

Dépil Tech Franchise Agreement

Between the undersigned:

Dépil Tech, SAS with share capital of EUR 15,000, headquartered at 196 Avenue de la Californie, California Park, Château de Leliwa, 06200 Nice, France

Nice Trade and Companies Register No 529 850 455, SIREN No 529 850 455

Represented by its manager in charge, Mr Jean-Baptiste Mauvenu, born on 27 January 1983 in Blois, of French nationality, residing in his official capacity at said headquarters and Paul Mauvenu, born on 10 March 1987 in Blois, of French nationality.

Hereinafter referred to as the "FRANCHISOR",

Party of the first part,

And:

Last name, first name:

Date of birth: Place of birth:

Residing and domiciled at:

Postcode: Town:

Country:

Acting in the capacity of managing director of the company:

Share capital:

Headquarters:

Hereinafter referred to as "FRANCHISEE",

Party of the second part,

The following has been stated, agreed and decided upon:

PREAMBLE:

The franchisor operates an organisation that has gained a certain reputation within the profession. Its business consists of operating intense pulsed light centres for photo-depilation and photo-rejuvenation at franchised shops operating under the DÉPIL TECH brand.

It is stipulated that the DÉPIL TECH trademark, hereinafter referred to as "the trademark" of the franchisor, and the DÉPIL TECH logo, have been registered with the Institut National de la Propriété Industrielle (*French National Institute of Industrial Property*) under number 11 3 840 979 for the logo, and 11/3837330 for the trademark.

As a result of his expertise and reputation, the franchisor is in a position to contribute to growing the client base of the franchisee, and the latter acknowledges and declares that he has been advised of the list of franchisees and where they are based.

Initials:

The franchisee further acknowledges his lack of knowledge of the techniques of the profession as at the date of signing this agreement and the franchisor undertakes, by means of training prior to and during the agreement, as detailed in Article VIII, to instruct him in said techniques necessary for operating his “photo-rejuvenation” and “photo-depilation” shop.

The franchisee declares that he acknowledges the expertise of the franchisor and most specifically with regard to geographical establishments and demographic and socio-professional constraints.

The franchisee acknowledges that the franchisor has provided him duly in advance with the document of pre-contractual information, and explained the risks and obligations involved with setting up the business, and that he has had all the time he has needed to reflect and take advice on the matter from any person he deems appropriate.

The Pre-contractual Information Document is attached to this agreement.

Consequently, the franchisee considers that the franchisor has played a full part in providing the information to ensure the success of his establishment. However, as the operation of a legally independent business is involved, he declares that he agrees to be solely liable for the success or failure of his operation.

NOW, THEREFORE, THE FOLLOWING HAS BEEN AGREED:

The franchisor grants the franchisee, who accepts, the status of franchisee for the shop that he intends to open in the town of- **country**..... under the conditions provided for in Article IV.

The parties agree to base their relations on the following:

ARTICLE I – Intuitu personae, assignment and transfer, personal exploitation

1.1 This agreement is made on an intuitu personae basis, in particular according to the specific skills and abilities of the franchisee in the area of operation of the franchise.

Consequently, the resulting rights and obligations may not be assigned or transferred by the franchisee, in full or in part, with or without consideration, to any person, for whatever purpose and in whatever form, without the prior, written and express agreement of the franchisor.

Failing this, the franchisor shall be entitled to terminate this agreement immediately and automatically, through the fault of the franchisee, and without prejudice to any other action that it may take against the franchisee for breach of these provisions.

As the franchise is strongly influenced by an assessment of the person holding it, the franchisee must operate the franchised system himself (being the actual person holding the franchise or managing the legal person holding the franchise) or through his employees. No-one else may take his place.

1.2 In the event of a change of control of the franchise company through a stake being taken in the franchise company by a competitor of the network or through the sale of more than 40% of the shares, this agreement shall be terminated automatically.

The franchisee shall at all events have to notify the franchisor without delay by registered letter of the planned change in control in order to allow the parties to check and analyse the consequences of this and possibly decide on any measures to arrive at a new franchise agreement with the company.

1.3 Similarly, before taking any such steps, the franchisee undertakes to inform the franchisor by registered letter with acknowledgement of receipt, of his intention to:

- sell his shop;
- place it under lease management, in full or in part;
- contribute it to a company;
- change its management;
- change the distribution of shares.

The franchisor shall be notified by the franchisee, by registered letter with acknowledgement of receipt, of such planned assignments or changes. The reply from the franchisor shall also be given by registered letter with acknowledgement of receipt within 30 days of receipt of the registered letter.

Such agreement may not be refused without good reason, but may be subject to certain criteria being met in order to ensure the success of the franchisee.

1.4 At all events, no agreement or promise relating to any of the operations referred to in this article may be signed prior to receipt by the franchisee of the letter of agreement of the franchisor, even if subject to a condition precedent.

1.5 In any event, the agreement of the franchisor shall be subject to the following, which is not exhaustive:

- payment of all current debts due from the franchisee either to the franchisor or suppliers or creditors;
- provision by the franchisee of a detailed application, to be submitted at the headquarters of the franchisor in the presence of the successor and including in particular a bank certification from the bank(s) of the future purchaser and demonstrating that 100% of the sums corresponding to the transfer price is indeed available to the vendor or will be on the date the settlement option is taken;
- signing by the successor of a copy of the franchise agreement used by the franchisor at the time of the planned assignment;
- payment by the successor of a fixed sum of EUR 20,000.00 exclusive of VAT;
- participation by the successor in the training course(s) provided by the franchisor and chargeable at the current tariff at the time of the session;
- assistance from the franchisee to its successor for a minimum of 15 days from when the latter takes over.

If the franchisee operates as a company, the natural person responsible for operation must of necessity provide the management and hold at least 50% of the shares as well as acting as guarantor to the franchisor of all the obligations of the company.

Any change in share capital that risks this majority threshold being breached or any direct or indirect change that alters control of the company shall be likened to an assignment.

Such a change must therefore of necessity be notified to the franchisor as indicated above.

The franchisor shall have a right of pre-emption giving it the option to take the place of the successor within 30 days of receipt by the franchisor of a copy of the sale agreement signed between the vendor and the purchaser. Said agreement will consequently have to contain a condition precedent of 30 days.

In the event that the franchisor exercises its right of pre-emption, it shall pay the price offered by the successor and all associated taxes or costs.

Save as otherwise provided, this agreement shall be enforceable against the beneficiaries, administrators, successors and assignees and any third party to which the rights have been assigned or transferred.

For his part, the franchisor shall benefit from the right to assign the network and thus this agreement.

In this case he will have to inform the franchisee of the same in writing within 30 days; the planned assignment shall not result in any changes to the economic conditions of this agreement.

ARTICLE II – Term

This agreement shall take effect on XX/XX/XXXX.

It is made for a period of seven years and is renewable by tacit reconduction.

Any termination will have to be the subject of an express agreement between the parties.

The franchisee waives any indemnification in the event of cessation of the agreement.

The terms and conditions of any new agreement may be changed according to advances in the expertise of the franchisor and market developments.

In the event of non-renewal of the franchise agreement, for whatever reason, the franchisee undertakes to:

- comply with the secrecy, non-competition and non-re-establishment clauses provided for in this agreement;
- cease using the trademark and the brand and as a consequence, ensure that these are removed from his fascia and his promotional materials of whatever kind and return all commercial and administrative documents within eight days of termination of the agreement, as provided for in Article XVI.

By common accord, where the legislation specific to the activity to which this franchise agreement relates makes requirements for the franchisee to hold particular professional qualifications not required

Initials:

at the time this agreement was signed, which the franchisee is unable to meet, this agreement shall be terminated automatically, without indemnification of any kind of either of the parties.

ARTICLE III – Liability and independence of the parties

The parties expressly declare that they are and shall remain for the full term of this agreement independent commercial and professional partners, each assuming the risks of their own operation.

On this point the franchisee acknowledges that he is in a position to make the investments necessary for the correct operation of the franchise hereby awarded to him and for the correct discharge of the obligations incumbent upon him under the terms of this agreement.

As the franchisee is in no case an employee of the franchisor, on the day that the operation is started up, he shall have the status of a trader, the latter being evidenced by his registering his operating site in the Trade and Companies Register, and will have to indicate to consumers (his clients) his status as an independent professional.

The franchisee undertakes to operate his shop at his own risks and perils and to meet the obligations imposed by the franchisor in the context of this agreement.

In the event that the legislation specific to the activity to which this franchise agreement relates makes requirements for the franchisee to hold particular professional qualifications which were not required at the time this agreement was signed, the franchisee undertakes to make every effort to ensure he obtains these qualifications, either for himself or for one of his employees who should take charge of the activity in an effective and permanent manner.

The staff employed by the franchisee are answerable to him alone.

The franchisor cannot be held liable in any case for any error or loss caused by the staff employed by the franchisee. Similarly, the franchisee alone shall fulfil all his obligations in terms of social and fiscal legislation in respect of his staff, and the franchisor cannot in any case become involved in these areas at whatever level due to any action for damages of whatever kind, and by whomever this may be.

The franchisee will have to take out insurance against the following risks in particular: his liability to his employees and third parties, and damage to or deterioration of the premises and any other item set out in the design brief, this with his preferred insurance company. The franchisee will have to take out mandatory insurance for his professional civil liability in relation to use of the machine with the insurance company recommended by the franchisor.

Moreover, in order to defend the network of franchisees as a whole, the franchisee undertakes to refer to the lawyer who represents the franchise in any dispute it may have with a third party with regard to intense pulsed light, to seek the help of the former in his defence.

ARTICLE IV – Branding sign and location of the shop

The shop in which the franchisee shall perform his business is located in the town of in (country).

The franchisor will have to approve the location selected by the franchisee before it is opened, and during the implementation of the agreement in the event that the operating location of the franchise is moved.

Initials:

The franchisor undertakes throughout the term of the agreement not to set up any franchise in the zone defined as follows

The franchisee undertakes not to use the trademark in a municipality other than that mentioned above and to respect the exclusivity of other franchisees of the franchisor in the municipalities awarded to them.

Throughout the term of this agreement, the franchisor undertakes to keep in force, at its cost, the DÉPIL TECH brand and logo, and in particular to deal with all formalities for renewal or production of further documents.

ARTICLE V – Exclusivity of supply and supplies

The concept developed by the franchisor calls for the use of a GALAXY photo-depilation and photo-rejuvenation machine.

All products intended for use in the franchisee’s establishment shall be selected by the Dépil Tech franchise, which shall specify the recommended and approved distributors or suppliers.

The franchisee must order supplies exclusively from the franchisor or distributors/suppliers approved by the latter, as indicated above.

However, should the franchisee deem it appropriate to offer a range of items that complement but do not compete with those supplied by the franchisor, he will have to ask the franchisor first and obtain its express authorisation.

The franchisee undertakes not to transfer to points of sale other than the shop to which this agreement relates, whether belonging to him or not, the items supplied by the franchisor or its approved suppliers.

Commercial and promotional documents shall be distributed by the franchisor under the DÉPIL TECH trademark.

The franchisor shall inform the franchisee of any permanent change that it has to make to said documents existing at the time this agreement is signed or the definitive replacement of a sales document or promotional pack by another.

In order to maintain uniform communications, the franchisee undertakes to use only the sales and promotional documents supplied and billed for by the supplier selected by the franchisor.

Consequently he shall refrain from having his own sales documents and promotional packs printed.

The franchisee shall be required to order a number of promotional packs consistent with the number of clients, namely one folder per client (business card, referral card, folder, consent form, flyer, DVD, associated documents).

These documents shall be billed for separately according to the current tariffs of the supplier on the day of the order by the publisher for direct settlement by the franchisee.

The franchisee shall deal personally with orders and payments for all the above supplies with the suppliers approved by the franchisor.

The franchisor cannot be held liable for non-payments and default/order mistakes by its franchisees or non-conformities, hidden defects, non-delivery, delayed delivery or stockouts of said suppliers.

The franchisor cannot be held responsible for the slightest failing by the franchisee or the supplier/distributor in the conclusion, implementation or termination or cessation of the agreement made between the franchisee and the supplier/distributor.

In the event of difficulties, the franchisee will have to refer these immediately to the franchisor.

ARTICLE VI – Exclusive rights

The franchisee undertakes to be committed to his franchise operation and undertakes not to become involved in the operation of businesses likely to be in competition with the franchisor in the territories awarded to him, or in complementary activities liable to overtake his main activity.

So the franchisee (and similarly the manager of the franchise company), throughout the term of this agreement, shall expressly refrain from undertaking any activity liable to compete directly or indirectly with this network and to cause it harm in France or abroad. Indirect competition is normally understood to mean the competitive activity of an actual or legal person other than the franchisee, using the knowledge, assistance, or financial resources of the franchisee.

The following in particular shall be deemed competition, although this list is not exhaustive:

- any direct or indirect involvement in the operation of a photo-depilation and photo-rejuvenation shop;
- any affiliation or collaboration with any other network developing the same activity;
- any communication to third parties of the documents, manuals or figures, concerning the management of the network.

ARTICLE VII – Provision the network identity features and branding specifics, usage and operation according to the network standards

The franchisor shall make available to the franchisee:

- THE DÉPIL TECH TRADEMARK
- THE DÉPIL TECH LOGO
- THE BRAND

In identifying his shop, and in all his advertising, the franchisee must use the words used in the name of the network, and the distinguishing characteristics of the system, in the combination, layout and manner shown in the training manual, and which can be verified in the pilot shops, such that the franchisee's shop is easily recognisable by the public as being part of the network. The trademark must be used on letter paper, laundry and advertising materials in the combination, layout and manner shown in the training manual.

Point of sale layout:

For consistency of the image common to all points of sale in the franchise network, which has been developed by the franchisor and which it undertakes to allow the franchisee to benefit from, the shop

must be arranged and laid out fully in accordance with the prescriptions of the design brief and changes attached to this agreement, and the instructions of the franchise's designer.

Prior approval of communications:

For the term of this agreement the franchisee will have to employ all means available to him in support of the network image. He may, at his cost, carry out additional advertising for the shop, over and above the advertising of the franchisor, but such advertising must be submitted to the franchisor in advance and receive its written approval. If the drafts submitted do not seem to the latter to be compatible with the network image, the franchisor may oppose all promotional means, procedures, methods or techniques proposed by the franchisee.

Adherence and compliance to the operation and training manuals, and the quality processes:

The franchisee undertakes to adhere to the training manuals and the design brief. The latter represents a contractual document setting out the operating methods that the franchisee undertakes to follow and which the franchisor undertakes to modify whenever necessary in order to update the operating system of the franchise.

By virtue of belonging to the franchise network, the shops pertaining to which are characterised by the mandatory branding of which the franchisee has exclusive use as stated in Article IV, and the significance of a common range in order to present clients with the same standard of quality, thereby creating in all the franchised shops a commercial image that is identical to the tried and tested formula that has been developed in the pilot shops, the franchisee is bound by the standards set out in the training manuals.

The opening times of the centre must, as a minimum, be from 10:00 to 13:00 and from 14:00 to 19:00 from Tuesday to Saturday.

ARTICLE VIII – Transfer of expertise, training and assistance

The franchisor possesses the expertise for the photo-depilation and photo-rejuvenation protocol, sales methods and referrals.

It undertakes to transfer this expertise and the practical methods that it has developed, tried and tested to the franchisee through the training manual.

These documents shall be submitted in the context of:

- an initial period of training of 20 working days (4 weeks) at the headquarters of the franchise, covering all aspects of the franchised concept;
- support for the franchisee during the opening of his shop (telephone support and periodic visits from the franchisor);
- further, ongoing or refresher training during the implementation of the agreement.

The franchisee undertakes to enrol in the initial training and any other training required by the franchisor, any person who is required to work at his centre so that they can undertake the mandatory training. Any person who has not been trained by the franchisor and has not undergone the initial training may not work in a franchise centre. The franchisee is responsible for his employees and the persons working in his centre and is responsible for ensuring that each person has been trained. If the

franchisee does not meet this obligation, the franchisor may terminate this agreement, through the fault of the franchisee, under the conditions set out in Article XV.

Ongoing training offered by the franchisee shall also be mandatory for all staff working at the centre. Attendance at an initial session of ongoing training shall be mandatory six months after the centre has opened for each person working at the centre and annually thereafter. Ongoing training modules shall be delivered at the franchise headquarters and the respective dates shall be notified to the franchisee who will have an obligation to enrol his staff. Travel and accommodation costs shall be met by the franchisee.

The franchisor must provide the franchisee with the following services while this agreement continues in force:

A: General services:

A.1

Protecting the core concepts of licences and trademarks, and the good reputation of the DÉPIL TECH trademark and to this end, performing any commercial or other activity that the franchisor may deem appropriate.

A.2

Establishing a general advertising policy.

A.3

Representing the network and the franchisee before the government, unions, national professional associations, and international unions, professional associations and international bodies, etc.

B: Special services:

B.1

Providing additional operating manuals.

B.2

Assisting the franchisee, as far as possible, in organising the various departments and then providing him with all useful advice, either by letter or e-mails, or direct contact, in relation to his commercial affairs, sales queries and internal organisation and, more generally on any other issue that is of mutual importance, as well as assisting him in setting up any new operating branch necessitated by the development of the market.

B.3

Advising on any advertising campaign, and providing as necessary and for a fee, the materials for such campaigns, consistent with the size of the territory awarded.

B.4

As far as possible directly promoting the activities of the franchisee by inclusion of his name in the national advertising campaigns or indirectly through these same campaigns.

In order to facilitate the setting up of the franchisee, the franchisor undertakes, with the aim of improving the conditions for marketing the products and services to which this agreement relates, to provide the franchisee with its assistance and services in the following areas:

- shop design and setup;
- installation, arrangement and layout of the premises;
- technical assistance.

However, the franchisor shall not be subject to any performance obligation, and shall merely provide advice to the franchisee on how best to operate his shop.

Furthermore, the franchisor undertakes to assist the franchisee during the implementation of the agreement in the following areas:

- initial training of the franchisee and members of his staff;
- research and development;
- sales promotion;
- management and administration.

The franchisor shall deal with the area of innovation/creativity of the network in order to develop the franchised concept, so that adjustments and innovations can be made and subsequently passed on to the franchisee and be the subject of further training and support.

The franchisor shall support the franchisee by organising seminars or local or regional meetings, attendance at which shall be mandatory for franchisees, covering specific issues, and dealing with sales techniques and referrals, and practical problems faced by franchisees.

The dates, places and content of the meetings shall be set by the franchisor.

The franchisor shall arrange, at the request of the franchisee or where needed, refresher courses chargeable at the current rate at the time of the course, with the franchisee meeting the costs of travel and accommodation.

ARTICLE IX - Minimum operation - Cessation of trading and operation

The franchisee undertakes, throughout the term of this agreement, to operate the franchised system to the best of his abilities and to take all actions and steps that are useful and necessary for its promotion and marketing, under the best possible conditions.

The franchisee undertakes, each year and throughout the term of this agreement, to achieve a minimum annual turnover of EUR 50,000 (exclusive of VAT) from operation of the franchised system.

If this minimum quota is not met, the franchisor may terminate this agreement, through the fault of the franchisee, under the conditions set out in Article XV.

The franchisee undertakes furthermore to make every effort and in particular spend the maximum amount of time possible on developing his business. In the event of voluntary cessation or suspension of trading on his part, it is expressly agreed that such stoppages, taken together, shall not exceed two months in any year.

In all cases, the franchisee undertakes to notify the franchisor by registered letter of his decision, which must be justified, and to indicate the expected date of resumption.

The franchisor shall be notified of the resumption of business or extension of the stoppage by registered letter with acknowledgement of receipt.

Failure to comply with the provisions of this article shall result in the automatic termination of this agreement (see arrangement under Article XV).

ARTICLE X – IT management

In order to allow the franchisor to understand and fully monitor its establishment and how the brand is being developed and used and to increase and facilitate understanding between franchisees, even those belonging to different regions, the franchisor shall use computer software on which all franchisees are registered.

By signing this agreement, the franchisee acquires a right to consult the national file and an obligation to keep his own file up to date.

The franchisee undertakes to enter in the central computer file and under his full responsibility all his clients without exception.

The franchisor shall in no case be liable in the event of the franchisee recording incorrect or unsupported data on his clients.

The franchisor shall similarly inform the franchisee of the installation of any new system for processing the national or regional file of franchisees (telematic, IT or any other) which replaces the initial system that it shall introduce.

In order that franchisees are not disadvantaged by such changes, where they are made, the franchisee shall be required to meet the deadlines set by the franchisor for integrating this new system himself.

The software and all the source codes and data shall remain the property of the franchisor and may not be used or adapted by the franchisee. All data entered by all franchisees may be consulted and used by the franchisee for any purpose he deems fit.

Improvements to the functionalities of the software, additions of new functionalities or any change in it shall be made by a decision by, and under the responsibility of, the franchisor. The franchisor shall communicate these changes, improvements and additions to the franchisee. The franchisee shall be under an obligation to accept them and use them to ensure homogeneity and uniformity of the tool and its use across the network. The development costs shall be shared by the network as a whole meaning that each of the franchisees forming part of the network shall contribute their share of these costs. The franchisee may not refuse to make this contribution or to use the new adaptations, improvements or additions.

ARTICLE XI – Proportional royalty

The franchisee shall pay:

Initials:

A non-refundable franchise entry fee of EUR 28,000.00 excl. VAT (twenty-eight thousand euros, exclusive of VAT) upon signing this document.

And throughout the term of this agreement the following two fees:

1. A monthly fee for operation of the franchise awarded and marketing of the products, and for provision of the services, as defined in Articles I and V above. The amount of the monthly fee, payable quarterly, shall be determined as follows:

For the single care cabin concept:

- If the monthly sales exclusive of VAT are less than EUR 25,000.00 excl. VAT (twenty-five thousand euros exclusive of VAT), the monthly royalty shall be EUR 1,250.00 excl. VAT (one thousand, two hundred and fifty euros exclusive of VAT) payable quarterly.
- If the monthly sales excluding VAT are more than EUR 25,000.00 excl. VAT (twenty-five thousand euros exclusive of VAT), the monthly royalty shall be proportional and equal to 5% excl. VAT of the monthly sales excl. VAT inclusive of all discounts offered by the franchisee.

For the two care cabins concept:

- If the monthly sales excluding VAT are less than EUR 25,000.00 excl. VAT (twenty-five thousand euros exclusive of VAT), the monthly royalty shall be EUR 1,500.00 excl. VAT (one thousand, five hundred euros exclusive of VAT) payable quarterly.
- If the monthly sales excluding VAT are more than EUR 25,000.00 excl. VAT (twenty-five thousand euros exclusive of VAT), the monthly royalty shall be proportional and equal to 6% excl. VAT of the monthly sales excl. VAT inclusive of all discounts offered by the franchisee.

2. A set fee of EUR 200 excl. VAT per month for shared involvement in communications and national promotions provided by the franchise for the franchisees in the network.

The franchisee will have to notify the franchisor of the monthly turnover by the fifth day at the latest of each calendar quarter and attach any document demonstrating verification of this by his accountant. The royalty fee shall be payable at the latest by the eighth of each calendar quarter.

The parties furthermore agree that by application of the current provisions, the delay penalties shall be calculated on the basis of 10% of the amount of royalty payable plus any recovery costs.

At the end of each financial year, the franchisee will also have to provide annual financial statements for the year just ended, certified and approved by an approved and registered accountant.

All payments (royalties or others) shall be made by direct debit. The franchisor shall send the franchisee the respective invoice in advance for checking. The direct debit shall be taken within four days of the invoice being sent.

ARTICLE XII – Information obligation – Communication – Adherence to standards

Initials:

The franchisor reserves the right to have the premises of the franchisee visited by its employees or agents, at any time and in a reasonable manner without prior notice, to ensure that the trademark is not tarnished or tainted in its use and to obtain a copy for information of any document allowing it to be satisfied that the franchise agreement is being adhered to.

The franchisee undertakes to communicate to the franchisor, within four months of the end of each financial year, its tax returns, balance sheets, trading accounts and profit and loss accounts.

The franchisee undertakes to:

1.
Operate the franchise in accordance with the rules, regulations, methods, procedures, programmes and plans of the franchisor, following the general policy instructions that the latter may issue to him, specifically in terms of hiring of staff - including temps, and staff relations, prices, sales policy and advertising.

To these ends the franchisee undertakes, inter alia, to:

- notify, for an opinion and the policy to be adopted, of labour disputes that may arise between him and his staff;
- adopt the same policy as the franchisor as regards civil liability to his clients and, in the event of disputes, consult the latter to ensure a consistent defence policy;
- take out all insurance he is told to by the franchisor to safeguard his business (see Article III);
- join a medical service to monitor staff, including temps;
- strictly adhere to the requirements of the training manual and the design brief.

2.
Continually coordinate his activities, on all matters of general interest, with the relevant departments of the franchisor.

3.
Allocate a significant percentage (5% on average) of his sales to direct and local advertising to promote his centre and in his own interests.

4.
Submit to the franchisor all promotional or launch material and the advertising texts he intends to use.

5.
In order to maintain unity of presentation and management of the various establishments in the network, use the types of letter paper, invoices, time sheets, conditions of sale, internal regulations, and standard contracts of employment proposed (for reasons of non-competition and protection of the network), that the franchisor shall propose to him in due course.

6.
At the simple request of the franchisor, provide evidence that all duties and taxes payable, of whatever kind, have been settled by the statutory deadlines.

7.
Submit for the prior written agreement of the franchisor, any extension of the business of the franchise company.

8.
And generally speaking, comply with all the terms, standards and obligations of this agreement.

ARTICLE XIII – Loyal conduct and in good faith

The parties undertake to always conduct themselves as loyal partners to each other and in good faith, and in particular to notify without delay of any difficulty they may experience in connection with the implementation of this agreement.

Any tolerance, even for a long period, cannot result in a right being acquired or the content of this document being changed.

So, the fact that a party does not insist that the other party discharges one of its obligations, shall not constitute, however, a waiver by this party of any clause or right.

The fact that the franchisor does not invoke a particular breach by the franchisee shall not, however, affect its rights to later invoke a breach in relation to a similar occurrence, and the same shall apply where invoking of such breach is delayed or not carried out immediately.

This agreement may not be amended or changed in any way other than by a written document signed by an authorised representative of each of the parties.

ARTICLE XIV - Defence of the network

The franchisor shall define the common strategies for development and growth of the network. To this end, it shall receive from the franchisee the authority to manage the common interests of the network and its members.

The franchisee reserves the right to take action against any other franchisee who damages his interests by conduct that is contrary to the interests of the network and the franchise agreement signed by him.

The parties undertake to keep each other informed of all breaches of trademark to which this agreement relates of which they may become aware.

The franchisee undertakes in particular to notify the franchisor immediately of any infringements of which he may become aware, and in particular the existence of any competing brand liable to lead to confusion in the minds of clients.

At its sole discretion, and if it deems this appropriate, the franchisor may have recourse to all actions and proceedings against the infringer.

The franchisee may take unilateral action, without the express, written and prior agreement of the franchisor, in particular in connection with unfair competition, against the infringer.

He may, however, join the action possibly taken by the franchisor, in which case the costs and fees from the proceedings and the resulting damages (payable by or accruing to the applicants), shall be shared equally between the parties.

ARTICLE XV – Early termination – Cancellation clause

This agreement may be terminated early, by one or other of the parties, in the event of non-performance or breach of any of the obligations contained in this document.

The early termination shall become effective automatically one month after a formal notice served by registered letter with acknowledgement of receipt on the defaulting party, indicating the intention to apply this express cancellation clause, has gone unheeded.

The parties also agree:

- that this agreement shall be terminated automatically in the event of non-payment, following delivery of an order to pay by extrajudicial act, that has gone unheeded for 15 days, of any sum due by application of this agreement;
- that the agreement shall be terminated automatically in the event that the shop does not open within six months and that there is non-operation, apart from the annual shutdown and in the special case of Article IX, 15 days after delivery of a summons relating to this clause.

The agreement shall be terminated automatically and without notice, compensation or prior formalities in the event of failure to comply with Article VI.

Any termination shall take place without prejudice to all other rights or actions that the injured party in the default may invoke against the defaulting party. In all cases the joining fee shall accrue to the franchisor.

ARTICLE XVI - Consequences of the termination of contractual relations

The franchisee shall desist immediately, as of the date that the contractual relations come to an end for whatever reason, from using or displaying the identifying signs of the franchiser's network and any item that may be associated with the franchiser's network.

It shall return to the franchiser, at its cost and within a week, all documents supplied by the latter in connection with this contract and concerning the franchiser's brand and the "products and/or services" under licence, all commercial and publicity documents, models, plans, drawings, all signs provided and any specific equipment.

If none of the above has been carried out by the end of this one-week period, the franchisee expressly authorises the franchiser to organise, at the costs of the franchisee, the return and collection of all characteristic elements relating to the brand and logo that form the subject of this contract.

No stock will be returned, thus the franchisee must plan to liquidate its stock prior to the contract expiring and shall adjust its purchases and stock replenishment based on its future requirements, or plan to liquidate its stock during the notice period or even arrange for it to be transferred to a new franchisee.

ARTICLE XVII – Confidentiality/non-compete – Non-affiliation following termination of contractual relations

Non-compete

Except where the contract is terminated exclusively due to the fault of the franchiser, the franchisee shall be prohibited, for a period of 12 months, from:

- directly or indirectly developing or creating, whether independently or as an employee or for its own account or on behalf of a third party, a similar network or activity in the municipality of the shop where it ran this franchise, and within a 5km radius of the same, or in the municipality where the franchiser's head office is located.
- to buy into the capital of a competitor of the franchiser and the network, established in the aforementioned area, to the extent that the franchisee is able to exercise an influence on the business policy of that company.

Non-affiliation

On termination of this contract for whatever reason, the franchisee undertakes not to participate, directly or indirectly, at the same premises or within a 5km radius of the same and for a period of 12 months, in the operation of any shop whether part of a chain or independent with an activity similar to the franchised activity, any form of epilation or depilation or any form of rejuvenation, and shall not directly or indirectly cause any harm to the reputation of the brand and logo of Dépil Tech.

The franchisee may thus continue to operate his business under his own shop name, on an independent basis, excluding any activity similar to the franchised activity and any method of epilation, depilation and rejuvenation, once he has removed all signs identifying the network and stocks necessary for operating the franchise awarded, which may indicate an attachment to the franchise or be confused with it, informed his clients that he is no longer part of the network of the franchisor, removed markings from his shop, changed the décor and layout, and demonstrated all this to the franchisor.

The GALAXY machine will have to be returned and sent to the distributor at the cost of the franchisee within two weeks of termination of the agreement. A repayment shall be calculated based on the depreciation of the machine and its market value at the time of return. If older than five years no repayment shall be made.

The franchisee will have to have all members of his staff sign a letter in which they give the same secrecy and non-competition undertakings as he has given and he will have to notify them that a breach of these undertakings of secrecy will make them liable to legal action.

Both during this agreement and once it has expired, the franchisee shall maintain strict confidentiality regarding all technical and commercial information that he may have become aware of in relation to the franchised system and the network. He must not use or transfer the specific expertise of the network, once the agreement has ceased to be effective, such as in the case of lapse or assignment of the agreement.

Unless expressly agreed in advance, the franchisee agrees to keep secret and not disclose under any pretext and in any form whatsoever, all or part of this agreement.

In the event of failure to comply with this clause, the franchisee responsible for the disclosure of all or part of this agreement shall be liable to pay the franchisor automatic compensation in a sum, that may not be reduced, of EUR 10,000.00 excl. VAT (ten thousand euros exclusive of VAT), without prejudice to

the option reserved to the franchisor to apply for damages to compensate for the full commercial, financial and economic harm resulting from the failure to comply with this clause.

ARTICLE XVIII - Applicable law – Disputes – General provisions

This agreement, the appendices to which form an integral part of it, is subject to French law.

All disputes that may arise out of this agreement in relation, particularly, to its validity, interpretation, implementation or termination shall be dealt with by the NICE Commercial Court.

The provisions of this agreement are independent and if one or more of them should be deemed invalid or inapplicable by a competent court, in full or in part, the other provisions and the partially applicable provisions shall be binding upon the franchisor and the franchisee.

Any notification shall take effect on the day of receipt.

This agreement was signed by the parties at least 20 days after the franchisee was issued with the pre-contractual information document provided for in Article 1 of the law of 31.12.89 and the decree of 4.04.1991.

The parties expressly acknowledge that all provisions of Article 1 of the abovementioned law have been fully and precisely complied with.

ARTICLE XIX - Formalities

The franchisee shall proceed at his cost and under his responsibility with all the formalities necessary for the implementation of this agreement, and the opening of his shop.

All powers are to this effect granted to the bearer of an original or copy of, or an extract from, this agreement for dealing with the formalities prescribed by the regulations in force.

Made in Nice on XX/XX/XXXX

In 2 originals of 18 pages each.

For: Dépil Tech Dépil Tech, SAS with share capital of EUR 15,000, headquartered at 196 Avenue de la Californie, California Park, Château de Leliwa, 06200 Nice RCS Nice 529 850 455 SIREN 529 850 455 Represented by Mr Jean-Baptiste Mauvenu	For:
Signature, preceded by the words: <i>“Lu et approuvé” (Read and approved)</i>	Signature, preceded by the words: <i>“Lu et approuvé” (Read and approved)</i>