



## Private Label Fragrance Contract

\_\_\_\_\_, here in after referred to as ("Customer" or "Customer's"), has agreed to enter into this contract with Aroma Alternatives® Ltd. Co., here in after referred to as ("Manufacturer" or "Manufacturer's"), this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, to produce product for said "Customer" under a Private Label Fragrance Agreement.

This agreement sets forth the terms and conditions applicable to said "Customer" who has entered into contract with said "Manufacturer" for said "Manufacturer" to produce their product.

1. Private Label Fragrance agreement allows said "Customer" to purchase fragrance in bulk sizes for use in said "Customers" fragrances or to sell as a straight fragrant oil.
  - a. Said "Manufacturer" will help out in determining what information can go on labels, but label requirements should be based on FDA's label requirements.
  - b. Said "Manufacturer" is happy to review and make opinions on label information.
  - c. Labels and their content are said "Customer" responsibility and said "Manufacturer" has no legal responsibility for what said "Customer" puts on their label.
  - d. Said "Customer" does not have the right to alter any product produced by said "Manufacturer" for any reason, by adding any kind of other fragrance that may alter the smell or the effectiveness of the fragrance.
  - e. Since products created under this agreement are a fragrance, and full disclosure is not legally required. Said "Manufacturer" will only supply the main fragrance ingredients for label identification.
  - f. Said "Manufacturer" agrees to allow said "Customer" to sell the fragrances by putting a fragrance into a unscented formula to scent such product or said "Customer" is allowed to sell the fragrance straight as a fragrance.
2. If a customer wishes to alter a said "Manufacturer" stock fragrance or desires said "Manufacturer" to create a new fragrance there will be a retainer fee charged by said "Manufacturer" to said "Customer" in the amount of \$500.
  - a. The said "Customer" agrees to pay a \$500 retainer fee, this is a one time fee at start up, the retainer fee is used for research and development according to said "Customer's" specific needs to formulate new and/or to alter existing fragrance.
  - b. Said "Customer" agrees to pay the retainer fee before any research and development begins on any fragrance.
  - c. Time billed toward the retainer fee will be billed out at \$195 per hour.



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- d. If research is required to locate and/or find new essential oils set forth by the said "Customer", the said "Customer" agrees to pay for locating such essential oils at the standard rate of \$195.00 per hour.
  - e. Any funds not used for research and development will be applied to the said "Customer's" first order. Except in such cases where the research and development will be continuous and said "Customer" or said "Manufacturer" may choose to keep any remaining funds on retainer to cover future research and development.
  - f. If said "Customer" wishes to terminate said agreement before their first order the said "Customer" is required to remit, by mail or fax, a termination notice to said "Manufacturer" before any production has begun.
  - g. If said "Customer" wishes to terminate said agreement before their first order, said "Customer" agrees to pay said "Manufacturer" for all research and development that has accrued, up to and including the date the said "Manufacturer" receives the notice that they wish to terminate this agreement. Any funds remaining from the retainer will then be refunded to said "Customer". If the research and development fees exceed the retainer fee then the said "Customer" will be liable and agrees to pay said "Manufacturer" the unpaid balance.
  - h. Upon termination and if said "Customer" owes said "Manufacturer", the said "Customer" agrees to pay the unpaid balance within 10 business days of said "Manufacturer" receiving the termination notice, or a late charge will be assessed to the said "Customer's" account which the customer pays. If said "Manufacturer" has a credit card on file for said "Customer", then said "Manufacturer" will bill the credit card automatically.
3. Upon completion of research and development said "Customer" agrees to purchase an initial order of \$500.
    - a. Said "Customer" agrees to purchase a minimum of \$500 of product on their first order.
    - b. All orders must be paid in full prior to production, no production will begin before said "Manufacturer" receives payment in full. Said "Manufacturer" will not be responsible if product is late to said "Customer" if payment is late which prevents said "Manufacturer" from starting production.
    - c. Said "Customer" agrees that production time will be at least 5 business days, this doesn't include holidays in which said "Manufacturer" may be closed. Said "Customer" agrees that based on the order size production could take longer than 5 business days and said "Customer" agrees to order in advance so said "Customer" doesn't run out of product and/or said "Customer" misses an event. Said "Manufacturer" will not be responsible for said "Customer" missing an event or running out of product if said "Customer" doesn't order in advance based on production time.
  4. If a fragrance is altered and/or new fragrance is created for said "Customer" under this agreement. Both parties agree that this new fragrance will be exclusive to said "Customer" and clause 2 pertains to all parts of this new and/or altered fragrance.



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- a. Said "Manufacturer" will not use any fragrance altered or created under this agreement for any other customers for any reason that pertain to this clause. Said "Manufacturer" can however use the unaltered fragrance for any purpose they wish up and including making other alterations for other customers.
- b. Said "Customer" agrees that to maintain exclusivity on new fragrance they will maintain at least a \$1,000 in annual sales with said "Manufacturer", and as long as said "Customer" continues to meet all terms under this agreement. If at any point said "Customer" fails to meet any and/or all of the terms under this agreement, said "Customer" agrees they will lose exclusivity of usage of all fragrances created and/or altered under this agreement.
- c. If annual sales by said "Customer" falls below the agreed \$1,000, said "Customer" agrees that they will not have exclusivity on any fragrance altered or created under this contract. Said "Manufacturer" has all rights to fragrances to do what they wish with the fragrance up to and including giving exclusivity to another customer.
- d. If said "Customer" loses exclusivity on their fragrances created or altered under this agreement, said "Customer" has the right to purchase any or all fragrance that where created or altered under this contract.
  1. Said "Customer" agrees to purchase all or any fragrances altered or created under this agreement within 30 days of falling out of exclusivity.
  2. Said "Customer" agrees to "Right of Ownership" clause where as said "Manufacturer" owns all fragrance unless said "Customer" purchases them within the 30 days agreed upon here in this agreement.
  3. Said "Manufacturer" will give one notice to said "Customer" after the year when said "Customer" falls beneath annual sales agreed upon in this contract. Said "Manufacturer" is not responsible for lost e-mails or letters, preventing said "Customer" from receiving such notice. Said "Customer" agrees that it is their responsibility to keep track of their annual sales to make sure they stay within the agreed terms of this agreement.
  4. Said "Manufacturer" is not responsible for reminding said "Customer" before the year is up to let said "Customer" know they are below annual sales to stay in exclusivity agreement, this responsibility is the sole ownership of said "Customer".
  5. All fragrances created and/or altered under this agreement that are no longer exclusivity can still be purchased by said "Customer" until said "Manufacturer" discontinues that fragrance and/or gives exclusivity to another customer.



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5. Payment in full is required before any production will begin, said "Customer" agrees to pay by credit card prior to any research and/or development.
  - a. A \$45.00 fee will be charged to said "Customer" on any charge that is not honored by their bank or credit card company.
  
6. Refunds on private label products are allowed under certain conditions, as long as said "Customer" follows the entire agreement pertaining to refunds in this clause.
  - a. Additions and/or subtractions from your order must be made within 24 hours of initial order by said "Customer", otherwise the refund policy stated in this clause applies to all changes to said order.
  - b. Said "Customer" may cancel their order within 24 hours of initial order, and have no refund penalties applied to said "Customer" account.
  - c. Orders canceled after 24 hours will be refundable at 50% to said "Customer" on any product that is not specific to said "Customer".
  - d. Any fragrance created and/or altered under this agreement are not allowed to be returned, due to the nature that the product is specific for said "Customer" based on this agreement. Said "Manufacturer" would have already spent funds purchasing and formulating products for said "Customer".
  - e. All fragrances must be checked within 5 business days after receiving the product and said "Customer" agrees to contact said "Manufacturer" with in those 5 business days to report any issues said "Customer" may have found with products.
  - f. Returned products must be mailed back with in 5 business days after initial contact with said "Manufacturer". Said "Customer" agrees that return shipping including insurance will be the responsibility of said "Customer". Any product returned to said "Manufacturer" that ends up damaged from return will be the sole responsibility of said "Customer". Said "Customer" should insure all return products for their proper value so said "Customer" is covered in case of breakage, spills or any other mailing mishap.
  - g. If said "Customer"'s fragrances are made from pure natural essential oils and since they are not synthetic, it is possible that there may be slight variations from one batch to another and are to be expected. Such difference doesn't mean the fragrance is defective nor does it mean that it was formulated incorrectly. Such difference in fragrance are due to the natural nature of essential oils and natural fragrance and are expected and not a valid reason to return an item no matter the variance in the fragrance.



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7. Right of Ownership of any and all fragrances created and/or altered under this agreement are exclusively owned by said "Manufacturer".
  - a. Under this agreement all fragrances created and/or altered will remain the property of said "Manufacturer".
  - b. All fragrances created and/or altered under this agreement are available for said "Customer" to purchase them at any time during this contract. Once this agreement has been terminated the said "Customer" has 30 days to purchase any fragrances under this agreement, if said "Customer" fails to purchase any and/or all fragrances under this agreement, ownership will stay with said "Manufacturer".
  - c. Said "Manufacturer" doesn't have any responsibility to remind said "Customer" about the 30 day limit on purchasing any and/or all fragrances under this agreement. Said "Customer" agrees that it is their responsibility to take action in purchasing any and/or all fragrance under this agreement.
  - d. Once said "Customer" has notified said "Manufacturer" that they wish to purchase any and/or all fragrances under this agreement, a rate for each fragrance will be negotiated at that time. Fragrance pricing is based on the research and development it took to produce said fragrance, the quality of such fragrance, and the complexity of the fragrance. In certain cases the price may be influenced by the current and/or future market place.
8. The right to terminate any and/or all fragrances created under this agreement remain the right of both parties as long as all terms are followed.
  - a. Said "Manufacturer" has the right to terminate any and/or all fragrances under this agreement at any time which has been determined, by said "Manufacturer", to be not rotating in a reasonable time frame; when that product contains an ingredient that is unique and not used by any other customer for formulations, or when that product loses it's stability or integrity, with age.
  - b. Said "Customer" has the right to terminate any and/or all fragrance under this agreement at any time as long as no ingredients used by the fragrance being terminated is unique to said fragrance. If said "Customer" wishes to terminate a fragrance that has a unique ingredient in the fragrance, then the said "Manufacturer" will determine how much unique ingredients are left over and as long as said "Customer" pays for the cost of those inique ingredients, then said "Customer" can terminate that fragrance.
9. To be eligible for private label said "Customer" must be a company in good standing with all regulatory agencies. This is put into place to protect all customers of said "Manufacturer". Said "Manufacturer" will not sell to the public at wholesale pricing to protect all customer's of said "Manufacturer".
  - a. Corporations and/or Limit Liability Companies must provide said "Manufacturer" with a current tax identification number.
  - b. Retailers must provide said "Manufacturer" with a current re-sellers permit.
  - c. Practitioners must provide said "Manufacturer" with a copy of a current DBA (said "Customer" will still need a re-sellers permit if said "Customer" are re-selling a finished product to the public)

