

***This is not a paper devised to start a DISCLAIMER drafting exercise**

(Trademark)

EXCLUSIVE COUNTRY/AREA (Enter Selection) DEVELOPMENT FRANCHISE AGREEMENT

FOR THE TERRITORY OF

(COUNTRY/AREA)

BETWEEN:

(Franchisor Company Official Name & Type)

- and -

(Franchisee Company Official Name & Type)

INITIALS

(Franchisor Company Name)

(Franchisee Company Name)

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SAMPLE

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**(TRADEMARK) EXCLUSIVE COUNTRY/AREA (Enter Selection) DEVELOPMENT FRANCHISE AGREEMENT
FOR THE TERRITORY OF (COUNTRY/AREA)**

THIS AGREEMENT is made in the City of (City), (Country) on (Date), BETWEEN

1. **(Franchisor Company Official Name & Type)**, a Saudi company registered under the laws of the Kingdom of Saudi Arabia and holding a commercial registration certificate number (Number) dated (Date) and issued from (City) with offices at (Address) and P.O. Box Number (PO Box Number), (City), the Kingdom of Saudi Arabia and Telephone Number (Number) and Fax Number (Number) and valid email address (Email Address) and represented for the purpose of this Agreement by (Official Signatory Name) in her/his capacity as (Official Signatory Position) of the company hereinafter referred to as the ("Trademark") or **Franchisor**"); AND

2. **(Franchisee Company Official Name & Type)**, a company registered under the laws of (Country or Jurisdiction) and holding a commercial registration certificate number (Number) dated (Date) and issued from (City) with offices at (Address) and P.O. Box Number (PO Box Number), (City), (Country), and Telephone Number (Number) and Fax Number (Number) and valid email address (Email Address) and represented for the purpose of this Agreement by (Official Signatory Name) in her/his capacity as (Official Signatory Position) of the company hereinafter referred to as the "Franchisee."

The two above Parties herein collectively referred to as the ("**Parties**") and individually as the ("**Party**").

Preamble

1. The Franchisor has developed and is continuing to develop a business of (Business Activity) under the Trademarks "(Trademark)" with an amount of goodwill and public acceptance ("**the Business**"); as defined in more details in Schedule One of this Agreement; and

2. The Franchisor is the sole and exclusive owner and operator of all Intellectual Property Rights of (Trademark) including all related trade names, logos, architectural and corporate designs, insignias, trade dress, colour schemes of premises, business and packaging material, uniforms, and other proprietary rights that the Franchisor may use from time to time in connection with the establishment, development, operation and continuation of the Business ("**Intellectual Property Rights**") as defined in more details in Schedule One and as shown in Schedule Two of this Agreement; and

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3. The Franchisor has built experience and accumulated Know-How as documented in the Operating Manual and other literature and formats for the day-to-day operations of the Business whether available in writing, electronically, verbally or by any other means all of which constitute the know-how of the Business operated under the name (Trademark) (**"Know-How"**); as defined in more details in Schedule One of this Agreement; and

4. The Franchisor has developed a range of products and services including (Main Products) and has created Proprietary Products and other unique ingredients to be used in company-owned and franchised Stores under the trademark of (Trademark) (**"Products and Services"**); as defined in more details in Schedule One of this Agreement; and

5. The Franchisor has the sole and exclusive worldwide rights to operate and/or grant licences to others to establish and operate the Business under the Trademark (Trademark) and associated Intellectual Property Rights, to make use of the accumulated Know-How and to offer the Products and Services; and

6. The Franchisee desires to obtain an exclusive licence to establish and operate the Business, utilize Trademark (Trademark) and associated Intellectual Property Rights, to make use of the accumulated Know-How and to offer the Products and Services in conjunction with the Franchisor's operational standards in (Country/Area) (**"Territory"**) as detailed in Article Three and Schedule Four and subject to the terms and conditions set out in this Agreement and the Store Development Plan as detailed in Schedule Three of the Agreement.

Article One: The Preamble

The above Preamble and each of the Articles and Schedules hereto shall be an integral part of this Agreement.

Article Two: The Grant of the Exclusive Country/Area (Enter Selection) Development Franchise Rights

1. For and in consideration of the Franchisee consent to pay the Initial Franchise Support Fees to the Franchisor, the Franchisor grants to the Franchisee and the Franchisee accepts from the Franchisor the Exclusive Country/Area (Enter Selection) Development Franchise Rights during the Term of this Agreement to establish and operate the Business, utilize the Trademark (Trademark) and associated Intellectual Property Rights, make use of the accumulated Know-How and to offer the Products and Services at a minimum of (Number of Stores) fully-owned Stores in accordance with and subject to the terms and conditions set out in this Agreement and the Store Development Plan in conformity with the provisions of Schedule Three.

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2. The above Exclusive Country/Area (Enter Selection) Development Franchise Rights are granted to the Franchisee under this Agreement is conditional in all respects upon:

- a. Paying the agreed Initial Franchise Support Fees as stipulated in Article Five, Clause Number One;
- b. Demonstrating to the reasonable satisfaction of the Franchisor the financial ability to establish and operate the Store(s) in accordance with the Store Development Plan and the remaining terms and conditions of this Agreement;
- c. Settling all amounts payable to the Franchisor under this Agreement within the periods stipulated herein.

3. The Franchisee shall not hold itself out as having any power or authority to enter into any kind of agreement in the name of the Franchisor, to commit the Franchisor in any way to any third parties or to incur any obligation on behalf of the Franchisor.

4. It is expressly clarified and understood that the Franchisee's conduct of the Business shall be as an independent business operator in its own name and on its own account.

5. The Franchisee is not an employee, manager, attorney, distributor, commissioner, agent, sales representative or partner of the Franchisor and nothing in this Agreement shall be construed as having any such meaning.

Article Three: Territory

1. The Franchisee shall develop (Trademark) Business according to the Franchisor's prescriptions within the Territory as shown in the map in Schedule Four.

2. The Franchisee shall enjoy Exclusive Country/Area (Enter Selection) Development Franchise Rights concerning the establishment and operation of (Trademark) Stores within the above-mentioned Territory during the Term of this Agreement and any additional renewal terms.

Article Four: Business Prototype

The grant of the Exclusive Country/Area (Enter Selection) Development Franchise Rights entitles the Franchisee to operate the business in:

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1. **Retail Stores:** Offer (Trademark) products in mall-based, stand-alone and/or street-side retail premises of various sizes including a kiosk model subject to approval by the Franchisor.
2. **(Other Sales Channels):** Offer (Trademark) products as (Sales Channel) in the Territory.
3. **(Other Sales Channels):** Offer (Trademark) products as (Sales Channel) in the Territory.
4. **(Other Sales Channels):** Offer (Trademark) products as (Sales Channel) in the Territory.
5. **(Other Sales Channels):** Offer (Trademark) products as (Sales Channel) in the Territory.

Article Five: Initial Franchise Support Fees, Monthly Royalty

1. **Initial Franchise Support Fees:** In concertation of the Exclusive Country/Area (Enter Selection) Development Franchise Rights to the Franchisee from the Franchisor throughout the Term of this Agreement to establish and operate the Business, utilize the Trademark and any other associated Intellectual Property Rights, make use of the accumulated Know-How, offer the Products and Services and provision of the preliminary and on-going support services, the Franchisee agrees to pay the Franchisor an amount of (Currency) (Amount) to be paid as following:
 - a. (Currency) (Amount) upon the signing of Letter of Intent "which was signed on (Date) and the amount was paid by the Franchisee on (Date).
 - b. (Currency) (Amount) upon the signing of this Agreement.
2. **Store Opening Fees:** After establishing (Number) Store, the Franchisee shall pay to the Franchisor a one-time Store Opening Fees of (Currency) (Amount) for each additional owned store.
3. **On-Going Monthly Royalty:** For the duration of this Agreement and on the 10th day of each calendar month, the Franchisee shall pay to the Franchisor an on-going monthly royalty equivalent to (Number in Writing) Percent (Number in Figures) % of the Business Gross Turnover.
4. **Other Charges:** The Franchisee shall pay to the Franchisor, such other fees, and charges as mutually agreed upon, for any future upgrade or improvements to the Business, which may be implemented from time to time.

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5. Late Payments:

- a. The Franchisee acknowledges that any failure to pay any amounts when due may constitute grounds for termination of this Agreement, as provided in Articles Twenty-One and Twenty-Two of this Agreement.
- b. Any failure, refusal or neglect by the Franchisor to exercise the rights, or to insist upon strict compliance with the obligations of the Franchisee under this Agreement, or the acceptance of late payments of any amounts payable or due hereunder shall not constitute a waiver of rights or an agreement by Franchisor to accept any late payments or a commitment by the Franchisor to extend credit or otherwise finance any aspect of the Franchisee's operations.

6. Taxation:

- a. The Franchisee shall be responsible for the payment of its own local applicable tax, including WHT (Withholding Tax), custom duties, tariffs and all franchise fees, royalties and cost of products and shipping shall be paid by the Franchisee to the Franchisor net of any of these expenses.
- b. Value Added Tax (VAT)
 - All fees payable pursuant to this Agreement must be paid by the Franchisee together with value added tax or any similar tax (if any) properly chargeable thereon in any jurisdiction.
 - Any value added tax chargeable in respect of any services supplied by the banks or any of them under this Agreement shall, on delivery of the value added tax invoice, be paid by the Franchisee in addition to any sum agreed to be paid hereunder.

Article Six: Support Services to the Franchisee

The Franchisor agrees during the validity of this Agreement to provide to the Franchisee the following preliminary and on-going support services, provided that the Franchisee is fulfilling and in compliance with:

- a. this Agreement; and,
- b. any other agreement(s) signed between the Franchisor or the Franchisee; and,
- c. the Operating Manual.

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1. **Preliminary Support Services:** Upon signing of this Agreement and before the commencement of the Business in the Territory, the Franchisor agrees to provide the following services to the Franchisee:

a. **Initial Training Program:**

1. (Training Program Duration)
2. (Description of Training Program).
3. (Training Main Subjects)

b. **Initial Franchise Support:**

(Please select ONLY the support services which your company can deliver to franchisees)

1. **Trademark:** The rights to use (Trademark) and associated Intellectual Property Rights in the Territory for the Term of the Franchise Agreement.
2. **Transfer of know-how:** Transfer of business concept know-how through initial training and provision of Operating Manual, business documentation and literature and point of sale software as deemed necessary by the Franchisor to enable the Franchisee to conduct the Business, and notwithstanding the ownership of the Know-how by the Franchisor, and confidential nature of the Know-how in whole or in part.
3. **Pre-entry financial study:** Customization of a financial study according to local market variables in the Territory including investment plan and profit & loss statements.
4. **Initial Training:** (Duration) initial training as directed by the Franchisor for up to (Number) individuals of the Franchisee's staff.
5. **Pre-entry market support:** Including evaluation of the selected location(s) and identification of local service providers.
6. **Site evaluation:** Identification of the most suitable site/sites for the establishment of the business, evaluation of site plans and advice on construction and refurbishment of the premises and provision of site development plans and algorithm.

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7. **Customization of Product Retail Mix:** Provision of Products' customization according to variables in the Territory and productions of presentations and images of products and development of supply chain systems.
8. **Launch training:** (Duration) pre-launch training provided by the Franchisor operations personnel in the Territory.
9. **Launch support:** (Duration) post-Launch support including soft opening and launch event, on the job training and store monitoring. (Trademark) support team may extend on site assistance longer if deemed necessary.
10. **Store designs:**
- (Please select one)
- Technical support in relation to customized Store designs and layouts and provision of samples of store designs and layouts, building material, sample charts and site development plans.
 - Production of architectonic images, interior and exterior look and feel of each Store and working with the local/regional architect appointed by the Franchisee to develop customized Store designs and layouts according to local requirement.
11. **Furniture, fixtures and equipment:** Supply of lists and specifications of furniture, fixtures, equipment and fittings.
12. **Nominated suppliers:**
- Provision of a list of nominated suppliers to secure quality standards, when and if needed; and
 - The Franchisee shall be required to purchase such products, as directed by the Franchisor from time to time from a mutually approved nominated supplier.
13. **Inventory of Proprietary Products:** Facilitation of the procurement and purchase of (Trademark) Proprietary and branded Products, including a list of mandatory purchases, nominated suppliers and related costs.
14. **Software:** Access to and customization of the POS software program through nominated service provider.

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15. **Marketing plans:** Provision and customization of launch marketing program and design and artwork.
 16. **Marketing material:** Assistance in design of initial marketing material, packaging material, product catalogues, brochures and other literature.
 17. **Web portal support:** Uploading of the Franchisee dedicated web page and/or information on the Franchisor's website for the purpose of facilitating and channelling e-commerce and online orders generated from the Territory in addition to the accessing updated Operating Manual and online Franchisee support materials.
2. **On-Going Support Services:** The Franchisor agrees during the Term of this Agreement to provide on-going support services to the Franchisee as following:

(Please select ONLY the support services which your company can deliver to franchisees)

1. **Advice and guidance:** On-going provision of management, operational, technical advice and guidance through telephone or electronic communication and video conferencing.
2. **On-going Training:** Provision of on-going refreshment managerial and operational training.
3. **Marketing:** Provision and customization of annual marketing programs and local store marketing and support in the execution marketing and advertising plans in addition to design of social media campaigns adapted to the Territory.
4. **Periodical visits:** (Number of Visits) per annum to the Territory conducted by Franchisor support staff.
5. **Business auditing:** Periodical management and financial auditing of the Business and production of updated business plans.
6. **Web support:** On-going Franchisor's website maintenance, update and support for the purpose of efficient and productive interaction between the Parties covering areas of management of e-commerce and online orders generated from the Territory and accessibility to updated Operating Manual, marketing material and management of product ordering and supply and other forms of franchise support elements as and when introduced by the Franchisor.

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7. **Operating Manual' Updates:** Periodic updates of Operating Manual as and when deemed necessary by Franchisor.
8. **Market research:** Conduct customer surveys and market research, develop and introduce new Products and Services, promotions and marketing ideas in accordance with the on-going developments in the Territory.
9. **Sales updates:** Sales evaluation and inventory selection based on previous sales records and current demands in the Territory.
10. **Identity:** On-going development of corporate image and identity as and when deemed necessary by the Franchisor.

Article Seven: Expenses as a Result of the Provision of Training and Support

1. The Franchisee shall cover all travel, accommodation and subsistence and any other costs associated with the provision of initial, on-going support, training and periodical visits such as visa, travel, lodging and subsistence.
2. If the Franchisee asks that one or more member of his staff receive additional training which is not covered under the initial or on-going training provided for herein, the Parties shall agree to the cost and expenses of such additional training.
3. Whatever the subject of the training, and whether the initial training session, or any additional training sessions, or subsequent sessions or meetings scheduled by the Franchisor, the Franchisee shall be charged all the related visa, travel, lodging, subsistence and salary expenses of its concerned staff attending such training sessions or meetings.
4. In the event the Business is not performing to the required standard, the Franchisee may request and the Franchisor may agree that the presence of a qualified Franchisor representative work at the Franchisee's Store(s) for an extended period of more than 15 days. In the case that both Parties so agree, all direct and related costs including the salary of the representative shall be borne by the Franchisee.

Article Eight: Operating Manual.

1. The Franchisor shall as soon as reasonably practical after the execution of this Agreement lend the Franchisee during the Term of this Agreement one or more copies of the Operating Manual, together

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with such updates, changes and/or modifications as the Franchisor may from time to time make at its sole discretion.

2. The Franchisee agrees, at all times, to strictly oblige and adhere to the provisions of the Operating Manual in all respects of establishing and operating of the Business.
3. The Franchisee agrees that in case of any discrepancy between the Franchisee's copy of the Operating Manual and the master copy kept at Franchisor's offices, the terms of the master copy of the Operating Manual shall prevail.
4. The Manual is and shall at all times remain the property of the Franchisor and shall be returned to the Franchisor upon expiration or termination of this Agreement for any reason.
5. The Franchisee agrees not to make the Operating Manual available to or permit others to make any copies of the Operating Manual or any portion thereof without Franchisor's prior written consent.

Article Nine: Obligations of the Franchisee

1. The Franchisee shall perform its obligation hereunder faithfully, honestly and diligently and extend its best efforts to promote and enhance the Business and its goodwill and protect its Trademark and associated Intellectual Property Rights.
2. The Franchisee shall, in the course of the Business provide high standards of service to its customers, be courteous and fair to its employees and refrain from engaging in any practices which would tend to mislead the public concerning the Business, the Trademark and associated Intellectual Property Rights.

Article Ten: Reciprocal Obligations

1. Both Parties shall execute this Agreement in good faith according to its terms and acknowledged business practices, such obligation shall extend to include all activities provided as part of the requirements under generally accepted business practices and prevailing regulations and laws in the Territory.
2. The Franchisee is obligated before the consumers and authorities to guarantee the quality of the Products to ensure conformity to the approved standards and health specifications.

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3. The Franchisor shall be in return obligated before the Franchisee to guarantee the quality of the Products delivered to the Franchisee and their conformity to the approved standards and health specifications.
4. The Franchisee is obligated under the Saudi regulations and laws to guarantee the quality of the Products, Services and material which form the subject of this Agreement and to provide necessary maintenance and spare parts at reasonable prices when required by consumers of the Products.
5. The Franchisor shall also be obligated to the Franchisee for the same obligations on such dates and shall provide such spare parts in such amount as may be specified by Franchisee.
6. In addition, the Franchisor shall provide to the Franchisee at reasonable prices such spare parts and necessary maintenance through for a period of one (1) year following the expiry or the termination of this Agreement or from the date of appointing another franchisee, distributor or agent in the Territory.
7. The Franchisor guarantees the quality of the Products forming the subject of this Agreement and compliance thereof with the standards of the Saudi Arabian Standards Origination ("SASO").
8. The Franchisor shall guarantee that the Products comply with all labelling, marketing and other applicable legal requirements in the Territory.
9. If violations of the above occur, the Products shall be returned to Franchisor at its own expenses in addition to Franchisee's right to claim suitable compensation for the damages caused by the violation.

Article Eleven: (Trademark) Store(s)

1. Observance to the Store(s) Development Plan:

- a. The allocation of the Exclusive Country/Area (Enter Selection) Development Franchise Rights entitles and obligates the Franchisee to establish and operate the Stores in the Territory in accordance with the Store Development Plan at the Approved Locations.
- b. If the Franchisee fails to comply with the Store Development Plan as detailed in Schedule Three of this Agreement, the Franchisee shall lose the Exclusive Country/Area (Enter Selection) Development Franchise Rights granted to it under this Agreement and its rights shall therefore become non-exclusive in the Territory where the Franchisor shall thus have the right to establish and operate owned Store(s) or grant others the right to establish and operate Store(s) in the Territory.

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- c. The Franchisee shall have the options to continue the Business in the “at the-then” established Store(s) or offer them for sale in accordance with the provisions of Article Eighteen of this Agreement.

2. Store(s) Site Selection and Approval:

- a. Within a maximum period of (90) calendar days from the date of execution of this Agreement by both Parties, the Franchisee shall have obtained the legal right of possession of the first Store through buying or leasing and shall have obtained the Franchisor approval for the location of the Store(s) and the Franchisee shall bear all related costs, expenses, rental fee and expenditure.
- b. The Franchisee shall obtain the Franchisor's prior approval in writing on the location for each Store to be established in the Territory before signing any lease or purchase agreement and the Franchisor approval must be confirmed by the issuance of a Store Opening Approval.
- c. The Franchisor approval of a Store(s) location(s) shall not be in any way considered to represent a guarantee or warrantee from the part of the Franchisor as to the profitability of the Store(s).
- d. Upon the issuance of a Store Opening Approval, the Franchisee shall not move the Store(s) from the Approved Location(s) without the prior written consent of the Franchisor, which consent shall not be unreasonably withheld.

3. Store(s) Design Specification and Construction Plans:

The Franchisee shall develop drawings that comply with the design, construction plans, all applicable ordinances, building codes, permit requirements, and lease requirements and restrictions in the Territory.

4. Construction of the Store(s):

- a. The Franchisee hereby undertakes to carry-out and execute the construction, refurbishment, development and fitting of the Store(s) as provided for in this Agreement and directed by the Franchisor from time to time.
- b. The Franchisee shall provide without any delay the required finance and operating capital and shall secure the payment of full costs of construction, refurbishment, development and fitting of the Store(s), including the fees of the initial preparation of the designs, drawings, construction works, landscaping, decoration and services and professional fees and costs.

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- c. The Franchisee ensures that the construction of the Store(s) shall be according to the designs, drawings and specifications approved by the Franchisor.
- d. The Franchisee shall at its own liability and cost obtain all consents, permits and licenses required for the construction, refurbishment, development and fitting of the Store(s).
- e. Subject to the Franchisor's written approval of the contractors/suppliers, the Franchisee shall have full control over contractors/suppliers' work plans and purchase and delivery orders for all equipment, vehicles, fixtures, signs, supplies and all other materials and systems required for the establishment and operation of the Store(s) and shall bear the costs pertaining to the foregoing.
- f. In undertaking the above, the Franchisee shall appoint an authorized representative on full-time basis to coordinate with the Franchisor in the construction, refurbishment, development and fitting of the Store(s).

5. Insurance:

- a. The Franchisee shall at all times, maintain policies of insurance with a reputable insurance companies approved by the Franchisor and regulated by the relevant authorities in the Territory covering public liability and such other risks as may normally be covered in a business of the size and type of the Business with policy limits and provisions confirming to the Franchisor's requirements.
- b. The Franchisee must provide to the Franchisor copies of all such insurance policies, documents showing payment of the insurance premiums.
- c. The Franchisee must provide immediate written notice to the Franchisor of all claims asserted or threatened against the Franchisee in respect of the Business.

6. Authorization of Store(s) Opening and Operation:

The Franchisor shall officially authorize the opening and operation of the Store(s) when:

- a. The construction, refurbishment, development, fitting and opening preparations of the Store(s) are completed to the satisfaction of the Franchisor.
- b. Pre-opening training of the Store(s) personnel was completed under the supervision and to the satisfaction of the Franchisor.

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- c. All Store Opening Fees and any other payments due to the Franchisor have been made and any required guarantees and undertakings have been delivered.
- d. The Franchisor has been furnished with copies of all insurance policies required pursuant to this Agreement, or such other evidence of insurance coverage and payment of premium as the Franchisor requests.

7. Specifications, Standards, Plans and Operating Procedures:

- a. The Franchisee shall operate the Business at each Store in full compliance with the terms of this Agreement, Operating Manual and applicable local laws and regulations in the Territory and shall obtain subsequently renew all permits, authorisations and licences required for the operation of the Store and hence maintain them valid at all times.
- b. The Franchisee shall always strictly comply with all required specifications of the Business systems, plans and operating procedures of the Franchisor relating to the appearance, operations, cleanliness, days and hours of operations which may vary among the Store(s) based on the Franchisor's reasonable judgment and the requirements of the commercial location(s) of the Store(s).
- c. The Franchisee shall participate in market research programs, customer surveys and test programs as required or approved by the Franchisor.

8. Condition and Appearance of the Store(s):

- a. The Franchisee shall not use the Store(s) for any purpose other than that provided for this Agreement.
- b. The Franchisee shall not make any material alterations to the site/location or to the appearance of the Store(s) as originally developed and approved by the Franchisor without prior written approval by the Franchisor.
- c. The Franchisee shall only place and display in the Store(s) only such emblems, lettering, logos and advertising materials that are approved by the Franchisor.
- d. The Franchisee shall maintain the condition and appearance of the Store(s), its equipment, furnishings, fixtures, signs and vehicles in accordance with the specifications and standards provided in the Operating Manual and as approved by the Franchisor from time to time and in consistency with the image of a clean, sanitary, attractive and efficiently operated retail business.

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9. Hygiene and Safety:

- a. The Franchisee agrees to comply strictly with the hygiene and safety rules in accordance with the laws of the Territory and the Franchisor's standards and to have them respected in all the Store(s).
- b. Any breach of hygiene in accordance with the laws of the Territory of the Franchisee could result in a serious misconduct charge and immediate Termination of this Agreement.

10. Employees:

- a. The Franchisee shall always abide by the general staffing levels, number, type and qualifications of the personnel and their special dress in the Store(s).
- b. The Franchisee shall only appoint highly qualified staff for each Store and shall undertake periodical evaluation of employees and managers' performance at the Store(s) and submit periodical reports to the Franchisor and raise requests for re-training, or dismissal.
- c. The Franchisee shall pay fair wages, salaries and other employment entitlements to all staff and shall provide them with suitable accommodation, insurance, medical care and transportation and shall cover costs related to visa and work permits.
- d. The Franchisee must not during the Term of this Agreement and for 24 months thereafter employ or seek to employ any of the Franchisor's staff and any failure to abide by this Article shall oblige the Franchisee to pay to the Franchisor a sum equivalent to the total remuneration of such staff member during the immediately preceding 24-month period.

11. Uniforms:

The Franchisee's employees while providing the Service at the Store(s) shall at all times wear the uniforms as approved by the Franchisor and provide prompt, courteous, and efficient service to customers consistent with the Operating Manual and requirements of the System.

12. Equipment, Furniture and Fixtures:

- a. The Franchisor shall assist the Franchisee in identifying all equipment, furniture and fixtures that are used in connections with the Business and in the operation of the Store(s).

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- b. The Franchisee must comply with the specifications of equipment, furniture and fixtures as provided and approved by the Franchisor and shall follow any new instructions and requirements issued by the Franchisor in this regard from time to time.
- c. The Franchisee shall only purchase equipment, vehicles, furnishings, fixtures, signs, materials, supplies, computer systems of the types, models, specifications and programs determined by the Franchisor or as required in writing from time to time.

13. Point of Sale System:

- a. The Franchisee shall purchase from the Franchisor's approved supplier such point of sale and business management software licences as is approved in writing by the Franchisor.
- b. The aforementioned point of sale and software shall to be used by the Franchisee at all times in the operation of the Business.

14. Maintenance and Refurbishment of the Store(s):

- a. The Franchisee, upon the Franchisor's request, undertakes to modify the layout, material and accessories of the Store(s) and more generally the Business itself, if there are new modifications developed and approved by the Franchisor, the costs of which shall be borne by the Franchisee.
- b. The Franchisee shall maintain during the Term of this Agreement the décor, equipment, fixtures, furnishings, vehicles, computer systems, appearance and signs of the Store(s) in good conditions.
- c. The Franchisee shall perform such periodical maintenance, including without limitation, maintenance and repair procedures provided for in the Operating Manual or as the Franchisor requests from time to time at its sole discretion with respect to the décor, equipment, fixtures, furnishings, vehicles, computer systems, and signs of the Store(s).
- d. The Franchisee shall, at its own liability and cost, refurbish and/or replace damaged or worn-out décor, equipment, fixtures, furnishings, vehicles, computer systems, and signs every (Number in Witting) Number in Figures) years during the Term of this Agreement or at the Franchisor's sole discretion and in the way required by the Franchisor.

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15. Advertising and Promotion:

- a. The Franchisee shall allocate a sum of not less than (Number) in writing) (Number in figures) % of the Gross Turnover of all Store(s) per calendar month for local Store advertising in accordance with the set of parameters and durations as the Franchisor may request from time to time at its sole discretion and the Franchisee shall use these monies to:
 - i. purchase local advertising to promote the Business;
 - ii. prepare camera-ready advertising copy for use in local advertising, script for broadcast advertising, signs, posters, brochures, banners, and other point-of-sale advertising and promotional material;
 - iii. hire the services of advertising and public relations professionals; and
 - iv. carry on other advertising and promotional activities and social media presence as the Franchisor may reasonably requested.
- b. The Franchisee must ensure that any advertising and promotional material shall comply with the Franchisor standards and all consumer protection and other applicable laws within the Territory and shall always obtain the Franchisor written approval before launching any advertising, promotional campaign and/or social media activities.

16. Operating Hours:

- a. All Store(s) shall be open for business to the public during customary business hours in the Territory on every day of the year except for official holidays in the Territory scheduled by similar businesses.
- b. To the extent permitted by applicable law, the Franchisor reserves the right to modify the business hours as it deems necessary for the Franchisee to fully meet the potential of the market and to remain competitive in that market and the Franchisee agrees to comply with any reasonable modification of the business hours upon receipt of written notice from the Franchisor.

17. Visits to the Store(s) by the Franchisor Staff:

- a. The Franchisor may, at the expense of the Franchisee, send a representative to the Territory to assist the Franchisee for several days at the time when each Store opens.

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- b. The Franchisor shall without serving a prior notice (unannounced visit, at the Franchisor's discretion) to the Franchisee, send one or more of his staff after the opening and operation of each Store in the Territory not less than once in each consecutive 12-month period at the Franchisor's expense to inspect the Franchisee's operations and to offer guidance and assistance.
- c. Any other support shall be provided by the Franchisor's chosen headquarters unless both Parties agree otherwise.
- d. If the Franchisor makes additional trips to the Territory at the Franchisee's request, more than the mandatory visits stated in Article 17.b above, the Franchisee shall be responsible for payment or reimbursement of direct costs incurred by the Franchisor, such as visa, travel, lodging and subsistence.

18. Accounting:

The Franchisee shall keep such books and records and submit such statements and reports to the Franchisor in accordance with this Agreement or as may be required by the Franchisor from time to time.

19. Store(s) Inspection and Auditing:

- a. In consideration of the right of the Franchisee to operate the Business, utilize the Trademark and associated Intellectual Property Rights, use of the accumulated Know-How and the right to offer the Products and Services under the Trademark (Trademark), the Franchisee acknowledges the right by the Franchisor to;
 - to monitor the sales and overheads of the Store(s) via the point of sale system to access all financial and operational information of the Store(s), and
 - to review operating costs and overheads to establish the procedures sufficient for the control of the purchase of Products and Services as are necessary for the proper management of the Store(s).
- b. The Franchisee acknowledges the right by the Franchisor to undertake unannounced inspection and auditing visits from time to time to make sure that standards of the Business and terms of this Agreement are followed.

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- c. The Franchisee specifically allows the Franchisor to carry out the necessary controls in the customer area as well as in the back office of the Store(s) at such periods as the Franchisor may deem appropriate and necessary in its sole discretion.

Article Twelve: Products and Services

1. Quality, Uniformity, and Distinctiveness of the Products:

- a. In order to ensure quality, uniformity, and distinctiveness of the Products offered at the Franchisee's Store(s) under the Trademark (Trademark) and associated Intellectual Property Rights, the Franchisee shall:
- offer for sale only the Products authorized by the Franchisor and which meet the Franchisor's specifications, standards, and procedures.
 - take such actions and obtain any licenses required for the offer or sale of any substitute or new products required by the Franchisor.
 - guarantees that the Store(s) shall have at all times sufficient inventory of Products, supplies and other items to ensure consistent and continuous high quality and efficient service to its customers.
 - purchase from the Franchisor all Products, printed material, ingredients, (Main products sourced from the Franchisor) and other related supplies in addition to other operational equipment and/or material used in the management and operation of the Store(s) as listed in Schedule Five "Proprietary Products."
 - purchase such Approved Products as the Franchisor may advise from time to time only through a supplier or manufacturer approved by the Franchisor ("Approved Products").
 - purchase such other Products as the Franchisor may advise from time to time through a supplier or manufacturer of the Franchisee's selection, provided that the said Products meet the quality standards and specifications of the Franchisor ("Optional Products").
- b. The purchase of Proprietary Products shall be subject to the Franchisor's standard terms and conditions then applicable to the sale and supply of Products and the purchase price thereof shall be guaranteed in a manner satisfactory to the Franchisor.

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- c. The Franchisor shall notify the Franchisee of any Proprietary Product(s) planned to be discontinued one month before the discontinuation to allow the Franchisee sufficient time to clear the items from stock, and/or to allow for special promotions for the discontinued Product(s).

2. Products Restrictions:

During the Term of this Agreement, the Franchisee and its Affiliates, unless expressly approved otherwise in writing by the Franchisor beforehand, shall not:

- a. sell or export any of the Proprietary or Approved Products outside the Territory or to any party if it knows, should know or has any reason to believe that such sales are likely to result ultimately in the sale or exporting of Products outside the Territory,
- b. promote or sell Proprietary or Approved Products using any direct marketing methods or through home shopping programmes, direct mail or door-to-door solicitation,
- c. provide Products for use as premiums, promotions, give-aways, fund-raisers or entries in raffles or to customers for resale using any direct marketing methods,
- d. sell Products to any customer which it knows or reasonably should know engages in any illegal business practices or ethically questionable distribution methods.
- e. produce, promote or sell any products of any description that embody, bear or are associated with any artwork or other representation which the Franchisor considers in its reasonable discretion to be confusingly similar to or resembling the Trademark (Trademark) and associated Intellectual Property Rights or to any other proprietary material of the Franchisor or any of its Affiliates during the Term of this Agreement, or upon the expiry or termination thereof.

3. Ordering and Supply of Proprietary and Approved Products

- a. The Franchisee shall confirm the ordering of Proprietary Products (Number) weeks prior to the expected delivery date.
- b. The Franchisor shall charge the Franchisee an amount of (Currency) (Amount) for each delivery order.

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- c. The Franchisee must make advance payments for all amounts due for the purchase of the Proprietary Products in full immediately upon placement of any order.
- d. All prices of Proprietary Products shall be subject to change as per market conditions and the Franchisor shall notify the Franchisee with such changes as they occur in the marketplace.
- e. The Franchisor shall advise the Franchisee of any new product which shall be introduced and shall work with the Franchisee to establish the process for the supply and sale of such item in the Territory.
- f. The Franchisee shall be responsible for all actions and costs related to shipment, custom clearance and insurance of Proprietary Products in the Territory.

4. Defected or Damaged Proprietary Products

- a. In a maximum period of one week from the date of receipt of Proprietary Products, the Franchisee shall notify the Franchisor in writing of any defects or damages that may occur during shipping, storage or display of the Proprietary Products such defects or damages which may affect the possibility of selling it to the customers or if sold to the customers may affect the reputation of the Business.
- b. The Franchisor shall replace the defected or damaged Products at value to be reasonably determined by the Franchisor.
- c. Alternatively, the Franchisor may request the Franchisee to destroy such defected or damaged Products and, in such case, the Franchisor shall deduct its value from the next shipment.

5. Pricing of the Products

Unless the Parties agree otherwise, the Franchisee shall propose and seek approval from the Franchisor as to the pricing of the Products sold in the Territory in accordance to the local market trends and on the basis of cost-plus and competitive pricing strategies and the Franchisee shall not make any changes to the approved prices without the permission of the Franchisor.

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Article Thirteen: Invoicing and Payment

All invoices related, but not limited, to Initial Franchise Support Fees, On-Going Monthly Royalty, any other fee or due payment to establish and operate of the franchise Business or purchase of the Proprietary Products shall be paid by the Franchisee to the following bank account:

BENEFICIARY NAME: (Beneficiary Name)

BENEFICIARY ADDRESS: (Address)

BANK NAME: (Bank Name)

ACCOUNT NUMBER: (Account Number)

IBAN: (IBAN Number)

SWIFT CODE / BIC: (Swift Code Number)

BANK ADDRESS: (Bank Address)

Article Fourteen: Trademarks, Intellectual Property Rights and Brand Image

1. The Franchisee acknowledges that any appropriation or duplication of the Trademark and associated Intellectual Property Rights, Trade Name, Know How and Products and Services or any part of the Business thereof for any use or purpose other than for the operation of the Business at the Approved Location(s) shall materially impair the value of the Business, as well as the value of the Franchise Rights granted by the Franchisor to all (Trademark) Franchisees.
2. The Franchisee hereby acknowledges that the Franchisor has invested substantial time, efforts and money in the promotion and protection of its Trademark and associated Intellectual Property Rights and trade names as they exist on date.
3. The Franchisee acknowledges that the Franchisor is the absolute and sole owner of the Tradename and all associated Intellectual Property Rights and that the Franchisee shall use such rights only in accordance with the provisions provided for in this Agreement.
4. The Franchisee shall not enter any modifications or additions to the Trademark and any associated Intellectual Property Rights, brand name and image and shall not use any modified or alternative Trademarks on the Products and Services provided for in this Agreement without having the prior written consent of the Franchisor.
5. The Franchisee shall not attempt to register or procure to register the Trademark and associated Intellectual Property Rights or any such rights, names and marks which is similar to, resembling or

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conflicting with the Franchisor's Trademark and associated Intellectual Property Rights in the Territory or any other Territory.

6. The Franchisee shall not at any time and by any means permit any third party who is not authorized by the Franchisor to use the Trademarks and associated Intellectual Property Rights or any such rights, names and marks which is similar to, resembling or conflicting with the Franchisor's Trademarks and associated Intellectual Property Rights in the Territory.
7. The Franchisee shall notify the Franchisor of any infringement or unauthorized use by any third party to the said Trademarks or associated Intellectual Property Rights and shall take all reasonable steps to protect the goodwill and reputation of the Trademark and associated Intellectual Property Rights.
8. The Franchisee and its Affiliates shall not register or establish a company or use a corporate name under the name (Trademark) or any of the Franchisor's Intellectual Property Rights or any such rights, names and marks which is similar to or conflicting with the Franchisor's Trademarks and associated Intellectual Property Rights in the Territory or any other Territory.
9. The Franchisee and its Affiliates shall not own or attempt to own a website, domain name or social media pages under the name (Trademark) or any of the Franchisor's Intellectual Property Rights or any such rights, names and marks which is similar to or conflicting with the Franchisor's Trademarks and associated Intellectual Property Rights in the Territory or any other Territory.
10. The Franchisee acknowledges and accepts that all social media promotions such as Facebook, Twitter, YouTube, Instagram and LinkedIn and any other mobile social networks and local applications and/or blogs conducted by the Franchisee in the Territory or any other Territory shall at all times be the proprietary of the Franchisor and shall immediately cease the use of such media after the Termination or Expiry of this Agreement.
11. The Franchisee shall display the Trademark in all Products and Services sold, and on all materials, equipment and vehicles used and shall display it prominently at the Store(s) in accordance with the Operating Manual and marketing guidelines.
12. The Franchisee shall carry out the necessary promotion for the Trademark and shall use advertising and packaging designs and material which are specified and designated to conduct the Business in accordance with the Operating Manual and marketing guidelines.

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13. The Franchisee shall cease using such Marks after 30 days from receiving a written notice from the Franchisor specifying the default of the Franchisee in this respect, without curing such default within the said (30) days.

Article Fifteen: Confidential Information

1. The Franchisee acknowledges and agrees that the information, ideas, forms, marketing plans, and other materials disclosed to the Franchisee under this Agreement, whether or not included in the Operating Manual, and whether disclosed in writing or verbally, are confidential and proprietary information and trade secrets of the Franchisor, and The Franchisee hereby agrees to maintain the confidentiality of all such information.

2. The Franchisee may not disclose any such information to any third party, except to the Franchisee's employees, consultants and agents as necessary in the regular conduct of the Business and except as authorised in writing by the Franchisor.

3. The Franchisee must obtain non-disclosure agreements from his employees and third parties dealing with the Franchisee in relation to the Business to whom any Confidential Information may from time to time be disclosed.

4. The Franchisee shall maintain in confidence the confidentiality of all Confidential Information and commercial secrets brought to its knowledge of the Franchisor, and shall deal with such Confidential Information, as a valuable asset owned by the Franchisor.

5. The Confidential information includes, without limitation the following:

- a. Methods, techniques, equipment, specifications, standards, policies, procedures, information, concepts, systems, knowledge and experience pertaining to the development and operation of such type of business and marketing and development programs.
- b. Knowledge concerning the structure, secrets and operation of computer software programs, which the Franchisor authorized to be used in the operation of the Store(s).
- c. All modifications of computer software programs used in the operation of the Store(s), and all data generated from use of such programs, including, without limitation, the structure and operation of data base file structures containing such data and all additions and modifications pertaining thereto.

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- d. Specifications and standards for the equipment, vehicles, furnishings, fixtures, signs, Products, materials, supplies and Services used in development and operation of the Store(s).
- e. Sales data and information concerning consumer preferences and inventory requirements for Products, materials and supplies.

Article Sixteen: Reporting

1. Every month, the Franchisee shall transmit its accounting data including without limitation turnover, supplies, personnel costs, overheads and any required information to the Franchisor in accordance with the requirements of the Franchisor, so that the Franchisor can assess and monitor the overall running of the Business, as well as to provide appropriate assistance to the Franchisee.
2. At the Franchisee's own expense and by the first day of the second month of the current financial year, the Franchisee shall provide to the Franchisor on an annual basis and throughout the Term of this Agreement, a set of audited and certified accounts prepared by approved auditors for the previous accounting year.
3. The Franchisor shall have the right at any reasonable time after serving at least a-3 Business Days prior written notice to the Franchisee to inspect and audit or cause to be inspected and audited the Business, bookkeeping, accounting, sales and income files, and other records of the Business. Franchisee shall fully cooperate with Franchisor's representatives or independent certified public accountants in any such inspection or audit.
4. If the Franchisee fails to furnish reports, supporting records or other information required by the Franchisor or this Agreement, which necessitates an audit or inspection by a third party, the Franchisee shall reimburse the Franchisor for the costs of such audit or inspection. Such reimbursement shall include without limitation, charges of any independent accountants, visa, travel, lodging, subsistence, and compensation of the Franchisor's employees who participate in such inspection or audit.
5. The remedies stated in this Article shall be in addition to any other remedies and rights available to the Franchisor under this Agreement or the applicable law.

Article Seventeen: Non-Competition

During the Term of this Agreement and for 24 months thereafter, the Franchisee, its Affiliates, immediate family members shall not directly or indirectly engage in mean with or without consideration or acquire any

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financial or beneficial interest in any business which is Competitive or Similar to the Business as defined in this Agreement.

Article Eighteen: Assignment

1. The Franchisor acknowledges and agrees that this Exclusive Country/Area (Enter Selection) Development Franchise Agreement shall be assignable by the Franchisee to any affiliated entity, subsidiary or other special purpose entity established by the Franchisee.
2. The said assignment is conditional upon obtaining a prior written approval of the Franchisor and the Franchisee paying to the Franchisor on demand the third-party costs and all other disbursements and expenses of the Franchisor arising out of or in connection with such assignment.
3. Such permission shall be conditional upon written approval of the assignee by the Franchisor and the Franchisee paying to the Franchisor on demand the third-party costs and all other disbursements and expenses of the Franchisor arising out of or in connection with such assignment.
4. The Franchisee shall not mortgage, charge, pledge, encumber, sub-license or declare a trust in respect of any of its rights or interests under this Agreement nor make any attempt to do any such things.
5. This Agreement and all rights of the Franchisor under this Agreement may be assigned or transferred by the Franchisor at any time in whole or in part and shall inure to the benefit of the Franchisor's successors and assignees.

Article Nineteen: Term and Renewal

The Term of this Agreement shall be for an initial period of ten (10) years commencing from the date of its execution by both Parties, unless terminated earlier in accordance with the provisions of Articles Twenty-One and Twenty-Two of this Agreement (herein referred to as the "**Initial Term**"). The Initial Term of the Agreement may be renewed for one similar duration of ten (10) years at no additional Franchise Support Fees (herein referred to as the "**Renewed Term**") if at the time of renewal, the following conditions are fulfilled:

1. The Franchisee and its Affiliates are in Good Standing under this Agreement, the Operating Manual and/or any other agreement(s) signed between the Franchisor and the Franchisee or any of its Affiliates; and
2. The Franchisee has notified the Franchisor in writing at least 180 days before the expiry of the Initial Term of its desire to renew the Agreement; and

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3. The Franchisee or any of its Affiliates that may have signed this Agreement has signed the-then applied franchise agreement not less than 90 days before the expiration of the Initial Term, or 30 days after the Franchisee receives the-then applied franchise agreement from the Franchisor, whichever is earlier, and submitted the original thereof to the Franchisor; and

4. The Franchisee or any of its Affiliates that may have signed this Agreement has signed a general release of claims in a form satisfactory to the Franchisor (acting reasonable), regarding the past dealings with the Franchisor and its Affiliates during the Initial Term.

5. It is hereby expressly understood and agreed that the Franchisor shall have the right to apply the terms and conditions the-then applied development franchise agreement at the time of renewal of this Agreement for the Renewed Term, and the Franchisee agrees that the terms of the standard agreement in use by the Franchisor at the time of any renewal may be materially different from those contained in the present Agreement.

Article Twenty: Termination by the Franchisee

1. The Franchisee may terminate this Agreement at any time if the Franchisor breaches the provisions of this Agreement and fails to cure such breach within a period of (30) days as from receipt of a written notice from the Franchisee specifying such breach and requesting its cure.
2. In the event of Termination by Franchisee, all of the Franchisee's post-termination obligations in Article Twenty-One shall be enforceable, and the Franchisee hereby agrees strictly to adhere to each and every post-termination obligation without deferral or reluctance.

Article Twenty-One: Termination by the Franchisor

1. Termination shall be effective after the Franchisor provides to the Franchisee a 30-day written notice as a result of breach of any of the Articles of this Agreement or as a result of operating the Business in the Territory and if such default is not cured during such period.
2. Termination shall be effective after providing 10 days written notice upon the occurrence of any of the following defaults and if such default is not cured during such period:
 - a. The Franchisee is unable to obtain any necessary registrations or permits that may be required by the laws in the Territory to conduct the Business.

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- b. The Franchisee fails to begin the operation of any Store in accordance with the Store Development Plan.
- c. The Franchisee defaults in the payment of any fee as prescribed under this Agreement or in the payment for the products purchases from the Franchisor.
- d. The Franchisee misuses the Trademarks and associated Intellectual Property Rights, the Know-How and/or the Products and Services or engages in conduct which has an adverse effect on the Trademark and associated intellectual Property rights, the Business or the goodwill associated with it.
- e. The Franchisee attempts to assign the Franchisee's rights under this Agreement in any manner not authorised by this Agreement.
- f. The Franchisee ceases or threatens to cease to operate any of the Store(s), for a period of 30 or more consecutive days.
- g. The Franchisee fails to procure compliance from its affiliates to abide by this Agreement.
- h. The Franchisee is unable to pay its debts or becomes bankrupt.
- i. The Franchisee enters into compulsory or voluntary liquidation or compounds with or convenes a meeting of its creditors or makes any conveyance or assignment for the benefit of its creditors, or purports to do so, or has a receiver or manager or an administrator appointed over its assets
- j. The Franchisee takes or suffers any similar action which in the opinion of the Franchisor means that the Franchisee may be unable to pay or to have no reasonable prospect of being able to pay its debts.
- k. The Franchisee is convicted of any criminal act.
- l. The Franchisee engages in conduct that materially has an adverse effect on the operations and reputation of the Business.
- m. The Franchisee fails for a period of ten (10) days after notification of non-compliance, to comply with any local law or regulation related to the operation of the Business.

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- n. If the Franchisor reasonably determines that the Franchisee's continued operation of the Business shall result in imminent harm to public health or safety.
- o. This Agreement shall terminate upon its expiration, or by the written mutual agreement of both Parties.

Article Twenty-Two: Post-Termination

Upon the expiry of the Initial Term of this Agreement or the Renewed Term, or the termination of this Agreement by the Franchisee or the Franchisor for any reason, the following provisions shall apply:

1. The Franchisee shall not be entitled to any kind of compensation or refunds of any of the amounts paid to the Franchisor, including, without limitation, Initial Franchise Support Fees, Store Opening Fees, Ongoing Monthly Royalty, and/or any other fees or amounts paid to the Franchisor by the Franchisee during the Term of this Agreement.
2. All Opening Approvals for the Franchisee's Store(s) shall automatically terminate with immediate effect at the same date as this Agreement is terminated.
3. All amounts owed by the Franchisee shall become due and immediately payable to the Franchisor.
4. The Franchisee shall immediately discontinue the use of Trademarks and associated Intellectual Property Rights, the Know-How and the Products and Services and the Confidential Information.
5. The Franchisee shall immediately discontinue the use of all social media promotions such as Facebook, Twitter, YouTube and LinkedIn and any other social networks and local applications and/or blogs.
6. The Franchisee immediately discontinue any promotion or marketing of the Business in all online and print business directories, retail networks and any local below and/or above the media advertising tools.
7. The Franchisee shall immediately, at its own cost, remove the signs, board, inserts, point of sale material, and any characteristic designs from the Store(s), and change the interior and exterior appearance of the Store(s), so that they are not confusingly Competitive or Similar to or resembling the Business.
8. If the Franchisee fails to remove the signs and make the changes mentioned in this Article above within 30 calendar days, the Franchisor is entitled to do such actions and changes, without an objection from

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the Franchisee, by entering the premises of the Store(s), and the Franchisee shall pay to the Franchisor the costs incurred by the Franchisor in this regard.

9. Any such continued use by the Franchisee to the contrary of the provisions of this Article shall be deemed to be an infringement of the Franchisor's Intellectual Property Rights.
10. The Franchisee shall discontinue use of all related Trade Names, Trademarks, logos, architectural and corporate designs, insignias, trade dress, colour schemes of premises, Business, packaging material, staff uniform, any Marks, any colourable imitation of any Marks or other indicia belonging to the Franchisor in any manner or for any purpose or use for any purpose that suggests or indicates a connection or association with the Franchisor.
11. The Franchisee shall take all necessary or appropriate action to cancel all fictitious or assumed name or equivalent registrations relating to the Franchisee's use of any of the Franchisor's Trademarks and associated Intellectual Property Rights.
12. The Franchisee shall immediately cease to use any of the trade secrets disclosed to Franchisee pursuant to this Agreement.
13. The Franchisee shall return all Confidential Information and Operating Manual and other confidential material to the Franchisor.
14. The Franchisee shall not operate or own any company that is Competitive or Similar with the Business for a period of two years after the Expiry or Termination of this Agreement.
15. The Franchisee shall not disclose any of the Confidential Information received by it in terms of this Agreement for a period of two years after the expiry or Termination of this Agreement.
16. The Franchisee shall furnish to Franchisor within thirty (30) days as from the Termination or Expiration of this Agreement, evidence satisfactory to Franchisor of Franchisee's compliance with all obligations under this Article.
17. Expiration or Termination of this Agreement shall be without prejudice to the respective rights and obligations of the Parties under this Agreement and/or any other agreement that survive the expiration or termination of this Agreement.

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Article Twenty-Three: Force Majeure

1. Neither the Franchisor nor the Franchisee shall be liable or deemed to be in breach for loss, damage or failure to perform any of its obligations provided for herein, that cause in inadequate supply of equipment, merchandise, supplies, material or energy, or the voluntary foregoing of the right to acquire or use any of these in order to comply with orders, requests, regulations, or instructions of any government department, government agency or court order or judgment, which result from any of the following causes:
 - a. Acts of God, nature (as hurricanes, flooding, earthquakes, volcanic eruptions, etc.); or
 - b. Act of a public enemy, war, strikes, riots, terrorism or social unrest.
2. Any delay that results from any of the above causes shall extend the performance of either Party obligations herein accordingly or excuse the performance in whole or in part.
3. The above force majeure events shall not excuse either Parties non-performance of its obligations herein entirely, but only suspends it as long as the force majeure lasts.
4. If the force majeure event stays for more than (180) days, then either Party shall be entitled to terminate this Agreement without any liability toward the other Party.
5. The occurrence of a force majeure event shall not affect either Party obligation to pay any amounts due or owned at the time of its occurrence, or payment of the amounts due on the Franchisee to the Franchisor.

Article Twenty-Four: Infringement by Third Parties

1. If at any time the Franchisee shall have reasonable cause to believe that the Trademarks and any associated Intellectual Property Rights, Know-How and the Products and Services are being infringed by any third party, the Franchisee shall forthwith provide a written notice thereof to the Franchisor, but the Franchisor shall not be under any obligation to take any proceedings in respect thereof.
2. If the Franchisor decides to bring any action for such infringement, the Franchisee shall provide reasonable cooperation to the Franchisor in such action. The expenses of such action shall be borne by the Franchisor. The Franchisor shall be entitled to recover such expenses from any sums received from the said action and retain all sums received therefrom for its own account.

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Article Twenty-Five: Indemnity

1. Notwithstanding the remaining provisions of this Agreement, the Franchisee and its Affiliates shall indemnify the Franchisor against all claims, demands, actions, costs, expenses (including but not limited to reasonable legal costs and disbursements), losses and damages arising from or incurred by reason of any breach by the Franchisee of any of the representations, obligations or warranties set out in this Agreement.
2. Franchisor shall indemnify and hold Franchisee and Franchisee's Affiliates, shareholders, directors, officers, employees, agents and assignees harmless against any liability for any claims that arise from or in connection with the Business, where the Franchisee and its Affiliates has operated the Business in compliance with this Agreement and/or the Operating Manual, and against any claims arising as result of the Franchisor's breach of this Agreement or the non-registration of the Trademark in the Territory.

Article Twenty-Six: No Waiver

1. No failure to exercise and no delay in exercising on the part of the Franchisor any right, power or privilege under this Agreement shall be deemed as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
2. In the event that the Franchisor expressly waive any breach, default or omission under this Agreement, no such waiver shall apply to, or deemed as, a waiver of similar breaches, defaults or omissions or be deemed a waiver of any other breach, default or omission hereunder.
3. The rights and remedies of the Franchisor in connection herewith are cumulative and are not exclusive of any rights or remedies provided by law.

Article Twenty-Seven: Fairness of Terms

The Franchisee agrees that having taken independent professional advice and having regard to the facts and matters set out above the restrictions herein contained are reasonable and necessary for the protection of the Franchisor and further agrees that having regard to those circumstances such restrictions do not work harshly upon it.

Article Twenty-Eight: Dispute Resolution

1. Any claim, controversy or dispute of any kind between the Parties arising out of or relating to this Agreement shall be settled amicably.

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(Franchisor Company Name)

(Franchisee Company Name)

2. Should this not be possible within (30) days as of the date of the controversy or dispute, then the Franchisor shall upon its sole discretion and option refer such controversy or dispute either to:

a. An arbitration panel consisting of (3) arbitrators, where each Party shall appoint one arbitrator and the two arbitrators appointed by the two contractual Parties shall agree to appoint a third arbitrator who shall be the head of the arbitration panel. The arbitration award shall be final and binding upon the Parties. The arbitration panel shall have the right to issue an award to settle the matter amicably. The language of arbitration shall be Arabic, and the arbitration shall be held in the city of ---, the Kingdom of Saudi Arabia. The procedures of arbitration shall be according to the rules of the Saudi Arbitration Regulation in force at the time of arbitration or

b. The competent judicial authority in the Kingdom of Saudi Arabia.

3. The Franchisee hereby renounces and waives all and any rights to object if the Franchisor exercises its right to choose referring any dispute or controversy either to arbitration or to the jurisdiction of the competent judicial authority as prescribed above, or to allege that the applicable law does not permit exercising the aforementioned right.

4. The arbitrator or court fees shall be borne equally by the parties. All other costs and expenses in connection with the arbitration or court proceedings shall be borne initially by the Party who incurs such expense or who requests a service (such as, without limitation, a transcript of a deposition or of the arbitration proceeding). At the conclusion of the arbitration or court proceeding, all costs and expenses (including, without limitation, attorneys' and accountants' fees) of the prevailing Party shall be reimbursed by the Party that does not prevail. If a Party prevails on some but not all issues, the arbitrator shall determine the manner in which such costs will be borne.

Article Twenty-Nine: Severability

If any provision of this Agreement is held by any judicial or other competent authority to be void, illegal, or unenforceable, the remaining provisions of this Agreement shall remain in force and effect.

Article Thirty: Notices

1. All notices required to be provided or information supplied by either of the Parties to the other pursuant to the provisions of this Agreement must be in writing and shall be sent in original format by registered post.

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(Franchisor Company Name)

(Franchisee Company Name)

In the case of service on the Franchisor to:

For the attention of:

(Insert Name)

(Insert Position)

(Insert Company Name)

(Insert Company Address)

(Insert PO Box Number)

(Insert City)

Kingdom of Saudi Arabia

E-mail: (Insert Email Address)

And in the case of service on the Franchisee to:

For the attention of:

(Insert Name)

(Insert Position)

(Insert Company Name)

(Insert Company Address)

(Insert PO Box Number)

(Insert City)

(Insert Country)

Or to such other address or facsimile number as may from time to time be notified in writing by either of the Parties to the other.

2. Any notice delivered by hand shall be deemed to have been served at the time of delivery and any notice sent by registered mail to have been served on the seventh day after the date on which it is posted.

Article Thirty-One: Entire Agreement

1. This Agreement represents the entire understanding between the Parties in relation to the subject matter hereof and supersedes all agreements made by either Party, whether oral or written.
2. The Parties agree that, save as expressly set out herein, neither Party shall have any liability for any untrue statement or representation made by it (whether innocently or negligently) upon which the other Party relied in entering into this Agreement, unless such untrue statement or representation was made fraudulently.

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(Franchisor Company Name)

(Franchisee Company Name)

3. This Agreement shall prevail over any inconsistent terms and conditions in any other agreement between the Parties or referred to in correspondence or elsewhere and any conditions or stipulations to the contrary are hereby excluded and extinguished.
4. Reference to an article or sub-article is a reference to the specified article or sub-article of this Agreement.
5. Reference to any dates (days, months, years) in this Agreement is a reference to such dates according to the Gregorian calendar.
6. The headings and captions in this Agreement are for convenience of reference only and shall not affect its interpretation.
7. The terms and conditions of this Agreement may not be varied or amended without the prior written consent of both Parties.

Article Thirty-Two: Applicable Law

This Agreement shall be governed by and construed in all respects in accordance with the regulations and laws enforceable in the Kingdom of Saudi Arabia.

IN WITNESS WHEREOF the Parties hereto have set their hands the day and year first written above.

For and on behalf of:
(Company Name)

For and on behalf of:
(Company Name)

(Signatory Name)
(Signatory Position)

(Signatory Name)
(Signatory Position)

Date: (Date)

Date: (Date)

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(Franchisor Company Name)

(Franchisee Company Name)

Schedule One: Definitions

When used in this Agreement, and unless otherwise clearly indicated by the context in which they are used, the following words and phrases shall have the meaning set forth below:

“Affiliate”: Whether used in respect of the Franchisor or the Franchisee shall mean any entity or person which holds or controls, directly or indirectly, 50% or more of the shares carrying the right to vote at a general meeting, or its equivalent, of the Party in question.

“Agreement”: This Agreement and all its Articles and Schedules.

“Approved Location”: The physical location approved in writing by the Franchisor for the Franchisee to set up a Store or Store(s) in the Territory.

“Approved Products”: The range of products, which the Franchisor authorizes the Franchisee to display and sell at the Store(s) (as may be modified, replaced, improved and/or added from time to time by the Franchisor in its sole discretion).

“Business”: The business of (Main Business Activity) under the Trademark “(Trademark)” and associated Intellectual Property Rights including all related trade names, logos, architectural and corporate designs, insignias, trade dress, colour schemes of premises, business and packaging material, uniforms, and other proprietary rights together with the accumulated experience and Know-How including the comprehensive methods, techniques, processes, procedures and applications of management and operation, job and product knowledge, trade secrets, secret formulas and ingredients, quality control and assurance programs, specifications of equipment and store décor and fittings, training programs and aids, sources of supplies, annual, launch and local store marketing programs and advertising, book keeping, accounting, financial planning and administrative procedures and Business performance and sales analysis and evaluation as documented in the Operating Manual and other literature and formats for the day-to-day operations of the Business whether available in writing, electronically, verbally or by any other means.

“Business Day”: shall mean any day not a Friday or Saturday.

“Competitive or Similar Business”: Any (Main Business Activity) business.

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(Franchisor Company Name)

(Franchisee Company Name)

“Confidential Information”: Means any information disclosed to the Franchisee and its Affiliates (whether in writing, verbally, electronically or by any other means and whether directly or indirectly) by Franchisor or by any Franchisor’s Affiliate or any other third party on Franchisor’s behalf including any information relating to Franchisor’s Products and Services, operations, processes, plans or intentions, know-how, design rights, trade secrets, market opportunities, business affairs, System, and Operating Manual.

“Exclusive Country/Area (Enter Selection) Development Franchise Rights”: The rights granted by the Franchisor to the Franchisee to establish and operate the Business, utilize the Trademarks and associated Intellectual Property Rights, make use of the accumulated Know-How and to offer the Products and Services in Stores completely owned by the Franchisee in the Territory, where the Franchisor shall not operate the Business by itself and shall not grant others any similar rights.

“Good Standing”: Timely compliance by the Franchisee and its Affiliates with all provisions of this Agreement and the Operating Manual and the timely payment of amounts owed by the Franchisee to the Franchisor and/or its Affiliates.

“Gross Turnover”: In respect of each Store, the monthly gross sale price (before deduction of any expenses, commission, zakat, taxes or debits whatsoever) of all Products and Services sold through that Store.

“Intellectual Property Rights”: means Trademarks and any intellectual property that is used by the Franchisor in relation to the Business from time to time and to be licensed by the Franchisor to the Franchisee under the terms of this Agreement, including those set out in Schedule Two and including but not limited to the following: patents, patent disclosures and all rights in inventions (whether patentable or not); trademarks, service marks, trade names, Internet domain names and registrations and applications for the registration thereof together with all of the goodwill associated therewith; registered designs; designs; semiconductor topography rights; database rights of unfair extraction and re-utilization; copyrights and other rights associated with works of authorship, including moral rights, and mask works; and other forms intellectual or industrial property of every kind throughout the world (in each case in any part of the world, whether or not registered or registrable and if registered or registrable for their full period of registration with all extensions and renewals, and including all applications for registration or otherwise, continuations, divisions, or reissues thereof now or hereafter in effect), know-how, inventions, formulae, confidential or secret processes and information, and any other protected rights and assets, and any licences and permissions in connection with the foregoing.

“Initial Term”: shall have the mean stated in Article (19) here above.

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(Franchisor Company Name)

(Franchisee Company Name)

“Know-How”: The accumulated experience developed by the Franchisor including the comprehensive methods, techniques, processes, procedures and applications of management and operation, job and Product and Services’ knowledge, trade secrets, secret formulas and ingredients, quality control and assurance programs, specifications of equipment and store décor and fittings, training programs and aids, sources of supplies, annual, launch and local store marketing programs and advertising, book keeping, accounting, financial planning and administrative procedures and Business performance and sales analysis and evaluation as documented in the Operating Manual and other literature and formats for the day-to-day operations of the Business whether available in writing, electronically, verbally or by any other means all of which constitute the know-how of the Business operated under the name (Trademark).

“Initial Franchise Support Fees”: The sum payable by the Franchisee to the Franchisor for the Exclusive Country/Area (Enter Selection) Development Franchise Rights to establish and operate the Business in the specified Territory in accordance with the terms and conditions of this Agreement.

“Franchisee”: The second party to this Agreement or any person who may from time to time be licensed by the Franchisor to establish and operate the Business outside the Territory.

“On Going Monthly Royalty”: An amount equal to (Number in Writing) (Number in Figures) % of Gross Turnover to be paid every month by the Franchisee to the Franchisor for each and every operating Store in accordance with the provisions of Article Four, Clause Number Three.

“Operating Manual”: The documents and material of the Franchisor that contains information, forms and requirements for the establishment and operation of the Business and the Store(s) and for use of the Trademarks and associated Intellectual Property Rights, the Know-How and the sale of the Products and Services.

“Optional Products”: All Products that the Franchisee may purchase as the Franchisor may advise from time to time through a supplier or manufacturer of the Franchisee’s selection, provided that the said Products meet the quality standards and specifications of the Franchisor.

“Parties”: The Franchisor and the Franchisee together, and “Party” shall mean either one of the Parties.

“Products and/or Services”: The range of Products and or Services including but not limited to (Product line and Service mix) to be offered to customers for sale in company-owned and franchised Stores under the Trademark (Trademark).

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(Franchisor Company Name)

(Franchisee Company Name)

“Proprietary Products”: The Products that are integral to (Trademark) Business and sourced and supplied to the Franchisee directly by the Franchisor. A list of these Products is specified under Schedule Five of this Agreement and (as may be modified, replaced, improved and/or added from time to time by the Franchisor in its sole discretion).

“Renewed Term”: shall have the mean stated in Article (19) here above.

“Store Development Plan”: The timetable set out as Schedule Three of this Agreement including the number of Stores expected to be operational in the Territory during the Term.

“Store Opening Approval”: A separate approval for each Store to be executed by the Franchisor and Franchisee to open and operate or renew the permission to operate a Store in the Territory.

“Store Opening Fees”: Fees payable by the Franchisee to the Franchisor upon the establishment of each additional Store in accordance with the terms of this Agreement.

“Store” or Store(s): Shall mean and include (Trademark) Store(s) established by the Franchisee pursuant to the signing of this Agreement for the sale of the Products and offering of the Services, utilising the Trademarks and associated Intellectual Property Rights and Know-How as per the Operating Manual.

“Supply Agreement”: A separate agreement between the Franchisor and the Franchisee to govern and regulate the purchase and supply of Proprietary and Approved Products, goods and material including (Main Products) and any other related operational supplies used in the display and sale of the Products, in addition to other operational equipment and/or material used in the management and operation of the Store(s).

“Term”: shall refer to the term defined under Article Three of this Agreement.

“Territory”: As defined under Article Three and illustrated in Schedule Four of this Agreement.

“Trademark”: The commercial name “(Trademark)”.

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(Franchisor Company Name)

(Franchisee Company Name)

Schedule Two: Trademark and Intellectual Property Rights

1. (Trademark) and Logo as illustrated below:

(Trademark)



1. All commercial application of the logo usage including architectural and corporate designs, insignias, trade dress, colour schemes of premises, Business and packaging material and uniforms.
2. Mottos, Slogans and Catching Words example of which:

(Insert)

(Insert)

3. Branded Products, a list of which is provided below:

(Insert)

(Insert)

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(Franchisee Company Name)

Schedule Three: Store Development Plan

- Both Parties have agreed that Franchisee shall establish (Trademark) Stores in the Territory over the Term of this Agreement in accordance with the following Store Opening Plan:

Year	Number of Stores	Location (City/Area)
Year 1	(Number)	(City/Area)
Year 2	(Number)	(City/Area)
Year 3	(Number)	(City/Area)
Year 4	(Number)	(City/Area)
Year 5	(Number)	(City/Area)
Year 6	(Number)	(City/Area)
Year 7	(Number)	(City/Area)
Year 8	(Number)	(City/Area)
Total	(Number)	

- At the time the Franchisee wishes to open any Store(s), subject to the provisions of this Agreement, the Franchisee shall submit a brief business plan, and the proposed opening dates of the Store(s) for the approval of the Franchisor in accordance with the provisions of this Agreement.
- The Franchisor may, at its sole discretion, grant the Franchisee the right to open Store(s) in excess of the minimum number stated, based on the Franchisor's review of the Franchisee's performance and of its obligations under this Agreement.

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(Franchisor Company Name)

(Franchisee Company Name)

Schedule Four: Territory

(Country/Area)

The Franchisor grants to the Franchisee the Exclusive Country/Area (Enter Selection) Development Franchise Rights during the Term of this Agreement to establish and operate the Business, utilize the Trademark and associated Intellectual Property Rights, make use of the accumulated Know-How and to offer the Products and Services in (Country).



SAMPLE

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(Franchisor Company Name)

(Franchisee Company Name)

Schedule Five: Proprietary Products

The Products and/or Services that are integral to (Trademark) Business and sourced and supplied to the Franchisee directly by the Franchisor or through a nominated supplier, a list of which is provided below:

The prices listed below are just guidelines and are subject to change according to fluctuating market prices.

Insert Product List

SAMPLE

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(Franchisor Company Name)

(Franchisee Company Name)