

Terms & Conditions of trading

BACKSTAGE COMMERCE INC. (BSC)

ORDER AND LOGISTICS CONTACTS:

Negarín Nooraeí Ashtíani – Purchaser Manager

Tel: 514-381-5555 #105

Orders email: orders@backstagecommerce.ca

Email: wchen@backstagecommerce.ca

Michael Hayduk - Logistics Manager

Email: mhayduk@backstagecommerce.ca

PAYMENTS:

Emma Shi, Information Systems Manager:

eshi@backstagecommerce.ca

PAYMENTS TO BE MADE TO:

BACKSTAGE COMMERCE INC.

1561 RUE BEGIN, MONTREAL, QC,

H4R1W9 CANADA

WIRE TRANSFER BANK INFO.

BACKSTAGE COMMERCE INC.

1561 RUE BEGIN, MONTREAL, QC

H4R1W9 CANADA

BANK:

RBC ROYAL BANK

7155 RUE JEAN-TALON EST

ANJOU, QUEBEC,

H1M 3A4 CANADA

Swift code(BIC) : ROYCCAT2

Institution #: 003

Branch #: 05575

Account (USD) #: 4003638

Account (CND) #: 1017011

Opening order:

CREDIT APPLICATION FORM

New accounts are required to apply for credit to establish terms (application form attached). Until credit approval, rush orders are required to be paid by bank transfer, money order or by credit card (4% service charge).

TERMS

BACKSTAGE COMMERCE INC. (BSC) reserves the right to charge 15% annual interest for payments delayed beyond 60 days.

PRICING & PRICE CHANGES

Prices quoted are good for 30 days; BSC reserves the right to change prices by giving 30 days notice.

DISTRIBUTOR MARGINS/ SALON PRICE DISCOUNT

Distributor cost on open-stock-items are set at 45% discount from salon cost. In addition to this profit margin BSC provides the distributors with marketing and education allowances, for a total of 5%.

Distributor cost on bi-monthly promotions are set between 40 to 42.5% Discount from salon cost.

MARKETING AND EDUCATION ALLOWANCES

In order to provide incentive to clients to promote the BSC brands through various promotional mediums (such as: print, web, posters, etc.) and to make sure that the clients network is informed through a general education program; our stylists are trained, and are holding courses / seminars to maximize product performance / satisfaction.

BSC provides the following marketing and education allowances:

- **Marketing allowance: 2.5%**
- **Education allowance: 2.5%**

Clients will be granted an annual marketing and education allowance based on 2.5% of their net purchases on regular priced items (excluding applicable taxes and transport).

The allowances must be used within the same

calendar year as they are earned. For added clarity, clients must use the allowances in a

12-month period between January 1st and December 31st of the same year. There will be no opportunity to carry forward the amounts into the next allowance period.

BSC reserves the right to approve all expenditures that will be claimed under these allowances.

Upon execution of the qualifying activity, BSC will provide funding by way of a credit note.

Appropriate supporting materials must be provided in order to make a claim against the allowance ie., Pictures of the education day, copies of invoices, copy of the external media purchase, etc..

Both parties agree to revisit the allowance rates from time to time to determine if it is still appropriate and to discuss adjustments based on mutual agreement. The parties agree that the first revision period will not occur until 6 months post launch.

BSC educators are available for \$350 per day, with a 30 day notice. Training with one week notice is subject to availability and \$500 per day rate. Out of town travel expenses of trainers are in addition to the daily fees.

DELIVERY

**Distributor/ Importer are responsible for all the associated fees and charges.*

Free standard shipping is applicable for the following conditions (Furniture excluded):

Canadian orders above CAD \$2,500.00

US orders above USD \$3,000.00

Central America & Caribbean orders above

USD \$5,000.00

Distributor/Importer have the option to provide the account number of their preferred courier.

SPECIAL DELIVERY (EG. EXPRESS, OVERNIGHT AIR)

The distributor/importer will pay special delivery fees as well as all charges, including brokerage fees, duties, and taxes.

INVOICING

BSC will invoice for delivery fees. The courier, UPS, DHL, FedEx or any other courier BSC uses will invoice the distributor/importer for entry broker fees, duties and any other fees and taxes.

SHORTAGE/ DISCREPANCIES

Shipments are scanned for accuracy by BSC before shipment. Any shortage or discrepancies concerning deliveries, BSC must be notified within 2 working days following receipt of goods. No claims will be entertained beyond 2 working days.

RETURNS, FAULTY GOODS AND WARRANTY

Goods can only be returned within 90 days from the date of shipment from BSC warehouse.

Prior to return distributor/importer must obtain a return authorization number and fill a RMA form available on BSC website.

Goods received by BSC without a RMA # will be returned to distributor/importer collect, in addition, there will be a \$7.50 handling charge per box.

Should goods be ordered in error, or no longer required, they will be accepted as returned goods only if they are current lines, in re-salable condition, properly agreed by BSC for their return and within the 90 days of shipment.

Returns are subject to a 20% restocking charge. It will be distributors/importer responsibility and cost to ensure the items are returned to BSC warehouse in good condition. The invoice number must be quoted at all times otherwise BSC's lowest selling price will be used when calculating the value of returned goods.

BSC will issue proper credit note for the value of the goods returned. No amounts are allowed to be deducted from payments other than the credit note issued for returns by BSC.

FAULTY GOODS & WARRANTY

BSC will replace faulty goods under warranty free of charge with proof of purchase. The cost of returns to BSC warehouse is the distributor's responsibility.

Responsibility of BSC is limited only to replace faulty goods under warranty. Under no circumstances BSC is responsible for other charges, or consequential damages.