

NOTES:

- (1) Unless otherwise provided, all fees are (a) imposed and collected by, and payable to, Supercuts and (b) non-refundable. All fees currently are uniformly imposed. Increases in fees and costs are possible and fees and cost may vary due to circumstances. ~~Supercuts may increase charges as the costs increase.~~
- (2) Net revenue includes all cash and charge sales of every kind and nature made at or from your Salon, less all sales, use, gross receipt, and other similar taxes added to the sales price and collected from the customer and less any bona fide refunds. Service revenues include sales of every kind for services performed by a hair stylist or other professional for a customer. Merchandise revenues include sales of every kind for retail merchandise.
- (3) Includes the cost of all training supplies and materials, including, without limitation, mannequins. These fees are as of July 1, 2025. The training fee will increase every 5 years, commencing January 1, 2007, by the Consumer Price Index ("CPI") increase for the 5-year period plus 1%.
- (4) Commencing on the 10th anniversary of your Salon's opening date, and every 10 years afterward during the franchise term ("Anniversary Date"), Supercuts will, upon written notice to you, assess an "Anniversary Fee" (which is basically a "renewal" fee). The Anniversary Fee initially will equal 1% of your cumulative net monthly revenue for the trailing 12 months before the anniversary month. The Anniversary Fee is payable in equal annual installments over 5 years. The first Anniversary Fee payment will be assessed on the first day of the month following your Anniversary Date. It is due and payable by the 10th day of the month following your Anniversary Date. (For example, if your Anniversary Date is in June, the Anniversary Fee will be based on the cumulative net monthly revenues for the 12 months ending May 31st prior to the Anniversary Date. Your first installment will be assessed on July 1st and is due and payable by July 10th.) The Anniversary Fee will be increased to 2% of cumulative net monthly revenues for each subsequent 10-year period. The Anniversary Fee assessed will never exceed 2% of the applicable 12 months' cumulative net monthly revenue during your franchise term. If the Salon is closed on or after the Anniversary Date, no future installment payments will be due after the closing date. Supercuts' failure to notify you of the Anniversary Fee is not a waiver of its right to do so.
- (5) If you request and Supercuts agrees to negotiate the lease renewal for your Supercuts Salon, you must pay Supercuts \$1,500 upon execution of the lease renewal. This is an optional service that may be offered by Supercuts.
- (6) Supercuts has no obligation to guarantee your lease in any way, but if it does, you must pay such monthly lease guaranty fee.
- (7) If you want Supercuts' approved vendor, Build Point Solutions Group Inc. ("Build Point Solutions") to supervise and oversee your Salon's construction or remodel process, you must pay Build Point Solutions a fee of either \$5,500 or \$7,500 when you sign Build Point Solutions' services agreement. You also must pay for the cost of construction or remodeling and any Salon FF&E that Build Point Solutions arranges for you to purchase, plus shipping and handling.
- (8) If you elect not to use Build Point Solutions to coordinate your Salon construction or remodel, then you must use architects and contractors that we approve and pay us a fee of \$500-\$1,000 to review your construction/remodel and design plan and a fee of \$1,500-\$3,000 for us to review your Salon upon completion of the construction or remodel.