

# McCANN-ERICKSON

As of February 1, 2001

Beyoncé, Inc., f/s/o Beyoncé Knowles  
c/o Wilhelmina Artist Management, Inc.  
300 Park Avenue South  
New York, New York 10010

(P)



Gentlepersons:

This letter, when executed Beyoncé, Inc. ("Contractor") f/s/o Beyoncé Knowles, member of Destiny's Child, ("Artist") and by McCann-Erickson USA, Inc. ("Agency") as agent for L'Oreal USA, Inc. ("Advertiser"), will constitute an irrevocable Agreement between the parties for Artist to furnish her services as an on-camera spokesperson for L'Oreal for all hair cosmetics and skincare products (the "Products") and to grant certain rights and exercisable options for the benefit of Advertiser, subject to Advertiser paying Contractor through Wilhelmina Artist Management, Inc. for the services and the rights conveyed herein in accordance with the following terms and conditions:

1. Term:

- A. The initial term of this Agreement shall be two (2) years commencing on April 15, 2001 (the "Initial Term").
- B. During the Initial Term, it is acknowledged that Artist and the other members of the group known as Destiny's Child will enter into an agreement for a 2001 and/or 2002 tour in North America. During 2001 or 2002, if Destiny's Child and Artist plan a tour, Advertiser may elect within sixty (60) days of notice to become a "secondary tour sponsor." If Advertiser elects to become a secondary sponsor of a 2001 North American tour and/or a 2002 North American tour, then a portion of each year's compensation will be allocated to the tour as indicated in Paragraph 6, infra. Advertiser acknowledges it is sponsoring the 2001 MTV/TRL Tour.
- C. If Advertiser elects, it may extend the term hereof for an additional consecutive one year period commencing at the end of the Initial Term (the "First Option Term") by notice to Artist at least forty-five days (45) prior to the end of the Initial Term and by payment to Artist through Wilhelmina Artist Management, of the sum(s) indicated in paragraph 6, infra.
- D. Provided Advertiser has exercised its option for a First Option Term, it may further extend the term hereof for an additional consecutive one year period commencing at the end of the First Option Term (the "Second Option Term") by notice to Artist at least forty-five (45) days prior to the end of the First Option Term and by payment to Artist through Wilhelmina Artist Management, Inc. of the sum(s) indicated in paragraph 6, infra.
- E. Provided Advertiser has exercised its option for a Second Option Term, it may further extend

the term hereof for an additional consecutive one year period commencing at the end of the Second Option Term (the "Third Option Term") by notice to Artist at least forty-five (45) days prior to the end of the Second Option Term and by payment to Artist through Wilhelmina Artist Management, Inc. of the sum(s) indicated in paragraph 6, infra.

- F. The word "Term," unmodified by the words "Initial," "First Option," "Second Option" or "Third Option" is deemed to apply to any and all terms that come into existence.

## 2. Territory.

Use of the materials produced hereunder to advertise the Products will be on a worldwide basis (hereinafter referred to as the "Territory"). Notwithstanding the foregoing, the parties agree that Advertiser shall have no right to associate itself with any Destiny's Child tours outside of North America.

## 3. Services.

As reasonably required by Advertiser for the production of an unlimited number of television commercials advertising the Products, print, point-of-purchase, billboards, free standing inserts, go cards, cinemas, all out of door usage, internet, internal and external public relations, corporate advertising and collateral materials (i.e. sales brochures) to be produced hereunder, Contractor shall cause Artist to render her services as an on camera-Artist during each year of the Initial Term during five (5) service days of no more than ten (10) hours ("Service Days") excluding travel, weather, pre-light, pre-production, wardrobe and looping days. The parties acknowledge that Artist provided services for television shoots on the following dates: February 16, 2001; February 17, 2001; August 15, 2001; April 17, 2002; April 18, 2002; April 19, 2002; May 13, 2002; and May 14 2002. These Service Days do not include any performances or commitments associated with the tour sponsorship.

During the second year of the Initial Term and during each Option Term (if exercised), Advertiser may elect five (5) service days along with a secondary sponsorship tour or, if there is no secondary tour sponsorship, may elect ten (10) service days to be used in creation of advertising materials. Advertiser shall have the right to carry forward up to two (2) unused Service Days, if any, to the immediately succeeding Option Term only if Artist is unavailable to complete Service Days during any preceding term.

Any of the Service Days referenced above can be used for non-performing personal appearances (i.e. press events, sales meetings etc.). In addition each calendar year during the Term Artist will consider attending the Cannes Film Festival, if requested. Unavailability for Cannes will not constitute a breach. Artist will not be required to render any musical performances during any personal appearances.

All dates, times and places as determined by Agency for the Service Days and all other services during each Term Year shall be scheduled as mutually approved and subject to Artist's bona fide prior professional commitments at such time.

If requested by Advertiser or Agency, Contractor agrees that Artist will handle, utilize and/or endorse Advertiser's Products in the Commercial Materials and in that connection, Artist has simultaneously executed the attached "Endorsement Affidavit."

Contractor agrees to cause Artist to cooperate in good faith so that her hair will be of adequate length and color before shoots and may be colored and styled by Advertiser for the purpose of photography

hereunder. Contractor and/or Artist will notify Advertiser as far in advance of concerts in North America or recording production (but not earlier than a reasonable time period after Artist has been notified of same) of any radical change to her hair any concert tour may necessitate so that mutual accommodation may be reached. If mutual accommodation cannot be reached Contractor and Artist agree to extend the Term for a period of time so that her hair will grow to an adequate length for commercial production. Contractor shall cause Artist to maintain her hair in excellent condition and agrees that Advertiser with two (2) weeks written notice at times and locations mutually approved may periodically monitor the condition of Artist's hair. At Artist's option, Tina Knowles, Artist's mother, shall be one of the stylists working on Artist's hair at all shoots.

Prior to each commercial shoot, Agency shall review all creative materials including without limitation storyboards and copy with Artist and Artist shall be given meaningful consultation to ensure her comfort with the advertising material. Also print photography shall be reviewed as well. However in the event of a disagreement, following such meaningful consultation, the Advertiser shall make the governing decision, but will give every consideration to Artist's comments and input.

Contractor agrees to cause Artist to render her services in a reasonably competent, and artistic manner in accordance with the scripts she has pre-reviewed which are furnished for such purposes, and subject to Advertiser's and Agency's reasonable approval, direction and control. Subject to all of the foregoing, final creative control rests with Agency as agent for Advertiser over the final, edited version of any advertising material produced hereunder.

#### **4. Materials.**

From the materials finally produced hereunder Artist's name, actual likeness and voice, may be recorded, dubbed and duplicated in such manner as Advertiser may determine solely as necessary to effectuate the terms of this Agreement, and Advertiser shall have the unlimited right to modify and vary each of the materials produced hereunder as it may elect by adding to, subtracting from and/or integrating the images obtained hereunder with or without other materials. Alternate versions of commercials will not be considered separate commercials

under this Agreement. Such original and edited or combined materials will be referred to collectively hereinafter as the Commercial Materials. Advertiser and Agency shall not edit or otherwise modify any materials hereunder in a manner that is reasonably likely to portray Artist in a derogatory manner or bring Artist into disrepute.

#### **5. Usage.**

During the Term Advertiser shall have the right to use and re-use the Commercial Materials produced, in whole or in part, in all broadcast media, cinema, print media, point-of-purchase, all outdoor usage, free standing inserts, go cards, non-broadcast media, collateral (i.e. sales brochures), corporate advertising, posting of the Commercial Materials on the internet and on-line media, packaging and for internal and external public relations throughout the Territory and on Agency's reel and Advertiser's archival purposes and all usage associated with secondary tour sponsorship as described in the separate agreement with D. C. Touring, Inc.

#### **6. Compensation.**

In consideration of the separate secondary tour sponsorship benefits covered in an Agreement with D. C. Touring, Inc. and all services rendered by Artist and the use and re-use of the results thereof,

all rights granted by Contractor and/or Artist to Advertiser and all covenants, warranties and representations made by Contractor and/or Artist herein, Advertiser agrees to pay Contractor through Wilhelmina Artist Management, Inc. the following guaranteed minimum sums:

**(a) Initial Term.**

One Million Seven Hundred Thousand (\$1,700,000) Dollars (of which Four Hundred Thousand (\$400,000) Dollars is allocated toward a secondary tour sponsorship if Destiny's Child joins a concert tour) is payable as follows:

- i. Two Hundred Twenty-five Thousand (\$225,000) Dollars payable upon execution of this Agreement or no later than two (2) days prior to first shoot and an additional Twenty (20%) percent of that amount as commission payable to Wilhelmina Artist Management, Inc. Such payment has been made.
- ii. Two Hundred Twenty-five Thousand (\$225,000) Dollars payable six (6) months later or upon completion of service days allocated to 2001 and an additional Twenty (20%) percent of that amount as commission to Wilhelmina Artist Management, Inc. Such payment has been made.
- iii. Two Hundred Thousand (\$200,000) Dollars payable for tour sponsorship in 2001 with Destiny's Child and an additional Twenty (20%) percent of that amount as commission to Wilhelmina Artist Management, Inc. once the tour sponsorship is elected. If tour is cancelled or tour sponsorship is not elected, then payment will be withheld or refundable if paid. Such payment has been made.
- iv. Two Hundred Thousand (\$200,000) Dollars payable for tour sponsorship in 2001 before start of tour or by July 18, 2001 and an additional Twenty (20%) percent of that amount as commission to Wilhelmina Artist Management, Inc. If tour is cancelled or tour sponsorship is not elected, then payment will be withheld or refundable if paid. Such payment has been made.
- v. Four Hundred Twenty-five Thousand (\$425,000) Dollars payable at the beginning of the second year of the Initial Term and an additional Twenty (20%) percent of that amount as commission to Wilhelmina Artist Management, Inc. Such payment has been made.
- vi. Two Hundred Twelve Thousand Five Hundred (\$212,500) Dollars payable six months later and an additional Twenty (20%) percent of that amount as commission to Wilhelmina Artist Management, Inc.
- vii. Two Hundred Twelve Thousand Five Hundred (\$212,500) Dollars payable six months later and an additional Twenty (20%) percent of that amount as commission to Wilhelmina Artist Management, Inc.
- viii. If there is a tour sponsorship in 2002 in North America upon execution of tour contract with Destiny's Child the amount of Four Hundred Thousand (\$400,000) Dollars and an additional Twenty (20%) percent of the payment as commission to Wilhelmina Artist Management, Inc. under v., vi and viii will be allocated toward tour sponsorship.

**(b) First Option Term.**

Nine Hundred Fifteen Thousand (\$915,000) Dollars payable as follows:

- i. ~~Fifty (50%) percent payment upon commencement of First Option Term and an additional Twenty (20%) of that amount as commission to Wilhelmina Artist Management, Inc.;~~
- ii. Twenty-five (25%) percent six months later and an additional Twenty (20%) percent of that amount as commission to Wilhelmina Artist Management, Inc.;
- iii. Twenty-five (25%) percent by January 15, 2004 and an additional Twenty (20%) percent of that amount as commission to Wilhelmina Artist Management, Inc.;

**(c) Second Option Term.**

One Million (\$1,000,000) Dollars payable as follows:

- i. Fifty (50%) percent payment upon commencement of Second Option Term and an additional Twenty (20%) percent of that amount as commission to Wilhelmina Artist Management, Inc.;
- ii. Twenty-five (25%) percent six months later and an additional Twenty (20%) percent of that amount as commission to Wilhelmina Artist Management, Inc.;
- iii. Twenty-five (25%) percent by January 15, 2005 and an additional Twenty (20%) percent of that amount as commission to Wilhelmina Artist Management, Inc.;

**(d) Third Option Term.**

One Million Eighty Thousand (\$1,080,000) Dollars payable as follows:

- i. Fifty (50%) percent payment upon commencement of Third Option Term and an additional Twenty (20%) percent of that amount as commission to Wilhelmina Artist Management, Inc.;
- ii. Twenty-five (25%) percent six months later and an additional Twenty (20%) percent of that amount as commission to Wilhelmina Artist Management, Inc.;
- iii. Twenty-five (25%) percent by January 15, 2006 and an additional Twenty (20%) percent of that amount as commission to Wilhelmina Artist Management, Inc.

- (e) Payment for Additional Days:** Should more production days be required of Artist during a Term Year, Advertiser can elect up to two (2) additional production Service Days if needed exclusive of all travel and prep and for such days. Upon completion of Artist's services, Advertiser will pay Contractor through Wilhelmina Artist Management Twenty-five Thousand (\$25,000) Dollars per day and an additional Twenty (20%) percent of that amount as commission to Wilhelmina Artist Management, Inc.

- (f) **Override:** If Advertiser elects to permit this Agreement to expire at the expiration of the Initial Term or any Option Term hereunder, Advertiser may continue to use in the Territory, on a non-exclusive basis, any of the Commercial Materials produced prior to the expiration of this Agreement for a period of up to six (6) months after such expiration upon written notice thirty (30) days prior to the expiration of the then current Term Year and in such event the Advertiser agrees to make an additional payment to Contractor of Fifty Percent (50%) of the previous Term Year's compensation payable and an additional Twenty (20%) percent commission to Wilhelmina Artist Management, Inc. upon exercise of the Override option. No Service Days or any other services shall be required during this override period.
- (g) **Payments Required By Union Agreements:** All sums that become due by reason of the production, use and re-use of the Commercials other than for additional production days as set forth in paragraph 6(e) shall be credited and tracked by the Agency at two (2) times the applicable union minimum rate ("scale") specified in the collective bargaining agreement for the medium to which it relates, against the respective sums specified in this Paragraph 6. If twice the aggregate amount due under one or more applicable union agreements for such reuse exceeds the allocable amounts paid Artist under the allocation provided in paragraph 6(h) below, Advertiser shall pay Artist the difference within ten (10) business days following the date when such sum becomes due.
- (h) **Allocation:** The payments made pursuant to this Paragraph 6 less secondary tour sponsorship fees shall be allocated as follows: Fifty Percent (50%) for Artist's services and rights granted in the production and for the use of on television commercials; and Fifty Percent (50%) for the other services and rights granted, including Artist's print and point of purchase/sale advertising, personal appearances, covenants, representations and warranties. Any payments due a union Pension and Health Fund by the terms of a relevant collective bargaining agreement will be made in addition to Artist's compensation specified herein and will be directly to such Fund by the Agency.
- (i) **Payments:** Unless and until Contractor notifies Agency or Advertiser in writing otherwise, Contractor agrees that for purposes of this Agreement, Wilhelmina Artist Management, Inc. is her designated Agent for receiving payment. Payments will be made by check to the order of Wilhelmina Artist Management, Inc. o/b/o Beyoncé and mailed to Artist at the address specified on the first page of this Agreement, or to such other address as Artist may specify in written notice to Advertiser or its Agency. All payments set forth in this Agreement made to the order of Wilhelmina Artist Management, Inc. or any Agent for receipt of payment designated by Contractor, will constitute payment to Contractor and fulfill all of Advertiser's obligations to make payment to Contractor. Artist further acknowledges that no payments shall be made to her directly, but shall be made to Contractor (through Wilhelmina Artist Management) as described in this Agreement. Notwithstanding any other provision herein to the contrary, any payments made to Contractor after June 6, 2002 shall be paid to Contractor directly, care of Goldring, Hertz, Lichtenstein, and Haft, LLP, attention Jonathan D. Haft, Esq., or as otherwise directed by Contractor in writing.

7. **Exclusivity:**

- A. Artist agrees during the Initial Term (and if it comes into existence, each Option Term), Artist will not authorize the use of Artist's name, performance, voice, signature or likeness, or render services for use in advertising or publicizing any hair cosmetic or skin care product and/or any products bearing the REVLON or CLAIROL brand names in the Territory. If Artist's performance, name, voice, signature or likeness is used without her consent in the Territory, she will use reasonable efforts to cooperate with Advertiser in its efforts to stop such use at Advertiser's expense. Notwithstanding the foregoing, Artist may appear in any

entertainment program or event whether or not sponsored by a competitor or Advertiser but she shall not perform or appear in the lead-ins and/or lead-outs featuring such competitor's products.

- B. This exclusivity provision shall not apply to any override period under Paragraph 6(d) in the Territory.

8. Personal and Publicity Appearances:

If requested by Advertiser, Contractor shall cause Artist to make personal appearances at places designated by Advertiser (subject to Performer's professional commitments existing at the time of Advertiser's request) at sales meetings, product support activities or an activity related to advertiser's conduct of its day-to-day business other than an activity conducted at a store or other retail location or spaces otherwise open to the public and shall be counted as part of S Days to be rendered in each Term without additional compensation.

9. Travel:

Whenever Artist is required by Advertiser to travel a distance more than fifty miles from the location where she resides, Advertiser will pay Artist Two Hundred (\$200) Dollars per day to cover the costs of her miscellaneous meals, telephone, etc. and will arrange and/or pay for first class portal to portal private ground transportation, first class round trip air transportation, local transportation at her destination and first class hotel accommodations for four (4) people.

10. Artist's Appearance:

Contractor and Artist acknowledge that this Agreement is based in part on Artist's retaining throughout the term approximately the same physical appearance and health and warrant that Artist will use reasonable efforts to maintain the same in substantially similar condition. As a courtesy to Advertiser, Artist will give notice of any substantial change to her condition including any alteration to her hair.

11. General:

- A. (i) Contractor hereby warrants and represents that it is free to enter into and fully perform this Agreement and Artist's services and the rights conveyed to use the Commercial Materials will not infringe upon or violate the rights of any person, firm or corporation. Contractor and Artist agree to defend and indemnify Agency and Advertiser and to hold them harmless from and against any and all loss, damage, cost and expense, liabilities, fines and penalties resulting from any claims, proceedings or actions arising out of any material breach or claimed material breach by Contractor or Artist of any warranty, obligation, representation or covenant hereof.
- (ii) Advertiser represents and warrants it has the corporate authority to enter into this Agreement and that the Commercial Materials will not infringe upon or violate the rights of any person, firm or corporation. Advertiser agrees to defend and indemnify Contractor and Artist and hold them harmless from and against any and all loss, damage, cost and expense (including reasonable attorney's fees), liabilities, fines and penalties arising out of any breach or claimed breach by Advertiser of an obligation,

representation or covenant hereof for the development, production, use or other exploitation of the Commercial Materials and the Products. Advertiser shall name Artist as named insured on any of its insurance policies covering the matters indemnified against and on its Product Liability insurance policy and provide certificates of insurance evidencing that coverage. Advertiser is solely responsible for all product liability claims.

- B. Contractor and Artist warrant that Artist will not make any public statement in derogation of the Advertiser or its products; if she does, Advertiser shall have the right within 30 days of first learning about such statement to terminate this Agreement, but may in its discretion, continue using the Commercial Materials. If Advertiser elects to terminate the Agreement but continue using the Commercial Materials, any sums previously paid by Advertiser to Contractor for required services which will no longer be performed, shall promptly be refunded to Advertiser by Contractor on a pro rata basis and any sums due for continued use of the Commercial Materials through the end of the Term shall be paid to Contractor. If Advertiser terminates the Agreement and does not elect to continue using the Commercial Materials, Contractor will promptly reimburse Advertiser on a pro rata basis for any sums paid Artist prior to such breach, but not yet fully earned. As used here, "pro rata" shall mean the fraction of the Term already elapsed as of the date of termination as applied to the compensation paid or payable to Contractor allocated as follows: fifty percent (50%) to Artist's services based on ten (10) production days and fifty percent (50%) to the right to use Artist's likeness in the Commercial Materials.
- C. Contractor and Artist agree the services Artist is to perform and the rights and privileges she has granted to Advertiser hereunder are special, unique, extraordinary and impossible of replacement, which gives them a peculiar value, the loss of which could not be adequately compensated in damages in an action at law, and that her failure to perform her obligations hereunder would cause Advertiser irreparable damage. Agency or Advertiser shall give Contractor written notice of any such failure to perform her obligations and she shall have a one-time right to cure such alleged breach, if reasonably curable, within seven (7) business days of receipt of notice thereof. Should Artist continue to fail to perform such obligations, Agency and Advertiser, together or independently, shall be entitled to either cancel this agreement, or to seek injunctive or other equitable relief against Contractor and/or Artist to prevent the continuance of such failure or to prevent her from performing services for, or granting rights to, others in violation of this Agreement. In either such event, Advertiser will have no further obligation to Contractor and/or Artist hereunder and Contractor will promptly refund to Advertiser on a pro rata basis (subparagraph 11.B., supra) any sums paid Contractor prior to such breach, but not yet fully earned. There will be no liability for consequential damages.
- D. The payment to Contractor of the compensation provided herein by Agency on behalf of Advertiser will fully discharge all of Advertiser's and Agency's obligations to Artist hereunder and neither Advertiser nor Agency will be obligated to produce or publish any of the Commercial Materials or to utilize Artist's services hereunder.
- E. Contractor and Artist acknowledge that they have no right, title or interest, nor will they claim any right, title or interest, in or to the Commercial Materials produced hereunder. Such materials shall be and will remain the absolute property of Advertiser.
- F. Contractor and Artist acknowledge that proper conduct and behavior must at all times be consistent with the dignity and high standards of the Advertiser and that such conduct must not derogate or otherwise disparage the Advertiser.



If Artist is charged with a felony or is convicted of any act involving moral turpitude during the Term hereof and the effect of such breach is, in the reasonable judgment of the Advertiser, of sufficient magnitude to require, for commercial reasons, the discontinuance of the use of the materials produced hereunder utilizing her services, the Advertiser shall have the right, but not the obligation, to terminate this Agreement upon written notice to Contractor setting forth the basis for such action no later than thirty (30) days after hearing of such action without any further obligation, except to pay Contractor such sums as may have accrued on a pro rata basis under the terms of this Agreement prior to such termination. In the event of such termination Advertiser shall have the right, at its option to seek a refund on a pro rata basis as provided in subparagraph 11B.

- G. (i) Contractor and Artist agree that, if required and to the extent permitted by law, Artist will become and remain a member in good standing of any collective bargaining unit which may, while this Agreement is in force, have jurisdiction over her services hereunder. If Agency or Artist incurs any expense, including any fine or penalty, as a result of the others failure to become or remain a member in good standing for any such expenses, fines or penalties, then Contractor will be responsible for, and will reimburse Advertiser for any such expenses, fines, or penalties required to be paid as a result thereof..

(ii) Agency represents and warrants it is a signatory to applicable SAG and AFTRA guild agreements and acknowledges this Agreement is subject to the minimum terms established by such guild agreements except where the provisions of this Agreement are more favorable to Artist.

- H. If Artist dies during any term hereof, Advertiser shall have the right either to terminate this Agreement or to continue using the Commercial Materials in which Artist appears upon payment of the required sums provided herein. If Advertiser elects to continue using the Commercial Materials created prior to the death of Artist, any sum already paid by Advertiser to Artist for the services which were required but can no longer be performed hereunder, shall promptly be refunded to Advertiser by Contractor or Artist's estate, as applicable, on a pro rata basis (see subparagraph 11.B., supra) and any sums due for the continued use of the Commercial Materials through the end of the current term shall be paid to Contractor. If Advertiser elects to discontinue use of the Commercial Materials under such circumstances, any sum already paid by Advertiser to Contractor for Artist's services to be performed and the usage rights conveyed hereunder, shall promptly be refunded to Advertiser by Contractor or Artist's estate, as applicable, on a pro rata basis (see subparagraph 11.B., supra).

- I. Contractor and Artist acknowledge that this Agreement is based in part on Artist retaining throughout the Terms essentially her current excellent physical condition and beauty and warrants she will maintain her skin color, shade and tone, hairstyle and hair color, weight, etc., at their current condition. If Artist is unable to fulfill her material obligations hereunder due to extreme sunburn, illness, injury, accident, disfigurement, or to a change in her physical appearance in a material way or any other incapacity which renders Artist incapable of properly performing as required hereunder or if for such reason she is prevented from rendering her services as requested by Advertiser or Agency for longer than thirty (30) consecutive days, or more than six (6) weeks in the aggregate in any one term, Advertiser may, at its sole option, elect to either: (1) extend the Term of this Agreement for a period equal to the length of Artist's disability without additional compensation to Contractor, (2) terminate this agreement with no further payment to Artist except payment(s) due Contractor, if any, based on the pro-rata allocation provided in subparagraph 11.B; or (3) continue using the Commercial Materials produced prior to such termination. If Advertiser elects to terminate this Agreement, Advertiser shall immediately cease use of the Commercial Materials and Advertiser will have no further obligation to Contractor hereunder and

Contractor will promptly refund to Advertiser on a pro rata basis (see subparagraph 11.B.supra) any sums paid Contractor prior to such breach, but not yet fully earned. If Advertiser elects to terminate Artist's services, but to continue using the Commercial Materials produced prior to the disability, Contractor will promptly refund to Advertiser on a pro rata basis (see subparagraph 11.B., supra) any sum already paid by Advertiser to Contractor for services which were required but can no longer be performed. Advertiser shall pay Contractor any sums due for continued use of the Commercial Materials through the end of the current term (based on the pro rata allocation provided in subparagraph 11.B).

- J. For the purpose of complying with requirements of media entities telecasting the Commercials, and governmental regulations concerning the use of testimonials and endorsements in advertising, Artist will furnish affidavit(s) substantially in the form attached hereto attesting to her use of, and preference for, the Products.
- K. Each notice, consent, approval or request to be given or made hereunder shall be in writing and shall be deemed to have been duly given on the day when delivered personally or sent by certified mail return receipt requested or telefax to the other party at the following address:

to Advertiser: L'Oréal USA, Inc.  
575 Fifth Avenue  
New York City, NY 10010  
Attn: Chris Corbett, Esq.  
Fax: 212-984-4946

with a copy to Agency: McCann-Erickson USA, Inc.  
622 Third Avenue  
New York, NY 10017  
Attn: Danielle Korn  
Executive Vice President  
Fax: 646-865-3687

Artist & Artist's  
Representative: Beyoncé, Inc.  
c/o Wilhelmina Artist Management, Inc.  
f/s/o Beyoncé Knowles  
300 Park Avenue South  
New York, NY 10010  
Attn: Dieter Esch  
Fax: 212-271-1653

Beyoncé Knowles  
c/o Mr. Matthew Knowles  
Music World Entertainment Inc.  
4898 Bissonnet St.  
Houston, TX 77031  
713-289-5777

With a copy to. Golding, Hertz, Lichtenstein & Haft LLP  
450 N. Roxbury Drive  
Beverly Hills, CA 90210  
Attn: Jonathan Haft  
310-550-5212

or to such other address as either party shall designate by notice in writing to the other in accordance herewith. Any notice mailed pursuant hereto shall be deemed to have been given three business days after the date on which it's mailed.

- L. Advertiser and Agency will use all best commercially reasonable efforts to maintain the quality of all Commercial Materials produced pursuant to this Agreement. Provided Advertiser continues to use such efforts, Contractor and Artist hereby release and discharge Agency, Advertiser and their respective successors and assigns from all liability resulting from any technical distortion, alteration or faulty reproduction which may occur in the development, dissemination or use of any of the Commercial Materials produced hereunder which Advertiser/Agency could not have reasonably anticipated or prevented. Advertiser and Agency shall use efforts within its control to correct any such technical distortion, alteration or faulty reproduction promptly upon receiving notice of such defect.
- M. Advertiser may designate a talent payment agency to make the payment hereunder provided such agency is signatory to the SAG and AFTRA guild agreements applicable to Artist's services. In such event, all payments due to Contractor shall be made to Contractor or Contractor's designated Agent for receiving payment by such talent payment agency or by any other talent payment agency designated by Advertiser. It is understood, however, that no contribution of any sort or nature shall be made from the amounts due Artist hereunder including, without limitation, out of the 50% allocated to Non-Television services and rights according to paragraph 6.g. Advertiser shall remain solely liable for all payments due hereunder.
- N. If for any reason, such as strikes, boycotts, war, Acts of God, labor troubles, riots, delays of commercial carriers, or restraints of public authority, we shall be unable to use and/or re-use any of the materials produced hereunder during any period of the Initial Term or Option Terms, if any, hereof, then we shall have the right to extend the Initial Term or Option Terms for an equivalent period not to exceed six (6) months without any additional compensation to Contractor. Further, if, due to either technical defect in equipment or in process of developing film, tape, photographs, or the like, not caused by Agency or Agency's contractors and otherwise not within Advertiser's or Agency's control we are unable to obtain sufficient footage, tape or a sufficient number or quality of photographs, or the like, Advertiser shall have the right to require your services in re-shooting or re-taping for such amount of time not to exceed the number of service days originally devoted to the shoot as necessary subject to payment of travel, lodging, and per diem without the payment of additional compensation. Without limiting the foregoing, if, as a result of a strike by SAG or AFTRA, Contractor or Artist refuse to provide Artist's services to us or we are prevented from utilizing the materials produced hereunder, Advertiser shall have the right to either terminate this agreement or extend the then current year of the term hereof for a period equivalent to the duration of such strike. In the event of any such extension hereunder, the option periods payment schedule(s), if any are provided herein, will be adjusted accordingly.
- O. Contractor is an independent contractor. Any and all contracts which may be made by Contractor for and in the performance of Artist's part of this Agreement, shall be made by it as a principal and not as an agent of Advertiser or Agency. There shall be no liability for any commission whatsoever on the part of Advertiser or Agency to Contractor or to any party thereto with respect to any such contract entered into by Contractor. Contractor receives as independent contractor full payment of any compensation and amount payable in connection with any services performed or rights granted hereunder. Contractor will perform and discharge all obligations imposed upon employers under workmen's compensation, unemployment compensation or insurance, disability benefits, social security and all other Federal State or Local laws and regulations, including, but not limited to all withholding and

deductions required by tax law to be made by employers on all U.S. based income. Contractor shall be responsible for the filing of all returns and reports required of independent contractors under the provisions of U.S. law and payment of all assessments, taxes, contributions and other sums imposed thereunder upon, or with respect to, the compensation paid to it for the purposes hereunder. To the extent permitted by law, Artist will become a signatory or adhere to, and abide by, all rules and regulations of any union, guild, federation or labor organization which may have jurisdiction over the services to be rendered or furnished by her hereunder, and will make all payments required thereby, including any increases lawfully required by any thereof, exclusive of union Pension and Welfare Fund payments which Advertiser shall pay in addition to all other payments required to be made by Advertiser hereunder.

- P. In the event any provision of this agreement is determined to be invalid by a court of competent jurisdiction, such determination shall in no way affect the validity or enforceability of any other provision herein.
- Q. The parties agree that the terms of this Agreement shall be kept confidential excluding disclosure to representatives of Artist and disclosure as required by law or court order or to enforce the provisions of this Agreement.
- R. This Agreement constitutes the entire understanding between the parties relating to the subject matter hereof and may not be modified, renewed, extended or discharged, except by an agreement in writing, signed by both parties.
- S. This Agreement shall be construed by and governed in accordance with the laws of the State of New York applicable to contracts made and to be performed wholly within such State. A waiver of any breach of this Agreement must be in writing and shall not be deemed a waiver of any preceding or subsequent breach of the same or any other provision. Except with respect to the remedies provided in paragraphs 11.B, 11.C 11.H and 11.I, all specific remedies provided in this Agreement shall be cumulative, and shall not be exclusive of one another or of any other remedies available in law or equity. Neither this Agreement nor any provision thereof shall be binding on either of the parties hereto until this Agreement is signed by both parties.

- T. Nothing herein shall require Artist to act contrary to any law or to the applicable SAG or AFTRA bargaining agreements to which she is a signatory. Artist confirms Artist's agreement to the foregoing by affixing her signature in the places indicated below on each of three copies and returning them to the undersigned.

Very truly yours,

L'Oreal USA, Inc.

McCann-Erickson USA, Inc.  
As Agent For L'Oreal USA, Inc.

By: 

Joseph Campanelli, President  
L'Oreal USA Inc.  
Consumer Product Division

By: \_\_\_\_\_

Danielle Korn,  
Executive Vice President  
Director of Broadcast Operations

and

By: \_\_\_\_\_

Nicholas Hieronimus  
Managing Director

Accepted and Agreed  
this \_\_\_\_ day of July, 2002

Confirmed  
this \_\_\_\_ day of July, 2002

By: 

Beyoncé Inc. f/s/o Beyoncé Knowles  
Fed. ID # 76-0682065

By: 

Matthew Knowles,  
Manager Destiny's Child  
o/b/o Destiny's Child

By: \_\_\_\_\_

Wilhelmina Artist Management, Inc.

I have read and fully understand this contract and agree to be bound by all the terms set forth herein.

By: 

Beyoncé Knowles

Social Security No.: \_\_\_\_\_

ENDORSEMENT AFFIDAVIT

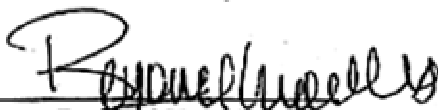
State of                    )  
                                  ) ss.:  
County of                )

I, Beyoncé Knowles, being duly sworn, affirm and attest that:

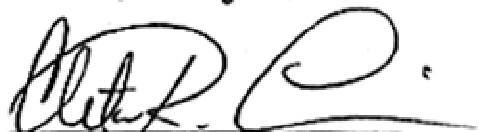
- 1) I am using the L'Oréal hair and cosmetic products ("Product") shown in the advertising materials described below; and
- 2) The statements made by me, about me or attributed to me in advertising for the Product, which advertising is identified below, are true and accurately reflect my experience with the Product and with the products of Advertiser generally.
- 3) The advertising material to which this affidavit relates is identified as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dated:                   , 2002 .

  
Beyoncé Knowles

Subscribed and sworn to before me  
this 26<sup>th</sup> day of August, 2002.

  
Notary Public

