

AU-MADfrn03

**Franchise agreement: restaurant, cafe or other food retail**

# **Contents**

1. Definitions
2. Interpretation
3. Warranties for authority
4. Relationship of parties
5. Entire agreement
6. Grant of Franchise
7. Early obligations of the Company
8. Initial Training
9. Ongoing Company provision
10. Franchise fees and other payments
11. Payment terms
12. Right to renewal
13. Data Protection law compliance
14. Franchisee's undertakings
15. Exclusive purchase arrangements
16. Transfer on death of Franchisee
17. Company's right of pre-emption
18. Terms for transfer to a third party
19. Franchise operated by a partnership
20. Franchise operated by a company
21. Insurance
22. Risk and retention of title
23. Intellectual Property
24. Termination by the Company on notice
25. Automatic or immediate termination
26. Consequences of termination
27. Confidentiality
28. Confidentiality of Know-how
29. Time is of the essence
30. Limitation of liability
31. Cooling off Period
32. Publicity / Announcements
33. Irrevocable power of attorney
34. Indemnity
35. Damages not adequate
36. Uncontrollable events
37. Dispute resolution
38. Miscellaneous matters

Schedule 1 Intellectual Property

Schedule 2 Branded Supplies

Schedule 3 Press release

**This agreement is dated: [date]**

**It is made between:**

**And**

[DEF], whose address is [full █ █ █ █ ] (" █ █ █ █ █ █ █ █ █ ").

**It is now agreed as follows:**

## 1. Definitions



## 2. Interpretation

In this agreement unless the context otherwise requires:

■ ;

### **3. Warranties for authority**



## **4. Relationship of parties**



## **5. Entire agreement**

■ ■ ■ .



[Enter list of docs and dates] [REDACTED]

## **6. Grant of Franchise**



## **7. Early obligations of the Company**

## 8. Initial Training



## **9. Ongoing Company provision**

- 9.1 provide the Raw Materials and the Branded Supplies;
- 9.2 provide and maintain the Manual;
- 9.3 provide training for the employees of the Franchisee at cost to the Franchisee [at the Franchise Premises / at premises ██████████ ██████████];
- 9.4 recommend sources of materials, goods and services from time ██████████ ██████████;
- 9.5 provide advice, to the extent it judges to be reasonably required, by telephone / ██████████ ██████████;
- 9.6 update disclosure document within four months after the ██████████ ██████████;
- 9.7 provide whatever marketing assistance and promotional material in any medium ██████████ ██████████;
- 9.8 develop public relations and promotional ██████████ ██████████ ██████████ ██████████ ██████████ ████;
- 9.9 supervise advertising by the ██████████ ██████████ ██████████ ██████████;
- 9.10 provide disclosure ██████████ 14 ██████████ ██████████ ██████████ .

## **10. Franchise fees and other payments**

- 10.1 In consideration of the Company granting the Franchise, ██████████ ██████████ ██████████ \$ [ 10 , 000 ] ██████████ ██████████ .
- 10.2 By the tenth day of each month, the Franchisee shall pay to ██████████ ██████████ [ 5 ] % ██████████ ██████████ , ██████████ , ██████████ , ██████████ .
- 10.3 During a period of [30] days prior to opening ██████████ , ██████████ ██████████ \$ [ 1000 ] ██████████ ██████████ .

- 10.4 During the operation of the Franchise, the Franchisee will [REDACTED]  
[REDACTED] \$ [ 1000 ] [REDACTED]  
[REDACTED]  
[REDACTED].
- 10.5 All advertising must be approved [REDACTED]  
[REDACTED], [REDACTED], [REDACTED], [REDACTED].
- 10.6 The Franchisee shall pay each [REDACTED]  
[REDACTED].

## 11. Payment terms

- 11.1 All sums due under this agreement:
  - 11.1.1 shall be made by the due date, failing which the Company may charge the [REDACTED]  
[REDACTED]  
[REDACTED] [ 5 ] % [REDACTED]  
[REDACTED]  
[REDACTED];
  - 11.1.2 Interest shall be calculated and compounded monthly;
  - 11.1.3 shall be paid in Australian dollars by [REDACTED]  
[REDACTED]  
[REDACTED].
- 11.2 Payment for Goods shall be made [REDACTED]  
[REDACTED]  
[REDACTED].
- 11.3 All goods sold to the Franchisee [REDACTED]  
[REDACTED]  
[REDACTED].
- 11.4 All payments to be made by [name] under this agreement shall be made in [REDACTED] [(  
[REDACTED] :)  
[REDACTED]  
[REDACTED] ].
- 11.5 Payments shall be made without deductions. If the applicable law requires any tax or charge to [REDACTED], [REDACTED]  
[REDACTED]

- .....
- 11.6 Any sum due under this agreement not expressed in Australian dollars shall be converted into Australian dollar sat [ ] [ ] [ ].

## 12. Right to Renewal

- 12.1 The Franchisee may renew the Franchise [ ] [ ] :
- 12.1.1 gives written notice to [ ];
- 12.1.2 has achieved the [ ];
- 12.1.3 is not [ ];
- 12.1.4 signs the then current version of the Franchise Agreement of the Company, which may be different [ ], [ ], [ ], [ ], [ ], [ ], [ ], [ ] ;
- 12.1.5 is not affected by any circumstance ( [ ]) [ ].
- 12.1.6 pays the renewal fee of \$ [5000].

## 13. Data Protection laws compliance

The Manual and the operation of the Software require that [ ] [ ] ; [ ] [ ]

#### **14. Franchisee's undertakings**

The Franchisee now undertakes to:

- 14.1 participate personally in the operation of the Franchise Business for at least [30] hours [ 48 ] ;

14.2 make certain that the Franchise Business is operated to ;

14.3 comply in all respects with the procedures and , ;

14.4 not conduct any aspect of ;

14.5 not do anything which may harm the [ ] ;

14.6 employ suitably ;

14.7 maintain high standards of ;

14.8 to use only the Company's , .

14.9 obtain and maintain all the , , ;

14.10 maintain accounting, employment and other ;

OR

## **15. Exclusive purchase arrangements**

## **16. Transfer on death of Franchisee**

16.1 In the event of the death of the Franchisee, the Franchisee [REDACTED]  
[REDACTED], [REDACTED] [30] [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED].

16.6 If the quality of management of the Franchise Business is reduced in the judgement of the [ ]

[ 20 %].

## **17. Company's right of pre-emption**

A decorative horizontal bar at the bottom of the page, consisting of two rows of black squares. The top row has a slightly irregular pattern of square sizes, while the bottom row is a uniform size.

1










If the Company so [REDACTED], [REDACTED]  
[REDACTED].

- 17.8 If the Company elects to buy the Franchise Business, completion shall  
[ 10 ] -

17.9.6 if the sale to the Transferee does not proceed, the Franchisee may not [ 12 ] .

#### **17.10.1 the Franchise Business is a going concern.**

17.10.4 the buyer must himself

#### **18. Terms for transfer to a third party**

#### **19. Franchise operated by a partnership**

- 19.2 In the event of any of:

  - 19.2.1 the death of one of the partners,
  - 19.2.2 the purported or actual [REDACTED];
  - 19.2.3 the bankruptcy or proven insolvency of a partner;
  - 19.2.4 the partner(s) remaining may [REDACTED]  
[REDACTED] . [REDACTED]  
[REDACTED], [REDACTED] :
  - 19.2.5 give notice of their wish [REDACTED] [60]  
[REDACTED];
  - 19.2.6 obtain the approval of the Company to [REDACTED]  
[REDACTED]  
[REDACTED];
  - 19.2.7 sign a new franchise agreement in [REDACTED]  
[REDACTED]  
[REDACTED];
  - 19.2.8 pay the Company a contribution to the cost of providing assessment, [REDACTED],  
[REDACTED]  
[REDACTED], [REDACTED] \$ [5000].

19.3 The Company [REDACTED]  
[REDACTED].

19.4 If the surviving partner(s) wishes to introduce a new partner, [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].

19.5 If such an application is made, the Company will not refuse it unreasonably, nor make [REDACTED]  
[REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED]  
[REDACTED].

19.6 Each of the partners now undertakes to report to [REDACTED]  
[REDACTED]  
[REDACTED].

## **20. Franchise operated by a company**

## **21. Insurance**

## **22. Risk and retention of title**

## **23. Intellectual Property**

The Franchisee agrees with the Company:

#### **24. Termination by the Company on notice**

“ ” .  
[ 30 ]  
:  
24.1 .  
24.2 , , - .  
24.3 .

- 24.4 [REDACTED]
- 24.5 [REDACTED]
- 24.6 [REDACTED]
- 24.7 [REDACTED]  
[REDACTED] [30] [REDACTED], [REDACTED]  
[REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED], [REDACTED], [REDACTED], [REDACTED]  
[REDACTED].
- 24.8 [REDACTED]

## 25. Automatic or immediate termination

- [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED]:
- 25.1 [REDACTED]
- 25.2 [REDACTED]  
;
- 25.3 declared or becomes insolvent;
- 25.4 [REDACTED]  
[REDACTED];
- 25.5 [REDACTED]  
[REDACTED];

25.6 [REDACTED]  
[REDACTED]; [REDACTED].

## 26. Consequences of termination

Upon termination of this agreement for any reason:

26.1 [REDACTED]  
;

26.2 [REDACTED]  
, [REDACTED];

26.3 [REDACTED]  
[REDACTED]:

26.3.1 have access to the Franchise Premises;

26.3.2 [REDACTED]  
[REDACTED];

26.3.3 [REDACTED]  
[REDACTED];

26.3.4 [REDACTED], [REDACTED]  
[REDACTED];

26.3.5 take a transfer of any other leased asset.

26.4 [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED];

26.5 [REDACTED], [REDACTED]  
[REDACTED], [REDACTED], [REDACTED]  
[REDACTED];

26.6 [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED];

26.7 [REDACTED], [REDACTED]  
[REDACTED];

26.8 The Franchisee undertakes with the Company:

- 26.8.1 [REDACTED]  
[REDACTED]  
[REDACTED] ( [REDACTED]  
[REDACTED] ) ( [REDACTED] )  
[REDACTED];
- 26.8.2 [REDACTED]  
[REDACTED]  
[REDACTED] [ [REDACTED]  
[REDACTED] ] ( [REDACTED]  
[REDACTED] ) [REDACTED];
- 26.8.3 [REDACTED]  
[REDACTED] ( [REDACTED]  
[REDACTED] ).

## 27. Confidentiality

27.1 The Franchisee agrees and undertakes that he will:

- 27.1.1 [REDACTED]  
[REDACTED];
  - 27.1.2 [REDACTED] [ [REDACTED] ] [REDACTED]  
[REDACTED] ( [REDACTED]  
[REDACTED] )  
[REDACTED);
  - 27.1.3 [REDACTED] ( [REDACTED]  
[REDACTED] ) [REDACTED]  
[REDACTED].
- 27.2 [REDACTED]  
[REDACTED]:
- 27.2.1 [REDACTED], [REDACTED], [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] [ [REDACTED] . . . . . ];
  - 27.2.2 [REDACTED]  
[REDACTED]  
[REDACTED] / [REDACTED].

27.3 This paragraph does not apply to disclosure:

- 27.3.1 [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED];
  - 27.3.2 [REDACTED]  
[REDACTED]  
[REDACTED];
  - 27.3.3 [REDACTED]  
[REDACTED];
  - 27.3.4 [REDACTED]  
[REDACTED].
- 27.4 [REDACTED]  
[REDACTED] [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED].

## 28. Confidentiality of Know-how

The Franchisee agrees:

- 28.1 [REDACTED]  
[REDACTED] ( [REDACTED] )  
[REDACTED]  
[REDACTED];
- 28.2 [REDACTED]  
[REDACTED]  
[REDACTED];
- 28.3 [REDACTED]  
[REDACTED];
- 28.4 [REDACTED]  
[REDACTED]  
[REDACTED];
- 28.5 [REDACTED]  
[REDACTED]  
[REDACTED];

28.6 [REDACTED]  
[REDACTED].

## 29. Time is of the essence

29.1 [REDACTED]  
[REDACTED]  
■ .

29.2 [REDACTED]  
■ [REDACTED]  
■ , [REDACTED]  
■ [REDACTED]  
■ [REDACTED].

## 30. Limitation of liability

30.1 [REDACTED], [REDACTED]  
[REDACTED], [REDACTED]  
■ ■ , [REDACTED], ■ ■ , [REDACTED], ■ ■ , [REDACTED]  
■ ■ [REDACTED]  
■ \$ [[ 100 , 000 ] ( [REDACTED] )].

30.2 [REDACTED]  
[REDACTED], [REDACTED]  
■ ■ ■ :

30.2.1 indirect or consequential loss; or

30.2.2 [REDACTED], ■ ■  
■ ■ , [REDACTED].

## 31. Cooling off period

31.1 [REDACTED]  
[REDACTED]:

31.1.1 entering into the agreement; or

31.1.2 [REDACTED] ( [REDACTED]  
■ ■ ■ ) [REDACTED].

- 31.2 [REDACTED], [REDACTED], [REDACTED] 14 [REDACTED], [REDACTED] ( [REDACTED] ) [REDACTED]  
[REDACTED];  
[REDACTED]
- 31.3 [REDACTED], [REDACTED], [REDACTED].

## **32. Publicity / Announcements**

- 32.1 Neither party shall:
- 32.1.1 make any public announcement; or
  - 32.1.2 disclose any information; or
  - 32.1.3 [REDACTED]  
[REDACTED];
  - 32.1.4 [REDACTED]  
[REDACTED].
- 32.2 [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].
- 32.3 [REDACTED]  
[REDACTED] 3 , [REDACTED]  
[REDACTED].

## **33. Irrevocable power of attorney**

- 33.1 [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED].
- 33.2 [REDACTED]  
[REDACTED], [REDACTED], [REDACTED], [REDACTED]  
[REDACTED].

- 33.3 [ 14 ]
- 33.4 , .
- 33.5 , .
- 33.6 .
- 33.7 .
- 33.8 .

## 34. Indemnity

- 34.1 , : .
- 34.1.1 , , , .
- 34.1.2 , ;
- 34.1.3 [ ]

[ ... ] .

### **35. Damages not adequate**

## **36. Uncontrollable events**

....., [.....].

## **37. Dispute resolution**

.....

- 37.1 [REDACTED]

37.2 The report shall include:

  - 37.2.1 the nature of the dispute,
  - 37.2.2 the outcome the party wants, and
  - 37.2.3 proposed action that will settle the dispute.

A horizontal bar chart showing the count of countries in the UN General Assembly for two different entities. The entity on the left, labeled '37.3', has a bar extending to 193. The entity on the right, labeled '21', has a bar extending to 191.

Entity	Count
37.3	193
21	191



### **38. Miscellaneous matters**

It shall be deemed to have been delivered:

24

**Signed by** / on behalf of the named parties by their representatives who personally accept liability for the proper authorisation by their respective employer or principal to enter into this agreement

OR

**Signed by** / on behalf of the first named party by his representative who personally accepts liability for the proper authorisation to enter into this agreement and by the second party personally / as a partner in [name of partnership]

For, and on behalf of [ ]

print name

For, and on behalf of [ ]

print name

## **Schedule 1: Intellectual Property**

## **Schedule 2: Branded Supplies**

## **Schedule 3: Press release**

## Explanatory notes:

## **Franchise agreement: restaurant, cafe or other food retail**

## General notes:






<https://www.legislation.gov.au/Details/F2021C00553>

<https://www.accc.gov.au/publications/franchisor-compliance-manual>

<https://www.accc.gov.au/publications/the-franchisee-manual>

[https://www.accc.gov.au/system/files/Information%20statement%20for%20prospective%20franchisees\\_0.pdf](https://www.accc.gov.au/system/files/Information%20statement%20for%20prospective%20franchisees_0.pdf)

<https://forms.business.gov.au/smartforms/servlet/SmartForm.html?formCode=franchisor-key-fact>

You can access further detailed information at:

<https://www.business.gov.au/planning/business-structures-and-types/franchise/entering-into-a-franchise-agreement>



## Paragraph specific notes

#### **Notes relating to a particular paragraph**

## 1. Definitions

## 2. Interpretation

### **3. Warranties for authority**

## **4. Relationship of parties**

## **5. Entire agreement**

## **6. Grant of franchise**

## **7. Early obligations of the company**

## 8. Initial training

## **9. Ongoing Company provision**

#### **10. Franchise fees and other payments**

## **11. Payment terms**

## **12. Right to renewal**

### **13. Data Protection law compliance**

## **14. Franchisee's undertakings**

## **15. Exclusive purchase arrangements**

..... , .....

#### **16. Transfer on death of franchisee**

## **17. Company's right of pre-emption**

#### **18. Terms for transfer to a third party**

#### **19. Franchise operated by a partnership**

## **20. Franchise operated by a company**

Even if the franchisee is a company, the directors may wish to join another in a joint . . . , . . . , . . . .

## 21. Insurance

The extent to which you require the franchisee to insure will depend on the requirements of [REDACTED] [REDACTED] [REDACTED].

## **22. Risk and retention of title**

This is a very full provision to provide maximum protection for the company in the event of bankruptcy or administration of the franchisee. The provisions are based on The Personal [REDACTED] 2010. [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED].

## **23. Intellectual property**

If someone effectively steals your brand by dressing up his goods or services like yours, you may have a cause of action in the tort of "passing off". ■ ■ ■ ■

.....  
.....

#### **24. Termination by the company on notice**

## **25. Automatic or immediate termination**

## **26. Consequences of termination**

<https://www.accc.gov.au/publications/franchisor-compliance-manual/the-franchisor-compliance-manual/end-of-a-franchise-agreement/end-of-the-term>

## 27. Confidentiality

" " .

## **28. Confidentiality of Know-how**

## **29. Time is of the essence**

This is a legal term which prevents a **defendant** from **cross-examining** a witness.

### **30. Limitation of liability**

### **31. Cooling off period**

However, the franchisor may ██████████  
███████████  
███████████

### **32. Publicity / announcements**

This provision is concerned about publicity relating to this agreement. You ██████████  
███████████  
███████████  
███████████  
███████████  
███████████  
███████████  
███████████.

### **33. Irrevocable power of attorney**

This is a very powerful provision. It creates a power of attorney. That means, in the circumstances set down, ██████████  
█, ██████████  
███████████, ██████████  
███████████, ██████████  
███████████, ██████████  
███████████, ██████████  
███████████, ██████████  
███████████.

### **34. Indemnity**

This is a two-███████████. ██████████  
███████████.

### **35. Damages not adequate**

A judge will usually try to award money damages ██████████  
███████████, ██████████  
███████████, ██████████  
███████████.

### **36. Uncontrollable events**

Often referred to as “force █████”. ██████████  
███████████  
███████████.

### **37. Dispute resolution**

This paragraph sets ██████████  
███████████.

The law requires that you should have . . . . .

<https://www.accc.gov.au/business/franchising/resolving-franchising-disputes>

### **38. Miscellaneous matters**

## End of notes