



## LE MIEUX COSMETICS SALES AGREEMENT

This Sales Agreement (the "**Agreement**") shall govern the purchase of GKU International, Inc. d/b/a Le Mieux Cosmetics ("**Le Mieux**") products ("**Product**") by the undersigned person or entity ("**Reseller**").

- 1. Terms and Acceptance; Entire Agreement.** Execution of this Agreement and/or purchase of Product indicates Reseller's agreement to this Agreement in its entirety. This Agreement contains the entire agreement of Le Mieux and Reseller. Failure of Le Mieux to enforce any rights under this Agreement shall not constitute a waiver of such rights or any other rights. No amendment to this Agreement shall be binding unless approved in writing by Le Mieux. Le Mieux may approve or reject this Agreement or any Product order or other request for any or no reason, at any time, in its sole discretion.
- 2. Representations.** Reseller's representations made to Le Mieux are and shall be true and correct at all times. Reseller shall promptly (within 24 hours) advise Le Mieux if any representations made herein are no longer true and correct for any reason.
- 3. Taxes.** Any taxes (excluding income or excess profits taxes but including interest and penalties) imposed by any taxing authority arising from the sale of Product for which Le Mieux is ultimately responsible for collection or payment (whether on its own behalf or on behalf of the Reseller) shall be paid by Reseller to Le Mieux immediately upon demand.
- 4. Title and Inspection.** Title and risk of loss shall transfer from Le Mieux to Reseller upon delivery of the Product by Le Mieux to a common carrier. Reseller shall inspect Product promptly, and in no event later than three (3) days following receipt, and any non-conformity documented and immediately reported or waived.
- 5. Purchase/Sale of Product.** Reseller may purchase Product at then-prevailing Le Mieux prices. Reseller may only sell Product to Reseller's individual clients that Reseller reasonably, in good faith, believes are purchasing Product: (i) for personal use, (ii) in quantities reasonable for an individual's personal use; (iii) to end-users of the Product. Le Mieux may assess interest on all undisputed amounts not paid when due at a rate equal to the lesser of one and one-half percent (1.5%) per month or the maximum amount allowable by law, from the date said amounts become overdue until paid in full. If Le Mieux is required to pursue legal action to collect any outstanding amounts due, then Le Mieux shall be entitled to its reasonable attorneys' fees and costs of collection, in addition to any other remedies available.
- 6. Internet/Home Shopping Channel Resale Prohibited.** Reseller shall not advertise, list, offer for sale, sell, or distribute any Product via the Internet, except through Reseller's wholly-owned website, and may not sell any Product via any home shopping television channel or its affiliates. Without limiting the generality of the foregoing, Reseller shall not sell Product via any third-party websites, mobile applications, online marketplaces including Amazon.com and Ebay.com, or home shopping channels such as but not limited to HSN or QVC. Reseller shall not advertise using banner/pop-up advertisements or sponsored searches (e.g., Google AdWords, Yahoo! or Bing Search Marketing) without prior written approval by Le Mieux. Subject to the foregoing requirements and prohibitions, Reseller may promote and advertise Products on its website and social media accounts, provided that any ads with "click to buy" option or display pricing have obtained prior written approval of Le Mieux.
- 7. Liquidated Damages.** Reseller acknowledges that the restrictions set forth in Section 6 are necessary and proper in order to protect the brand reputation and goodwill of Le Mieux, ensure appropriate quality control, and preserve authorized resellers' (including Reseller's) ability to make a reasonable margin on Product sales. Reseller further acknowledges that if Le Mieux were to sell Products to Reseller without the restrictions in Section 6, it would charge a minimum of one thousand dollars (\$1000.00) per Product in order to compensate for the damage to the reputation and goodwill of Le Mieux as well as its relationships with authorized resellers. Accordingly, Reseller agrees to pay liquidated damages in an amount equal to one thousand dollars (\$1000.00) per Product offered for sale or sold in violation of Section 6 (the "**Liquidated**

**Damages**”) to compensate Le Mieux for damages resulting from such breach. The parties acknowledge that a breach of Section 6 will result in damages to Le Mieux that will be difficult or impossible to ascertain, prove, or remedy. The parties also acknowledge that Le Mieux has made advance provision for Liquidated Damages to avoid controversy, delay, and expense, and has estimated the Liquidated Damages based on the various damages that Le Mieux expects to suffer upon any breach of Section 6, including lost sales, infringement of Le Mieux trademarks and other intellectual property, harm to Le Mieux business, customer relationships, goodwill, quality control procedures, and costs of investigating breaches. Reseller hereby waives any defense on the basis that actual damages are calculable or that the liquidated damages do not represent a reasonable determination of damages or otherwise constitute a penalty. Except as set forth in Section 11, as permitted by Cal. Civ. Code § 3389, the Liquidated Damages shall be the exclusive remedy provided to Le Mieux for breach of Section 6.

**8. Reseller/Distributor Resale Prohibited.** Reseller shall not sell Product to anyone whom Reseller suspects, knows, or reasonably should know has the intention of re-selling or re-distributing the Product. Reseller shall only sell the Product in bona fide retail transactions. Without limiting the generality of the foregoing, distribution of Product for resale is strictly prohibited.

**9. Marketing.** Reseller may market, advertise, and promote (“**market**”) the Product at Reseller’s physical place of business, in accordance with the following conditions: Reseller (i) may only market Product that is currently maintained in inventory, in accordance with good business practices, in a manner that reflects favorably on Le Mieux, on the Product, and in accordance with any sales or marketing policies, directions, or instructions provided by Le Mieux; (ii) shall not remove, translate, or modify the packaging, contents, or documentation of any Product; (iii) shall display branded signage (if any) provided by Le Mieux at its place of business that is visible to the public; (iv) shall have sufficient knowledge of the Product, competitive products (and each of their specifications, features, and benefits), and shall have the ability to explain the differences and standard protocols in use of the Product; (v) shall only market the Product in accordance with good business practice and in a manner that reflects favorably at all times on the Product and the good name, goodwill, and reputation of Le Mieux.

**10. Quality Control.** Reseller shall immediately advise Le Mieux of any complaints or adverse claims about any Product or its use. Reseller shall comply with all Le

Mieux quality controls, protocols, and instructions with respect to the Product, in order to maintain the quality of the Product, as may be updated from time to time by Le Mieux. Product must be shipped in an appropriate manner, stored in a clean, appropriate area free from insects, rodents, and pests, and in a manner that prevents entry of foreign materials. Product must be regularly inspected to ensure that all seals and containers are tightly sealed, that no Product has expired, been tampered with, or otherwise damaged, and that Product is otherwise in accordance with all applicable laws, rules, regulations, and storage specifications or other written instructions of Supplier. Product shall, to the extent commercially reasonable, be sold by on a first-in, first-out basis, provided that Product shall not be sold after the expiration date for such Product. Le Mieux shall have the right to inspect Reseller’s place(s) of business and storage facilities to ensure compliance with this Agreement at any time upon demand.

**11. Injunctive Relief.** The parties agree and acknowledge that breach of Sections 2, 5, 6, 8, 9, 10, and 13 will irreparably harm the brand reputation and goodwill of Le Mieux. Accordingly, Le Mieux shall have the right to seek injunctive or other equitable relief to prevent a breach or threatened breach of those sections, without the necessity of posting a bond or other security.

**12. Independent Contractors; No Franchise or Business Opportunity Agreement.** The relationship between Le Mieux and Reseller is that of an independent contractor, and nothing in this Agreement is intended to create any partnership, agency, joint venture, franchise, business opportunity, or employee relationship.

**13. Intellectual Property.** All trademarks, trade dress, copyright, and goodwill as they relate to the Product, as well as packaging, image, merchandising, and advertising materials remain the sole and exclusive property of Le Mieux, and no rights thereto are granted to Reseller by virtue of this Agreement. Le Mieux hereby grants to Reseller during the Term, subject to Reseller’s compliance with this Agreement, a limited, non-exclusive, non-transferable, royalty-free license to use Le Mieux intellectual property solely for the purpose of Reseller’s sales and marketing of Product. Upon termination of this Agreement, the above license shall immediately terminate and be of no further effect.

**14. Warranty; Limitation of Liability.**

LE MIEUX WARRANTS THAT THE PRODUCT IS MANUFACTURED IN ACCORDANCE WITH GOOD MANUFACTURING PRACTICES. OTHERWISE, LE MIEUX MAKES NO WARRANTIES WHATSOEVER, AND

PRODUCT IS PROVIDED "AS IS" WITHOUT ANY WARRANTIES WHATSOEVER, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER STATUTORY OR COMMON LAW WARRANTY.

EXCEPT AS EXPLICITLY SET FORTH HEREIN, LE MIEUX SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, PUNITIVE, CONSEQUENTIAL, EXEMPLARY OR SPECIAL DAMAGES WHATSOEVER, INCLUDING, WITHOUT LIMITATION, ANY SUCH DAMAGES ARISING FROM OR RELATING TO THE PRODUCT, EVEN IF LE MIEUX HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE TOTAL LIABILITY OF LE MIEUX ARISING OUT OF THIS AGREEMENT, REGARDLESS OF THEORY OF LIABILITY, SHALL BE LIMITED TO THE AMOUNT PAID BY RESELLER FOR THE PRODUCT AT ISSUE, OR IF NO PRODUCT IS AT ISSUE, IN THE 12 MONTHS PRECEDING THE CLAIM.

Certain state laws do not allow limitations on implied warranties or the exclusion or limitation of certain damages. Accordingly, some or all of the above disclaimers, exclusions, or limitations may not apply.

**15. Release and Indemnification.** Reseller hereby releases and agrees to defend, indemnify, and hold Le Mieux and its officers, directors, members, managers, shareholders, employees, independent contractors, agents, and representatives harmless from and against any and all claims, liabilities, damages, and expenses, including attorneys' fees, arising out of or attributable to: (i) any breach or violation of this Agreement by Reseller or its representatives; (ii) Reseller's improper use, sale, storage, or application of the Product; (iii) Reseller's use of Le Mieux intellectual property; (iv) access or use of Reseller's account, including any orders for Product placed on or through Reseller's Account; or (v) any personal injury, property damage, emotional distress, or other harm caused by Reseller.

**16. Termination; Survival.** This Agreement may be terminated by either party at any time by giving written notice. Those provisions that by their nature are intended to survive termination of this Agreement shall so survive.

**17. Governing Law; Disputes.** The laws of California without giving effect to its principles of conflicts of law, govern any dispute arising in connection with this Agreement. Any proceeding arising out of or relating to this Agreement may be brought only in the state or federal courts of California sitting in Los Angeles County, and each party hereby submits to the exclusive jurisdiction of, and venue in, those courts for purposes

of any such proceeding, except that Le Mieux may commence an action in any court of law to ascertain the identity of any unauthorized seller of Product. Reseller shall pay the legal fees of Le Mieux and other costs in connection with enforcing this Agreement. Any and all claims relating to this Agreement must be brought on an individual, rather than as part of a class or representative action.

**18. Notices.** All notices hereunder shall be in writing and shall be deemed to have been given when delivered by registered or certified mail to a party's last known address.

**19. Authority.** Reseller represents that it has the power and authority to enter into and be bound by this Agreement in accordance with its terms.

**20. Severability.** If any provision of this Agreement is found unenforceable, the provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permitted its original intent.

**21. Assignment.** Reseller's rights and/or obligations under this Agreement may not be transferred or assigned in any manner without the written consent of Le Mieux.

*[Remainder of page intentionally left blank.  
Signature page follows.]*

**22.** By signing below, each party acknowledges that it has carefully read and fully understood this Agreement, and each agrees to be bound by the terms of this Agreement.

**"Le Mieux"**

(GKU International, Inc. d/b/a Le Mieux Cosmetics)

**"Reseller"**

SIGNATURE

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SIGNATURE

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PRINTED NAME

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