# Franchise agreement: service business

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### [ABC] Limited, a company incorporated in England and Wales [under company registration number [number] and] = = = = = = = = = = = = = [ = = = **= = = ]** (" **= = = = = = "**). and [DEF], whose address is [full ■ ■ ■ ■ ] (" ■ ■ ■ ■ ■ ■ ■ ") It is now agreed as follows: 1. **Definitions** In this agreement, the following words shall have the following meanings, . . . . . . . . . . . . . . . . . . . "Branded Equipment" means [equipment, plant and machinery] "Branded Supplies" means the consumable goods and semidisposable goods listed in the Manual as "Central Undertaking" means the whole of the business carried on by the Company, part of which is intended **\\ \B \B \B** ....................... "Close Relative" means in relation to a deceased Franchisee: spouse, life partner of $\blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare$ , ---------"Confidential Information" means all information about the Company. It includes among other things: information about businesses, methods of doing business, future plans, policies, suppliers and customers. It includes information about suppliers, agents,

distributors and  $\blacksquare \blacksquare \blacksquare$ 

"Franchise"	means the arrangement for operation of the Franchise Business, ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
"Franchise Business"	means the business to be carried on by the Franchisee •••••••••••••••••••••••••••••••••••
"Franchise Premises"	means the real property or premises occupied by the Franchisee for <b>E E E E E E E E E E E E E E E E E E E</b>
"Franchise Service"	means any service provided by the Franchise Business,
"Goods"	means Branded Supplies and Branded Equipment together.
"Intellectual Property"	means intellectual property of every sort, whether or not registered or registrable in any country, including intellectual property of all kinds coming into existence after today; and including, among others, patents, trademarks, unregistered marks, designs, copyrights, Software,
"Know-how"	means the body of knowledge and ideas created by the Company and used in any
"Manual"	means every manual and other document intended to provide instruction or set policy on any
"Software"	means the software used in the Franchise Business and licensed

	sell or charge or make some other voluntary
"Transferee"	any person to whom the Franchisee wishes to
"Territory"	means the area covered by [the county / post code / • • • • / • • • • ].
"Termination Date"	means the date when this agreement ends.

### 2. Interpretation

In this agreement unless the context otherwise requires:

- 2.1. any agreement by any party not to do or omit to do something is deemed to include an obligation not to allow = = = = = = = = 2.2. [except where stated otherwise,] any obligation of any person arising 2.3. in this agreement references to a party include references to a person: to whom those rights and obligations are transferred or pass as a result . . . . . . . . . . . . . . . 2.4. the headings to the paragraphs and schedules (if any) of **\| \| \| \| \| \| \| \| \|** ................... 2.5. all money sums mentioned in this agreement are calculated net of a requirement for reasonableness shall not imply that reasons shall be 2.6. given = = = = = = = = = = = = = = = = = = . 2.7. in any indemnity, a reference to costs or expenses shall be construed as including the estimated cost of management time of the indemnified party, such cost calculated as,
- 2.8. this agreement is made only in the English language. If there is any conflict in meaning between the English language version of this

	agreement and any version or
Waı	rranties for authority
3.1.	Each of the parties warrants that it has power to enter into this agreement [and = = = = = = = = = = = = = = = = = = =
3.2.	The Franchisee warrants and undertakes that he is not aware as at the date of this agreement of anything within his reasonable control which might
3.3.	The Franchisee warrants that he is not at the time of entering into this agreement insolvent and knows of no circumstance which would entitle any creditor to appoint a receiver or
Rela	ationship of parties
4.1.	Nothing in this agreement shall create a partnership or agency or the relationship of employer and employee, or other relationship between any of the
4.2.	Neither party shall have, nor represent that it has, any authority to make any commitment on the other party's behalf, except joint marketing
Enti	ire agreement
5.1.	This agreement, together with the Manual, contains the entire agreement between the parties and •••••••••••••••••••••••••••••••••••
5.2.	The Franchisee acknowledges that he has read and understood the Manual and he accepts that the Company may change anything in the

	Manual, ••••••••••••••••••••••••••••••••••••
5.3.	Each party acknowledges that, in entering into this agreement, he does not rely on any representation, warranty, information
5.4.	Conditions, warranties or other terms implied by statute or common law are excluded from this agreement to the fullest extent permitted by law.  As •••••••••••••••••••••••••••••••••••
	[Enter list of docs and dates • • • • • • • • • • • ].
Gra	nt of Franchise
6.1.	With effect from [start date] the Company grants a [exclusive/non-exclusive] Franchise to the Franchisee [within the Territory] for the [provision of the service of trade • • • • • • • • • • • • • • • • • • •
6.2.	The Franchisee will operate the Franchise from the Franchise Premises
6.3.	The Franchisee may use the [trade mark / trade name / copyright / Intellectual Property related to   Intellectual Property related to Intellectual Property related t
6.4.	The Termination Date is [date], when this agreement
6.5.	[The Company may terminate this agreement at any time within the first 12 months on •••••••••••••••••••••••••••••••••••
Earl	y obligations of the Company
After	the signing of this agreement, the Company ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
7.1.	[the set-up guide relating to selection of Franchise Premises, ■ ■ ■ , ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ;]

the Manual;
names of approved suppliers and draft contract forms;
the stock of Branded Supplies listed ■ ■ ■ ■ ■ ■ 2;
draft budget, management accounts and book keeping system based on [the Software] which the Franchisee • • • • • • • • • • • • • • • • • •
a [three] year marketing plan, to ■ ■ ■ [ ■ ■ ■ ] ■ ■ ■ ;
advertising and marketing guide;
draft contract of employment of staff.
al Training
Within [28] days of signing this agreement, the Company will provide a minimum of [20] hours training in the <b>EXECUTE</b> .
The training will be provided free of charge at a location    I I I I I I I I I I I I I I I I I I
The Franchisee must pay for his travel and accommodation
The Franchisee must complete the training to the level required by the Company. It is in the discretion of the Company as to whether the Franchisee has completed the training to a satisfactory level.
The Company will provide training for employees or prospective employees of the Franchisee at [its head office / a location chosen by the Company]. Training will be provided by the day and charged   ### ### ### ### ### ### #### ########

# 9. Ongoing Company provision

Durine	g the operation of the Franchise, the ■■■■■■■■■■■■■■■■■■■
9.1.	provide 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 non-branded materials, goods and services from
9.5.	provide advice, to the extent it judges to be reasonably required, by telephone / • • • • • • • • • • • • • • • • • •
9.6.	provide whatever marketing assistance and promotional material in any medium • • • • • • • • • • • • • • • • • • •
9.7.	develop public relations and promotional campaigns for the benefit of the Central ••••••;
9.8.	supervise advertising by the Franchisee so as to impose appropriate
Frar	nchise fees and other payments
10.1.	In consideration of the Company granting the Franchise, the Franchisee shall pay the sum of £ [10 , 000 ] $\blacksquare$
10.2.	By the [tenth] day of each month, the Franchisee shall pay to the Company [5%] of the money in any form, received • • • • • • • •
10.3.	During a period of [30] days prior to opening the Franchise Business, the Franchisee will spend at least £ [1000] ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
10.4.	During the operation of the Franchise, the Franchisee will spend at least £ [1000] per month on advertising intended

	•.	
10.5.		ertising must be approved by the Company as to materials, ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ .
10.6.	The Fra	anchisee shall pay each month for the Branded Supplies ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
Payı	ment t	terms
11.1.	All sum	s due under this agreement:
	11.1.1	shall be made by the due date, failing which the Company may charge the Franchisee interest on late payments on a daily basis at a rate of [5]% ••••••••••••••••••••••••••••••••••••
		;
	11.1.2	Interest shall be calculated and compounded monthly.
	11.1.3	shall be paid in pounds Sterling by internet transfer to the account notified to the
44.0	Dayma	
11.2.	Paymer ■ ■ ■ ■	nt for Goods shall be made by the tenth day of each month in
11.3.	All Goods sold to the Franchisee shall remain the property of the Company until	
11.4.	All payments to be made by [name] under this agreement shall be made in full without set-off or counterclaim [(where the party is situated outside the UK)	
		• • • • ].
11.5.	require	nts shall be made without deductions. If the applicable law s any tax or charge to be deducted before payment, the amount der this agreement shall be increased so that the payment

11.6.	convert	m due under this agreement not expressed in Sterling shall be ted into Sterling at the official rate of exchange in London at the f business on the [last day •••••••••••••••••••••••••••••••••••
Righ	nt to R	Renewal
12.1.	The Franchisee may renew the Franchise for any number of additional periods of [	
	12.1.1	gives written notice to the Company at least three • • • • • •
	12.1.2	has achieved the minimum target sales set ••••••
	12.1.3	is not in breach of any ••••••;
	12.1.4	signs the then current version of the Franchise agreement of the Company, which may be different from this agreement in providing new methods of training, new royalty rates, advertising and marketing provisions,
	12.1.5	is not affected by any circumstance (as set out below) which could ••••••••••••••••••••••••••••••••••••
	12.1.6	pays the renewal fee of £ [5000].
Data	a Prote	ection Act 2018 Compliance
13.1.	Europe	sfy the Company's and the Franchisee's legal obligations in the can Union concerning the personal data of customers and clients franchise Business, each of [ABC Ltd] • • • [ • • • ] • • • •
	[4].	
13.2.	Those	obligations shall continue to apply after expiry or termination ■ ■

13.3.	If the Franchisee operates the Franchise Business in any jurisdiction outside the European Union, it agrees to register the Franchise Business with the appropriate supervisory body for data protection in the
Fran	nchisee's undertakings
The F	ranchisee now undertakes to:
14.1.	participate personally in the operation of the Franchise Business for at least [30] hours in at least [48] weeks of the year [and to leave a trained and
	];
14.2.	make certain that the Franchise Business is operated to a high $\blacksquare$ $\blacksquare$ $\blacksquare$
14.3.	comply in all respects with the procedures and methods of conducting the Franchise Business as are set out
14.4.	not conduct any aspect of the Franchise Business in a way which   ;
14.5.	not do anything which may harm the reputation and market value of the
14.6.	employ suitably qualified and experienced people ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
14.7.	maintain high standards of human resource management and comply with
14.8.	to use only the Company's standard terms of employment contract for every
14.9.	obtain and maintain all the licences, approvals, and registrations necessary
14.10	maintain accounting, employment and other

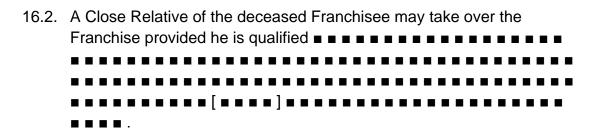
............

14.11. make available to the Company
14.12. pay tax as due;
14.13. maintain a relationship with every
14.14. sell the Franchise • • • • • • • • • • • • • • • • • • •
14.15. at all times = = = = = = = = = = = = = = = = = = =
14.16. always use his • • • • • • • • • • • • • • • • • • •
14.17. allow access to any person authorised by the $\blacksquare$
14.18. at the request of the Company, •••••• ••• ••• ••• ••• ••• ••• ••• ••
14.19. not incorporate or change the
14.20. not use any business name of <b>* * * * * * * * * * * * * * * * * *</b> *
14.21. conduct the Franchise • • • • • • • • • • • • • • • • • • •
14.22. not sell, transfer, sublicense, or assign any right or
14.23. provide for assessment by the <b>*** ***</b>
14.24. Each shareholder in a corporate Franchisee, who signs • • • • • • • •

#### 15. Exclusive purchase arrangements

#### 16. Transfer on death of Franchisee

16.1.	In the event of the death of the Franchisee, the Franchise ■ ■ ■ ■ ■ ■
	,,,, 30]
	,



- 16.3. No transfer fee shall be payable to
- 16.4. The grant of a new franchise will be
- 16.5. A transfer to any other person shall be

# 17. Company's right of pre-emption

17.1.	The procedure set ••••••••••••••••••••••••••••••••••
17.2.	If and whenever the Franchisee wishes to assign, sub-contract, ■ ■ ■
17.3.	The Franchisee must give notice in writing to the Company, ■ ■ ■ ■ ■
	,,,,,,,,,,
	17.3.1 the name of Transferee;
	17.3.2 information relating to the Transferee of the
	;
	17.3.3 the proposed transfer price, •••••;
	17.3.4 a draft = = = = = = = = = = = = = = = = = = =
17.4.	The Company may make   The Company may make
17.5	All of the information given to the Company ("= = = = = = = ")
17.0.	
17.6.	The Company must, within [28] days of the date it was notified of the possibility of a transfer by the Franchisee,
	, , 

17.7.		company elects not to buy • • • • • • • • • • • • , • • • • • •
		ı∎∎:
	17.7.1	the Transferee is ••••; ••••
	17.7.2	the Transferee is ••••; ••••
	17.7.3	the Transferee is disqualified by his or its failure
	If the C	Company so = = = , = = = = = = = = = = = = = = =
	••••	
17.8.		Company elects to buy the Franchise Business, completion shall
	•	
17.0	If the C	Company elects
17.9.		ompany elects = = = = = = :
	17.9.1	the Franchisee is free to •••••••;
	17.9.2	the Franchisee may not change any ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
	17.9.3	the Company shall not object to ••••••••
		;
	17.9.4	on completion of the transfer, the Franchisee shall procure that the Transferee simultaneously enters
	17.9.5	the Company shall co-operate fully and

	17.9.6	if the sale to the Transferee does not proceed, the Franchisee may not
		[12]
17.10.	circums	ompany has the right to buy the Franchise Business in stances where
		:
	17.10.1	the Franchise Business is a going concern.
	17.10.2	2 the sale is at •••••••••••••••••••••••••••••••••••
	17.10.3	the buyer must employ staff
		•••.
	17.10.4	the buyer must himself
17.11.	There s	shall be deducted from the purchase price payable by the
	••••	
_	•	
Iern	ns tor	transfer to a third party
18.1.	A trans	fer to a third party who
		:
	18.1.1	the Transferee must meet
	40.45	. <del>.</del>
	18.1.2	the Transferee signing

		18.1.3	payment to the Company of a contribution to the cost
			$\bullet \bullet \bullet \bullet \pounds \ [\bullet \bullet \bullet \bullet ].$
		18.1.4	payment to the Company $\blacksquare$
		18.1.5	payment to the
	18.2.	If a trar	nsfer does not proceed, the
	18.3.		nsfer must be completed within [12] weeks of the
19.			operated by a partnership
	19.1.		ranchisee wishes to enter into   I B B B B B B B B B B B B B B B B B B
		19.1.1	the new partner (or, if a • • • , • • • • • • • • • • • • • • •
		19.1.2	the Transferee signing
		19.1.3	payment to the Company of a contribution to the cost
			•••£[•••].
		19.1.4	payment to the Company $\blacksquare$
		19.1.5	payment to the
	19.2.	in the e	event of any of:

	19.2.1	the death of one of the partners,
	19.2.2	the purported or actual • • • • • • • • • • • • • • • • • • •
	19.2.3	the bankruptcy or proven insolvency of a partner;
	the part	tner(s) remaining may
	•:	
	19.2.4	give notice of their wish • • • • • • • • • • • [ 60 ] •
	19.2.5	obtain the approval of the Company to
		;
	19.2.6	sign a new franchise agreement in
		;
	19.2.7	pay the Company a contribution to the cost of providing assessment,
		, <b> £</b> [ 50 , 000 ].
19.3.	The Co	ompany = = = = = = = = = = = = = = = = = = =
19.4.	If the su	urviving partner(s) wishes to introduce a new partner, ■ ■ ■ ■
	• • • •	
19.5.		an application is made, the Company will not refuse it
	••••	onably, nor make
		,
19.6.		f the partners now undertakes to report to
		-,

# 20. Franchise operated by a company

20.1.	The fol	lowing terms apply if the
	20.1.1	becomes insolvent; or
	20.1.2	is the subject of •••••; ••••
	20.1.3	transfers or charges, or attempts • • • • • • • • • • • • • • • • • • •
	20.1.4	is subject to ••••; ••••
	20.1.5	is subject to ••••••••••••••••••••••••••••••••••
	the Fra	nchise shall terminate automatically
20.2.	The Co	empany shall not object unreasonably to a change
		•••••
20.3.		hareholders in the Franchisee propose a change which does, in
	20.3.1	The Company approving a person who is a shareholder and
	20.3.2	The signing of a new
	20.3.3	Payment to the Company of a fee calculated as the proportion of £ [10, 000 ] $\blacksquare$ $\blacksquare$ $\blacksquare$ $\blacksquare$ $\blacksquare$

	, <b></b> ( <b></b> )
	20.3.4 if and so far as the Company requires in its   ,  ,  ,  ,  ,  ,  ,  ,  ,  ,  ,  ,  ,
20.4.	If the Franchise terminates, the Company shall have a right to ■ ■ ■
Insu	irance
21.1.	The Franchisee will obtain and maintain an insurance
21.2.	The Franchisee shall keep the Goods insured to
21.3	The Franchisee will pay all the premiums
21.0.	
21.4.	The Franchisee will ensure that the terms • • • • • • • • • • • • • • • • • • •
21.5.	The Company's interest will be noted on
21.6.	The insurance policy will stipulate that the
21 7	If, when the Company asks, the Franchisee fails to deliver to ■ ■ ■ ■

### 22. Risk and retention of title

22.1.	The Company shall deliver the Goods, [ $\blacksquare$
	.,
22.2.	In spite of delivery having
	22.2.1 the Franchisee <b></b>
	;
	22.2.2 no other sums • • • • • • • • • • • • • • • • • • •
22.3.	Until property in the Goods passes to ■■■■■■■ , ■■■■■■■■
22.4.	The Franchisee shall store the Goods (at no cost to ■ ■ ■ ■ ■ ■ ■ ■ ■
22.5.	Notwithstanding that any of the Goods remain the property of the Company
22.6.	Any sale or dealing shall be a sale or use of
22.7.	Until property in the Goods passes from the Company the entire
	proceeds of sale of the
22.8.	The Company shall be entitled to recover the price charged for the $lacktriangle$

	22.9.	If the Company asks
	22.10	If, when asked, the Franchisee fails to return the
	22.11	. The Franchisee shall not pledge or in any way charge by way of security for any indebtedness any
	22.12	. While ever the Company has title   ,  ,  ,  ,  ,  ,  ,  ,  ,  ,  ,  ,  ,
		22.12.1 title to •••••;
		22.12.2 the Franchisee shall hold such products as
		22.12.3 all the Company's rights in relation to ••••• • • • • • • • • • • • • • • •
23.	Inte	llectual Property
	The F	ranchisee agrees with the Company:
	23.1.	not to cause anything which
	23.2.	to notify the = = = = = = = = = = = = = = = = = = =
	23.3.	to take such reasonable action as the

23.4. to mark the Goods [and • • • • • • ] [ • • • • • • • • • • • •
23.5. to compensate the Company for any
23.6. to indemnify the Company for
23.7. on the expiry or termination of this • • • • • • • • • • • • • • • • • • •
23.8. not to tamper with any
23.9. not to use = = = = = ;
23.10. not to use • • • • • • • • • • • • • • • • • • •
23.11. not to use [the name of ••••• [•••••]••••]•••••.
New Intellectual Property
24.1. So far as Intellectual Property is created or discovered by
24.1.1 do his utmost to ensure
24.1.2 tell the Company
24.1.3 provide to the Company whatever full specification description
**********

		the Company
	24.3.	The provisions of this
25.	Inte	llectual Property / Software
	The F	ranchisee
	25.1.	to use only [the Software] = = = = = = = = = = = = = = = = = = ;
	25.2.	to attend training in the use of [
	25.3.	to attend training • • • • • • • • • • • • • • • • • • •
	25.4.	not to copy [ = = = = = ] = = = = = = = ;
	25.5.	to permit the Company to inspect and • • • [ • • • • • • ] • • • [ • • • • •
		to notify the Company •••••];
	25.7.	to co-operate fully ••••••;
	25.8.	to use only the current version • • • [ • • • • • • ] • • • • • • • • •
	25.9.	not to allow any third party
	25.10	to provide the Company with

24.2. To make this effective the Franchisee now undertakes to do whatever

	25.11	. to maintain adequate backup • • • • • • • • • • • • • • • • • • •
	25.12	not to allow anyone to use the <b>************************************</b>
	25.13	. not to corrupt or interfere with
26.	Auto	omatic or immediate termination
	Witho	ut prejudice to any other right or remedy it may have, either
	26.1.	the other party is declared or becomes insolvent;
	26.2.	the other party convenes a <b>* * * * * * * * * * * * * * * * * * </b>
	26.3.	a petition is presented or a meeting is convened for the purpose of considering
	26.4.	a trustee, receiver, liquidator, administrator,
	26.5.	distress, execution
	26.6.	the Franchisee is convicted
	26.7.	the Company reasonably decides that continued operation

# 27. Termination by the Company on notice

good	vents listed below are "Default Events". If the Franchisee has not made
_ ,	
27.1.	conduct by the Franchisee which materially
27.2.	a purported assignment, transfer,
27.3.	failure by the $\blacksquare$
27.4.	failure by the Franchisee to make timely payment
27.5.	failure to make good a breach of
27.6.	repeated failure by the Franchisee to comply
	the Franchisee abandons the Franchise by failing to operate the
	Franchise Business for [30] consecutive days, or • • • • • • • • • • • • • • • • • •
	• . · . · . · . · . · . · . · · · · · ·
27.8.	the Franchisee makes a material misrepresentation relating to ■ ■ ■

# 28. Consequences of termination

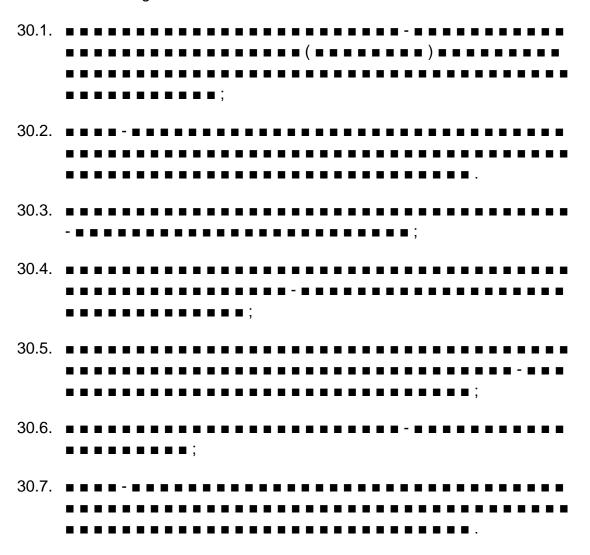
Upon	terminat	tion of this agreement for any reason:
28.1.	the Fra	nchisee = = = = = = = = = = = = = = = = = =
28.2.		mpany has the option <b>■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■</b>
28.3.	the Fra	nchisee
	28.3.1	have access to the Franchise Premises;
	28.3.2	take over • • • • • • • • • • • • • • • • • • •
	28.3.3	take a
	28.3.4	take a transfer of all domain $\blacksquare \blacksquare \blacksquare \blacksquare$ , $\blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare$
		•••;
	28.3.5	take a transfer of any other leased asset.
28.4.		anchisee undertakes to sign ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
28.5.		arty shall return to the other, all
28.6.	=	arty shall remain liable to perform all outstanding ■ ■ ■ ■ ■ ■ ■
28.7.	except	as provided here, ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
20.0		
28.8.		anchisee undertakes with the Company:
	28.8.1	not to accept orders from or otherwise deal with any customer

		28.8.2	not to be engaged or concerned directly or indirectly ••••••••••••••••••••••••••••••••••••
			;
		28.8.3	not to solicit or employ any
29.	Con	fident	iality
	29.1.	The Fra	anchisee agrees and undertakes that he will:
		29.1.1	keep all records of
		29.1.2	keep all records only at [his address]
			);
		29.1.3	
	29.2.		: ::
		29.2.1	,,
		29.2.2	
			/
	29.3.	This pa	aragraph does not apply to disclosure:
		29.3.1	

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	20.0.2				·			
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	20.0.0							
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29.4.				 	 			
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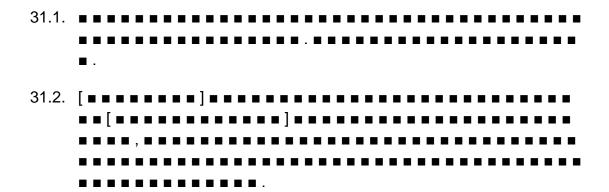
### 30. Confidentiality of Know-how

The Franchisee agrees:

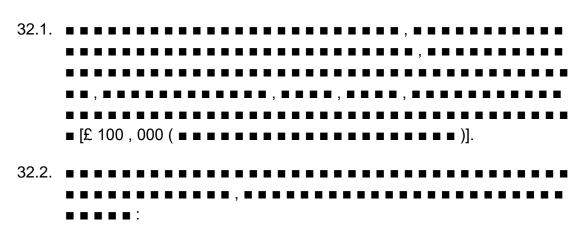


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#### 31. Time is of the essence



### 32. Limitation of liability



		32.2.2
33.	Lim	itation of liability for defects
	33.1.	[1]
	33.2.	
	33.3.	
34.	Pub	licity / Announcements
	34.1.	Neither party shall:
		34.1.1 make any public announcement; or
		34.1.2 disclose any information; or
		34.1.3
	34.2.	
	34.3.	

32.2.1 indirect or consequential loss; or

## 35. Irrevocable power of attorney

35.1.									 					
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35.2.									 					
		▮ ■ , ■							 		■ ■ ,	••		
			■ .											
25.2							T 4 4	,						
35.3.														
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35.4.		, .							 	, ■ ■				
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35.5.														
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## 36. Indemnity

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	36.1.1	 	 	 	

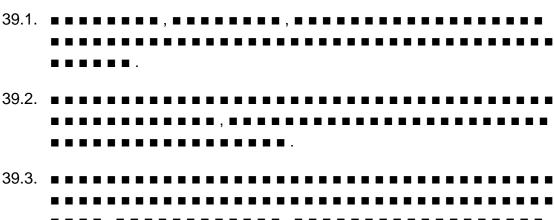
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		36.1.2	••••												•
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37.	Dam	nages	not a	deqı	uate	<b>.</b>									
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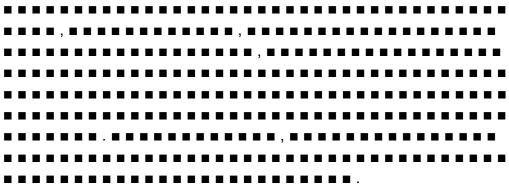
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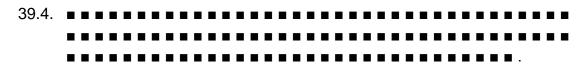
#### 38. Uncontrollable events

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 	 	 • • • • ].			

#### 39. Miscellaneous matters







39.5.	
39.6.	
39.7.	
39.8.	
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39.9.	• • • • • • • • • • • • • • • • • • • •
39.10.	
It shall be deemed to have been delivered:	
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• • • • 72 • • • • • • • ;	
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• • • • ].	•••••
39.11.	

39.12.																
39.13.		•••		•••			•••	••	 	••	<b>_</b> /		ı / <b>=</b>	•		
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# **Schedule 1: Intellectual Property**

# **Schedule 2: Branded Supplies**

### **Schedule 3: Press release**

# **Schedule 4: Data Protection Act 2018 Compliance**

#### 1. Definitions

"Act"	means the Data Protection Act 2018.
"Associate"	
	•••••
"ICO"	means the Information Commissioner's Office.
"Data Protection Legislation"	means all or any of: (a) the GDPR, (b) the applied GDPR, (c) the Act, (d) regulations made under the Act (
"the GDPR"	27 2016
	<b>.</b> ).
"the applied GDPR"	3
"Law Enforcement Directive"	••••• (••••) 2016 / 680 •••••••
	27

	• • • • • • • 2008 / 977 / • • • • .
2.	Data Protection
	2.1.
	2.2.
	2.3.
	2.4.
3.	How the Company and the Franchisee shall process data
	3.1.

	(	•••				••																
3.2.	•••										•		•		•	• •	• •	•	•	• •	•	•
3.3.	•••																					
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3.4.						■ ,			-			•		•	•	•				ı <b>=</b>		
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3.5.	•••																					
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3.6.					- 🔳 1		■ , ।	•						•	-				•		•	
3.7.	:::																					
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	3.7.2	;
	3.7.3	
	3.7.4	
	3.7.5	
3.8.	,	
	3.8.1	the pseudonymisation and encryption of personal data;
3.9.	3.8.3	· · · · · · · · · · · · · · · · · · ·

	3.9.1
	3.9.2
	3.9.3
	3.9.4
3.10.	
3.11.	
3.12.	provide reasonable assistance to each other in:
	3.12.1
	3.12.2

	3.12.3												
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	3.12.4												
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3.13.				 - ) -	ı <b>■</b> ( ı	• • •	••	 • • •		••	••	••	•
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Pos	t term	inati	on										
4.1.							• • •	 					•
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#### 5. Warranty and acceptance of liability

5.1.

5.2.

# **Appendix 1 to Schedule 4**

#### **Data Processing Activities**

What either party may process in each category

1.	•••	•••••
	1.1.	Name
	1.2.	Address
	1.3.	Email address
	1.4.	Phone number
	1.5.	Date of birth
	1.6.	
	1.7.	[]
2.	Proce	essing the data of these data subjects
	2.1.	
		***************************************
3.		
	3.1.	
	3.2.	
	Deter	
4.		ntion period
	4.1.	-,,,,,,,,
		4.1.1. for accounting and taxation purposes;
		4.1.2.
		4.1.3.

4.2.

# **Explanatory notes:**

Franchise agreement: service business

#### **General notes**

l.	comp	bugh all matters relating to the management, operation and structure of a pany are regulated by statute, this agreement is comparatively gulated. It is therefore
	critics the d	ever, franchise arrangements are watched by many organisations and s. If you want your franchising business to be a success, you should keep eal fair in the eyes of the World. The starting point for this agreement ld therefore be a "wish list"
	•••	
	arran	dvise that you do not add greatly to the detail of the franchise gements. It is certain that you will need to change them from time to Keep this document to the
2.	initial	in case you are new to legal agreements: defined terms are given cap letters so that you are aware, as you read and come across caps, that neaning of a word or phrase is " ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
	2.1.	so that you know what technical or obscure
	2.2.	to give a limited meaning to words or phrases which may otherwise = = = = = = = = , = = =
	2.3.	to enable a necessarily long definition to be given, so that when you come the word in the document, you are ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ 50 ■ ■
3.	nece	er the front sheet nor the contents list are part of a document, nor ssary for it to be effective. If you want to decorate the front of your ment
1.		ranchise premises: we have assumed that either the company has no tinterest in the franchise premises, or, more likely, that the franchise

branch operates from property held under a lease to the franchisor and sub-

Para	agraph specific notes
Notes	numbering refers to paragraph numbers.
1.	Definitions
	Check very carefully to be sure they apply exactly to your proposals. You should first decide on the contents of the document, then return to check what definitions are needed and
	We have had difficulty in deciding on the most appropriate references to the main business on the one hand and the franchisee's business on the other hand. Use of the word "business" may be confusing. We have chosen "Central Undertaking" simply to make the
	You may not require a reference to software. Most businesses will use some software which is tailored to some extent, if $\blacksquare$
	We have defined the manual as any number of documents. What it means is all of the documents you provide as $\blacksquare$
	We have allowed for some information to be in schedules to the agreement. You can add to the schedules, change or delete ••••••••••••••••••••••••••••••••••
2.	Interpretation
	We advise you to leave all these in place because they tie in to important points in the way a judge would interpret the agreement. The point on VAT can be deleted for commercial transactions, when VAT is assumed to be due. The last item covers future litigation, when
3.	Warranties for authority

let to the franchisee. In that

The franchisor will already have made enquiries, but it is useful to have the franchisee personally confirm these important points, so that he is liable • • • • • • • • • • • • • • • • • • •
Relationship of parties
Leave this provision in place. Every employer is required to comply with UK anti-discrimination laws, which prevent discrimination on grounds of sex, race, sexual orientation, disability, religion and age. However, in 2009 the Court of Appeal decided that a contract could still be a contract of employment despite the individual being called a franchisee and the contract being referred to as a
Entire agreement
In law, the franchisee has signed to the manual (which may be contained in several documents) in the form in which it is at the date of signing. There is provision in the agreement for his accepting changes, but since he will not have signed to them, they will
Grant of franchise
The start date may be in the future. The possibility to terminate depends on the franchise you are offering. Clearly, you cannot terminate on a whim when your Franchisee has spent large sums in setting up and may have taken a lease of
Termination may be an issue. A franchisee does not want to be working for ten years, only to have to hand his business back to you. You will have your own aspirations and reasons for your decision so enter whatever period is appropriate or no date at all. If there is no termination date
Early obligations of the company
It will be necessary to think this through and list the items which may cause worry to the franchisee if not included. Do not go ••••••••••••••••••••••••••••••••••

5.

6.

7.

8.

Initial training

Training is important. It is also a matter widely discussed in books and articles. So the agreement should cover this issue if only to satisfy the worries of the franchisee. We have used it as
Ongoing Company provision
This depends entirely on what you want to provide. Avoid committing to overdetailed obligations
Franchise fees and other payments
There is no law restricting what a franchisor can charge for what service or in what circumstances. Basic common law is that a fee or charge should reflect no "penalty". So your solicitor can charge you £1000 an hour but he may not charge you an extra "£10 an hour if you fail to pay on time". Applying that here means you should try to make each item reasonable. Say what it covers. In the
We take the view that it is best to state specific sums, even if they are later eroded by inflation. That is because it is easier to enforce payment of an agreed
What the franchisee pays and for what services and goods will be different ■
You should also consider the tax treatment of the initial fee. You should consider the division likely to be drawn by HMR&C between revenue receipts and capital receipts. Part of the initial fee may be regarded • • • • • • • • • • • • • • • • • •
Payment terms
The interest provision is useful to promote fast payment. The rate and cumulating period are for negotiation, but you should remember that the period of cumulation is
- ")

10.

11.

### 12. Right to renewal

13.

Only you can decide the framework of your franchise offer and set the terms for renewal and transfer. We have provided example terms based on an initial term of five years. This gives you the opportunity to change
Data Protection Act 2018 Compliance
Self explanatory provisions.
The Data Protection Act 2018 applies to all personal data which passes through your organisation or that of your franchisee in any way. The law refers to "processing". In plain English that means you do something positive with that data.
The scope includes data about any "INDIVIDUAL" who is living • • • • • • • • • • • • • • • • • • •
A data controller decides the purposes for which, and how personal data
Because a franchise involves the probability that personal data will flow between you and your franchisee for one reason or another, we
Where you are the processor, the law requires that you make the ••••••••••••••••••••••••••••••••••
You should identify whether your business is a "data controller" or a "data processor" or both. Likewise you should do the same for a franchisee. ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
,

	It is important that you identify the extent to which •••••••••••••••••••••••••••••••••••
	The full requirements can be found at: <a href="https://ico.org.uk/for-organisations/guide-to-the-general-data-protection-regulation-gdpr/accountability-and-governance/contracts/">https://ico.org.uk/for-organisations/guide-to-the-general-data-protection-regulation-gdpr/accountability-and-governance/contracts/</a>
	Please note that we have drawn this provision and $\blacksquare \blacksquare \blacksquare 4 \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare$
	The Appendix is for you to edit. We have entered lists and text as mere ideas. It is up to you ••••••••••••••••••••••••••••••••••
	We suggest leave this provision as is •••••••••••••••••••••••••••••••••
14.	Franchisee's undertakings
	Most of these points will be covered in detail in your manual. But is a good idea
15.	Exclusive purchase arrangements
	We assume you will wish to control the materials / ingredients closely. We have placed this short item in its own
16.	Transfer on death of franchisee
	This is the first of several paragraphs dealing with changes of
17.	Company's right of pre-
	This is a difficult area. This is one where there may be legal provisions preventing you from taking back a flourishing business at an under value. It is important that you think through how you want your franchise to operate and set down each step carefully. On the one hand you need to avoid making the provisions obviously draconian, which would be bad for your brand and your expansion plans.

	The structure we propose in this and the following paragraphs is for the company to have a right to buy the franchise back at market value. Later, we provide for transfer payments and other charges to be deducted, so that effectively, the company may pay a
	The terms we have set out in this document are flexible
	If you start with a sole owner, we advise you to leave in place the three alternative "entities" for the franchisee. Later he may wish to incorporate ■ ■ ■
	,
	•.
18.	Terms for transfer to a third party
	We have provided a simple procedure, largely $\blacksquare$
19.	Franchise operated by a partnership
	We do not intend that you should delete this paragraph simply because your franchisee is not in a partnership now. If $\blacksquare \blacksquare \blacksquare$
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
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 ■ ■
	,
23.	Intellectual property
	As you can see from the definition, IP is a big subject. Some IP is
	Trademarks are registrable in the UK under the Trade Marks Act 1994 in specific
	If someone effectively steals your brand by dressing up his goods or services like ,
	To succeed in a passing off
24.	New intellectual property
<b>24.</b>	
	Franchisees can be in a position to "create" new IP, for example by thinking up a new recipe or a better employee routine

25.	Intellectual property / software
	This paragraph is about controlling the use of software provided by
26.	Automatic or immediate termination
	These provisions are reasonable and work both ways.
27.	Termination by the company on notice
	We have written this paragraph in strong terms to give you the legal strength you will want.
28.	Consequences of termination
	These are • • • • • • • • • • • • • • • • • • •
	You should know however that EU competition law may restrict your ability to impose restraints on
	••.

Confidentiality

	which
	Remember to tie
	*****************
30.	Confidentiality of Know-how
	Know-how is the term we use to describe all those "ways you do things": ■ ■ ■ , ■ ■ ■ ■ , ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
31.	Time is of the essence
	This is a legal term which prevents a
32.	Limitation of liability
	This is a simple and sensible provision to limit your total liability. In
	,
	••••••
33.	Limitation of liability for defects
	You must decide
34.	Publicity / announcements
	This provision is concerned about publicity relating to this agreement. You ■ ■

35.	Irrevocable power of attorney
	This is a very powerful provision. It creates a power of attorney. That means, in the circumstances set down,
36.	Indemnity
	This is a two-
37.	Damages not adequate
	A judge will usually try to award money damages
38.	Uncontrollable events
	Often referred to as "force ■ ■ ■ ■ ". ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
	•••••
39.	Miscellaneous matters
	A number of points = = = = = = = = = = = = = = = = = = =
	There are many ways to settle a dispute. But an action in court is the least desirable because it takes a long

Rights of Third Parties Act - ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

## **End of notes**