YOUR FORMULA FOR SUCCESS

Aveda Salon/Spa Partner Benefits
U.S. and Canada
YOU AND AVEDA. A FORMULA FOR LASTING SUCCESS.

You’ve built your vision into a success story, not only with talent and determination, but also by consistently making the smartest business decisions. Becoming part of the Aveda network would be another of those decisions.

We’re a pioneering brand, fiercely loyal to our network, with a vision for doing business consciously and sustainably. It’s a proven formula for success—and one we’d like to share with you.

We get results through innovation, selective partnering, and supporting every facet of your salon/spa business.

Want to know more? Read on.

Aveda’s 4 principles of a sustainable business:

<table>
<thead>
<tr>
<th>Leadership</th>
<th>Profitability</th>
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<tr>
<td>Artistically, Aveda creates award-winners. Conscientiously, Aveda leads the industry in responsible practices.</td>
<td>Leveraging Aveda’s singular, global brand—and proven business formulas—has elevated our partners to some of the fastest-growing salons and spas in the country.</td>
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<thead>
<tr>
<th>Customer cycle</th>
<th>Motivated staff</th>
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<tbody>
<tr>
<td>With comprehensive, proven marketing tools, Aveda helps you bring in new customers. And people who’ve tried Aveda, come back for more.</td>
<td>Aveda educates by inspiring—helping you grow and keep the most talented team of people.</td>
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With these network benefits, Aveda takes your business farther, faster. Let us show you how.
**AVEDA EDUCATION**

learning leads to growth

Why it’s important:
With the needs of your clients, and your craft constantly changing, you’ve discovered it’s not enough to just keep up—you need to lead. That’s why Aveda education inspires new ways of thinking. We offer you and your staff the means to think more creatively about techniques, trends and best business practices. You learn from the best, to become your best.

How it’s done:
Aveda education is where you want it—in your city or salon, from basic to advanced to Aveda Business College. And it’s inspiration-driven—with network-wide events, and award-winning instruction by industry stars. Plus, our more than 5,000 Institute graduates per year make an extraordinary talent pool.

• **Aveda Institutes**: Your pipeline in recruiting the industry’s freshest talent.

• **In-salon, local and regional classes**: Training that keeps your team’s day-to-day talent up-to-date (customized for your region). Classes include:
  - Technical in-salon/spa training—from cut, style and hair color to makeup, skin, spa and customer service, all taught by Aveda purefessionals.

• **Aveda Advanced Academies**: Our international proving grounds—in New York, London, Berlin, Toronto and Vancouver—for the finest industry artists. We nurture technical skills to inspire innovation to the fullest.

• **International events**: Our local and global shows, featuring acclaimed Guest Artists who expand on—or explode—the technical and inspirational currents in your industry. Examples: Aveda Congress, Spa Master Jam,™ Master Jam.”

• **Technical training materials**: Videos, DVDs and learning curriculum specifically designed to support your on-site training programs—and the pace at which your team learns.

• **Aveda Business College**: A comprehensive business development program created by successful beauty entrepreneurs—in both the salon and spa industries—that gives you all the tools you need to take your vision to new levels. Over several sessions, you’re given greater insight and proven growth strategies—based on the 4 principles of sustainability.

“Aveda education gives the therapist more encouragement, more expertise, more motivation. It gives you the language to communicate a new service intelligently to the client and book—often pre-book—appointments.”

—Kathy Jennings, Blue Sky Spa Works, Warwick, Rhode Island
AVEDA MARKETING TOOLS
support is the key to strength

Why it’s important:
Marketing locally has made your business what it is today, but you need room for growth. By tapping into Aveda’s global network, you add breadth and even greater credibility to your message. The results are tangible: keeping our shared brand top-of-mind; making your guest experience memorable; and drawing in new customers, while keeping the best ones coming back.

How it’s done:
• **Foundations for Success™**: Proven in-store tools for an easy, pleasing guest experience worthy of repeating. They include: retail shelving, merchandising displays, product Shelftalkers, graphics, Jumbo Posters and window lettering.

• **Online Marketing Library**: Our online marketing library offers 435 customizable, easily downloadable marketing pieces—from tip sheets to posters to co-op ads. In fiscal year 2008, it saw 49,097 downloads.

• **Pure Privilege™**: Our rewards program for repeat customers. Each purchase earns your guest redeemable points—which leads to future purchases and lets you build one-on-one customer relationships.

• **Aveda gift cards**: Send new guests straight into your salon or spa. The cards are redeemable by all salon/spas participating in the Pure Privilege™ program (U.S. only).

• **On-hold messaging**: Aveda product and holiday news drives guests to your door before they ever leave theirs.
AVEDA BUSINESS SUPPORT
it takes the right tools

The proof is in the print:
Of Salon Today’s Top 200 fastest-growing salons in 2010, 103 were part of the Aveda network.* Year after year, Aveda dominates the list. The secret? Support that spans every facet of your business.

• **Salon Development Partners:** Our ratio of one sales representative to 30 salon/spas means more individual, in-person support for products and business planning. That means on average, a visit from your Salon Development Partner every 2–3 weeks.

• **Aveda Business College:** Managing your business is a life-long commitment with measurable rewards. Let Aveda help you every step of the way.
  - **Benchmarking for Success**
  This two-day program is designed for salon owners and managers wanting to increase productivity and streamline expenses.
  - **Rituals of Retention**
  The second in the Aveda Business College series is a two-day program designed for salon owners and managers that have attended Benchmarking for Success. In this class we will further explore the four cornerstones of sustainability: profitability, leadership, staff recruitment/retention and a continuous customer cycle.

How it’s done:
• **Professional products pricing:** Rather than offering product according to points, which takes time to accumulate, Aveda offers lower pricing for all the products you rely on to give your guests a consistently exceptional experience.

• **Aveda Freelance Artists:** The AFA Program is designed to grow your skin care and makeup business by providing technically trained Aveda makeup artists who are equally talented in creating sales by servicing guests.

• **Aveda PurePro™:** Your online resource for all of the tools you need to power your business 24/7.

• **Aveda Pure Partners:** Avedapurepartners.com is a state-of-the-art job matching site designed exclusively for the Aveda network. This intuitive site was developed to connect Aveda salons and spas with talented graduates from the Aveda Institutes, exclusively trained in Aveda service delivery and product knowledge. Through posting open positions, you can showcase your salon/spa and instantly receive matches of students whose specific skill set meets your needs. Manage your postings and communicate with applicants all in the same place with internal messaging.

• **Aveda Preferred Vendor Program:** At Aveda, the salon/spa network is at the core of our ecosystem. It’s imperative that as we support your business, the vendors we partner with feel the same way. We’ve developed a list of vendors that are skilled in supporting your business by providing everything from furniture to digital marketing. Concept and Lifestyle salon/spas benefit from additional discounts and value pricing.

• **Zero Tolerance for Product Diversion:** While industry diversion as a whole went up 16% in 2008 over 2007, Aveda’s product diversion dropped 17%. We account for only .2% of industry diversion—helping protect your share of retail sales.**

*Salon Today January 2010
**Diverted hair care volume, 1st half 2008 to 1st half 2009.
Source: Regis Q11 2009 Diversion Report
**AVEDA PUREPRO™**

**access is power**

**Why it’s important:**
Even an industry driven by artistry needs to operate swiftly. Without sacrificing the hands-on experience you’re known for, avedapurepro.com lets you operate virtually, putting key resources at your fingertips.

**Education**
Here you’ll find the latest and greatest from Aveda’s Education Team. From detailed listings of our regional workshops, to the Advanced Academy courses, you’ll want to visit this section often!

Product Profile Sheets provide detailed information on the newest additions to the Aveda range, and on the tried-and-true Aveda heritage products.

Want to know what the seasonal trends are at Aveda? Visit the Collections page, also located under Education. Here you’ll learn the latest techniques and find inspiration to recreate the Aveda looks. With step-by-step techniques and behind the scenes videos, this is your place to be inspired.

**Connect**
This is your place to connect with Aveda. From press and awards to what’s new with the brand. The Connect Page is also the place to find the Aveda Pro Blog and to access our video and audio library.

**Live the Mission**
At Aveda, our mission is at the core of everything we do. The Live the Mission page is your resource for all things mission-related. From greening your salon/spa to engaging in a green lifestyle at home, you can find it here. Also located on this page is Aveda’s Green Meeting & Event Guidelines to help you plan mission-aligned events and meetings.

**Marketing and Sales**
The information you need to create and sustain the success you envision is found here. This page is your resource for everything from merchandising updates to business-building programs. Also found here is access to the Aveda Marketing Library where you can customize artwork and layouts to create marketing pieces tailored to your business needs.

**Business**
Where to go for tools that will maximize profitability, build sustainable success for your business, and help you realize you business vision. Here you will find tools to assist with guest consultation, hair color tools, and more. This page is also a resource for industry information and trends.

**Aveda Pure Partners**
Avedapurepartners.com is a state-of-the-art job matching site designed exclusively for the Aveda network. This intuitive site was developed to connect Aveda salons/spas with talented graduates from the Aveda Institutes, exclusively trained in Aveda service delivery and product knowledge.
**AVEDA CONCEPT AND LIFESTYLE BENEFITS**

greater commitment, greater success

**Why it’s important:**
Because your business is a reflection of yourself, you want to give it every opportunity to thrive. Joining the Aveda network is a smart start; becoming a Concept or Lifestyle partner is the formula for brilliant success.

When you commit to Aveda exclusively, as a Concept Salon or Spa, you gain all the benefits of a network partner—but also the kind of advantage that only comes with a single, powerful focus. You can have more aligned product support, with less staff or customer confusion; more focused and complete inventory, without product overlap; better time management, with less training.

And when you take the next step to become a Lifestyle Salon or Spa, you not only make yourself more visible to customers, you benefit from the entire breadth of what Aveda has to offer: products, services and rituals; a powerful brand.

**How it’s done (for qualified Concept and Lifestyle locations only):**

- **Customer referrals:** Our unique referral system provides over 10 million referrals in one year to our Concept and Lifestyle Salon/Spas. This referral system—from stores and schools, to e-mails and websites, and 1.800.AVEDA—continually drives customers to your door: up to 4,000 guests per salon/spa each year.

- **E-salon:** Our pioneering program grows your profits and customer base, while offering consumers a seamless shopping experience. Concept Salons/Spas don’t need their own websites to benefit—you can still earn a 15% commission on aveda.com sales made to your clients. And those salon/spas who do link their own websites to aveda.com can earn a 25% commission when their clients buy there. What’s more, aveda.com customers who’ve never been to an Aveda Salon/Spa are referred to the nearest locations in the area, driving new business to you. (Please note: Currently available in the U.S. only. For more specific program details, please speak with your Salon/Spa Development Partner.)

- **Get the facts:** Links your own website to aveda.com offering more detailed information to potential local customers.

- **Aveda Pure Partners:** At the Concept or Lifestyle salon/spa level, you have additional functionality and within avedapurepartners.com, our state-of-the-art job matching site designed exclusively for the Aveda network.

- **Aveda logo use:** Available for use on all standard business collateral, including menus, website, letterhead and business cards. (Please note that Aveda funds do not reimburse for the creation of the collateral itself, and that any other use of the logo must be approved by Aveda.)
• **Exterior co-branding:** Exclusive to Lifestyle locations.

• **Education Fund:** Based on your purchases during the year, fund dollars help subsidize the cost of on-going Aveda education—whether basic or advanced; local or national; targeted classes or network events. Your tuition or instructor fees are cut by up to 50%, depending on your fund level. (Please see chart at right.)

• **Co-marketing Fund:** As with education, the Fund assigns dollars (based on your yearly purchases) that can be applied to a variety of out-of-pocket marketing expenses, specifically those that help you co-promote the Aveda brand and yours locally. Your costs are reimbursed, up to 50%, in retail product. (Please see chart at right.)

Qualifying materials include:

- Print ad layouts
- Direct mail layouts
- Billboards
- Radio advertising
- In-store promotional collateral—i.e., Client Referral Cards, Mirror Talkers, Posters

(Please note that the materials above must be unaltered from the versions found in our online Marketing Library in order to qualify.)

- Certain ad placement/printing costs
- Foundations for Success™ materials
- Other shared branding resources

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**Marketing and Education Award Chart**

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<tr>
<th>Fiscal Year Purchases*</th>
<th>Education Fund</th>
<th>Co-Marketing Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $25,000</td>
<td>$500</td>
<td>$500</td>
</tr>
<tr>
<td>$25,001 – $75,000</td>
<td>$1000</td>
<td>$1000</td>
</tr>
<tr>
<td>$75,001 – $150,000</td>
<td>$2000</td>
<td>$2000</td>
</tr>
<tr>
<td>$150,001 – $250,000</td>
<td>$3000</td>
<td>$3000</td>
</tr>
<tr>
<td>$250,001+</td>
<td>$4000</td>
<td>$4000</td>
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*Please refer to “Benefit Guidelines” in this brochure for complete program details. The fiscal year begins July 1 and ends June 30. Funds are awarded on July 1. Funds for salons with 12-months' purchase history are based exclusively on purchase. Salons joining the program mid-year will receive benefits on a pro-rated basis.*
As more salons “go natural,” it’s good to know that Aveda has led the pack for more than 30 years.

30 years of green innovation
Our promise to nature distinguishes us: from the first 100% post-consumer recycled PET package, to our manufacturing with 100% certified wind energy; from creating our one-of-a-kind Soil to Bottle™ certified ingredient tracing system, to raising $11 million to date for Earth Month.

95% naturally derived products, proven to perform
Naturally derived ingredients mean pure-performance™: Dry Remedy™ instantly improves dry hair up to 63% as part of our 3-part Moisturizing Ritual; our Green Science™ skin care gives skin a 41% more lifted appearance and 37% reduction in the appearance of lines and wrinkles in just 4 weeks:

Up to 99% naturally derived hair color, 100% performance
Aveda hair color answers all your needs naturally – from full grey coverage to vibrant color—while leaving hair silky, touchable, and essentially damage-free (unlike synthetic chemical processing).

“Aveda is more than beautiful hair color formulas that smell fantastic and give you freedom to create. It’s also about working with a product that’s ecologically and environmentally sound.”

–Ian Michael Black, North American Technical Director

Cradle to Cradle Certification
Aveda sets groundbreaking standards in sustainability for the beauty industry, becoming the first beauty company in the world and only the second U.S. company in any industry to receive a Cradle to Cradle (C2C) sustainability endorsement, with seven Aveda products achieving Gold Level C2C certification.

Aveda’s C2C certification and endorsement are the culmination of 30 years of socially and environmentally responsible business practices. This latest milestone comes at a time when the U.S. administration and national governments around the world are issuing calls for businesses to adopt energy and operational practices to advance environmental responsibility and help stimulate economic growth, an approach Aveda has pursued since its founding in 1978.

1 The wind energy goes into a utility grid from which we draw power.
2 An average based on unit sales of top 20 products within each of Aveda’s six product categories.
3 From plants and non-petroleum based materials.
4 In a clinical wet combing study, condition was improved after shampoo, conditioner and masque.
5 Based on clinical testing of Green Science™ Lifting Serum, Firming Face Creme, Firming Eye Creme and Line Minimizer.
AVEDA BENEFIT GUIDELINES AND USAGE RIGHTS

Aveda materials may not be altered in any way. Reimbursement will not be made on any advertising in which images, ad layout, or the Aveda logo has been altered. Any changes to the copy within an ad must receive written pre-approval by Aveda.

All Concept salons/spas are eligible to use the Aveda logo in order to further their Concept identity, but associated costs for business cards, service menus, letterhead or similar materials are not reimbursable.

Usage Rights Agreement

All Aveda Concept salons/spas participating in the Co-Marketing program must adhere to the following rules and regulations associated with using Aveda advertising and marketing materials:

All Aveda advertising and marketing materials, including, but not limited to, text, graphics, logos, button icons, images, audio clips, data compilations, and software, and the compilation thereof (the “Content”) is the property of Aveda, our affiliates, our partners or our licensors, and is protected by United States and international copyright laws.

The trademarks, logos, and service marks displayed in Aveda’s advertising and marketing (collectively, the “Trademarks”) are the registered and unregistered marks of Aveda, our affiliates, our licensors or our partners, in the United States and other countries, and are protected by United States and international trademark laws. All other Trademarks not owned by us, our affiliates, our partners or our licensors that appear in these materials are the property of their respective owners, who may or may not be affiliated with, connected to, or sponsored by us.

Neither the Content, the Trademarks, nor any other portion of Aveda’s advertising/marketing may be used, reproduced, duplicated, copied, sold, resold, accessed, modified, or otherwise exploited, in full or in part, for any purpose without the prior written consent of Aveda.

Aveda’s advertising and marketing materials may not be used past the expiration date listed on the bottom of each individual piece. If the piece itself or any images within it are used past the expiration date or in any unapproved way, the salon is in violation and will be subject to damages/lawsuits resulting from violation of usage rights with the photographers/models.
Contact your local Salon/Spa Development Partner today—or find us at 800.283.3224—to begin the next chapter in your success story.
OUR MISSION AT AVEDA IS TO CARE FOR THE WORLD WE LIVE IN, FROM THE PRODUCTS WE MAKE TO THE WAYS IN WHICH WE GIVE BACK TO SOCIETY. AT AVEDA, WE STRIVE TO SET AN EXAMPLE FOR ENVIRONMENTAL LEADERSHIP AND RESPONSIBILITY, NOT JUST IN THE WORLD OF BEAUTY, BUT AROUND THE WORLD.