Arena St - El Segundo, CA 90245

Phone: (800) 496-9616 - FAX: (310) 414-9233 - Email: customerservice@lipink.com

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introducing the world's
only multi-patented,
guaranteed smear-
proof color cosmetics

"Experience the tingle"

LIP-INK® INTERNATIONAL
225 Arena Street
El Segundo, CA 90245

local 310-414-9246
toll-free 800-496-9616
fax 310-414-9233

colors@lipink.com

www.lipink.com

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following U.S. & foreign patents:
5747017, 6001374, 6010709,
6027739, 6203809, 701794

BECOMING A LIP-INK® RETAILER

Hello,

Thank you for your interest in LIP-INK® INTERNATIONAL's natural, wax-free, multi-patented guaranteed smear-proof vegan color cosmetics. LIP-INK® has been leading the semi-permanent cosmetic revolution, handcrafting the most innovative color cosmetics for lips, face, brows, and eyes that the industry has to offer.

The chart below is to assist you with completing your registration.

WATCH
Get started by watching our training video.
READ
Become familiar with our products, FAQs, colors, and more with our Training Manual also on the DVD.
TEST DRIVE
Try our LIP-INK® Trial Kit for yourself and see what guaranteed smear-proof means with your own eyes.
REVIEW
Agreements, policies, and procedures.
AGREE
Fill out and sign the three page agreement and one page addendum containing the policies and procedures.
MAIL
Scan & Email or Fax the signed agreement back to our corporate office in the preaddressed envelope.

NEXT STEPS

After receiving your signed agreement, a wholesale accounts rep will give you a call to familiarize you with the products and company policies and procedures. We are glad to answer all your questions and walk you through your initial training and the ordering process for your future customer orders.

Thank you and welcome to LIP-INK® INTERNATIONAL!

Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>
	5 Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	6 City, state, and ZIP code	
	7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number									
or									
Employer identification number									

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.
Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

Resale Certificate

(Name of Purchaser)

(Address of Purchaser)

I HEREBY CERTIFY: That I hold valid sellers permit No. _____ issued pursuant to the Sales and Use Tax Law; that I am engaged in the business of selling

That the tangible personal property described here in which I shall purchase from:

Will be resold by me in the form of tangible personal property; provided, however, that in the event any of such property is used for any purpose other than retention, demonstration, or display while holding it for sale in the regular course of business. It is understood that I am required by the Sales and Use Tax Law to report and pay tax measured by the purchase price of such property or other authorized amount.

Description of property to be purchased:

Date: _____ 20 _____

(Signature of Purchaser or Authorized Agent)

(Title)

*Fax in a copy of certificate along with this sheet

"ONLY FILL THIS OUT IF YOUR RETAIL LOCATION IS IN CALIFORNIA"

FORM A-2

SEMPERMANENTLIPCOLOR.COM™

LIP INK® INTERNATIONAL 225 Arreana Street, El Segundo, CA 90245 Phone: (310) 414-8246 FAX: (310) 414-9233

Website: www.lipink.com . Email: colors@lipink.com

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**LIP INK® INTERNATIONAL
RETAIL LOCATION UPDATE
INFORMATION FORM**

TODAY'S DATE	
RETAILER IDENTIFICATION # (LEGACY#)	
RETAILERS NAME	
DBA/NAME OF PROSPECTIVE RETAIL LOCATION/MEANS	
ADDRESS	
CITY/STATE/ZIP	
PHONE NUMBER	
FAX NUMBER	
E-MAIL ADDRESS	
DESCRIPTIONS OF PROSPECTIVE RETAIL BUSINESS STRUCTURE, LOCATION, AND PRODUCTS	
CURRENT RETAIL LOCATION	
CURRENT RETAIL ADDRESS	
RETAIL BUSINESS HOURS	
BELOW TO BE FILLED OUT BY LIP INK® INTERNATIONAL ONLY	
REVIEWED BY:	
APPROVED AS OF:	
APPROVED BY:	

Send this form to LIP INK® INTERNATIONAL at least two (2) weeks prior to use of prospective retail location and/or means for approval.

MAIL FORM TO: LIP INK® INTERNATIONAL, 225 Arena Street, El Segundo, CA 90245
FAX FORM TO: (310) 414-9233

FORMA-3

SEMPERMANENTLIPCOLOR.COMTM

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