

UK-MADfrn02

## **Franchise agreement: retail business**

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

[Home Robots] 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] specified ■■■■■■■■■■ .
“Branded Supplies”	means the consumable goods and semi-disposable goods listed in the Manual as Branded Supplies and provided ■■■■■■■■■■ ■■■■■■■■■ , ■■■■■■■■■■ .
“HR Undertaking”	means the whole of the business carried on by the Company, part of which is intended ■■■■■■■■■■ ■■■■■■■■■ .
“Close Relative”	means in relation to a deceased Franchisee: spouse, life partner of ■■■■■■■■■■ , ■■■■■■■■■■ .
“Termination Date”	means the date when this agreement ends.
“Confidential Information”	means all information about the Company. It includes information about businesses, methods of doing business, future plans, policies, suppliers and customers, agents distributors and customers, ■■■■■ , ■■■■■■■■■■ ■■■ ; ■■■■■■■■■■ ■■■■■■■■■ - ■■■■■ .







- ## 6. Grant of Franchise

- ## 7. Preparing the Franchise Premises

[illegible]



- ## 8. Early obligations of the Company

8.2.5 draft budget, management accounts and book keeping system based on [the Software] which the Franchisee must ■ ■ ■ ■ ■

8.2.6 a [three year] marketing plan, to ■ ■ ■ ■ [ ■ ■ ■ ■ ] ■ ■ ■ ■ ;

8.2.7 advertising and marketing guide;

8.2.8 draft contract of employment of staff.

[illegible]

During the operation of the Franchise, the ■■■■■■■■■■■■■■■■■■■■■■  
■■■:

10.1. supply [Home Robots] within [28] days of ■■■■■■■■■■■■■■■■■■■■■■  
■■■■■■■■■■■;

10.2. provide the Branded Supplies;

- 10.3. provide and maintain the Manual;
- 10.4. provide training for the employees of the Franchisee at cost to the Franchisee [at the Franchise Premises / at premises ■■■■■■■■■■ ■■■■■■■■■■];
- 10.5. recommend sources of non-branded materials, goods and services from ■■■■■■■■■■ ;
- 10.6. provide advice, to the extent it judges to be reasonably required, by telephone / ■■■■■■■■■■ ;
- 10.7. provide whatever marketing assistance and promotional material in any medium ■■■■■■■■■■ ;
- 10.8. develop public relations and promotional campaigns for the benefit of the HR ■■■■■■■■■■ ;
- 10.9. supervise advertising by the Franchisee so as to impose appropriate ■■■■■■■■■■ .

## 11. Franchisee payments

- 11.1. By the tenth day of each month, the Franchisee shall pay the Company for the [Home] .
- 11.2. During a period of [60] days after opening the Franchise Business, the Franchisee will spend at least £ [10000] .
- 11.3. During the operation of the Franchise, the Franchisee will spend at least £ [1000] per month on advertising intended .
- 11.4. All advertising must be approved by the Company as to materials, , , , , .

## 12. Payment terms

- 12.1. All sums due under this agreement:

- [illegible]

### 13. Right to Renewal

- 13.1. The Franchisee may renew the Franchise for any number of additional periods of [ ] , :



- [illegible]

- [illegible]

## 16. Exclusive purchase arrangements

The Franchisee will not buy from any supplier except the Company, \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_.

## 17. Transfer on death of Franchisee

17.1. In the event of the death of the Franchisee, the Franchisee shall, within [ 30 ] days, transfer the Franchise to the Franchisor or to a third party, at the Franchisor's discretion, who shall be responsible for the Franchise.

17.2. A Close Relative of the deceased Franchisee may take over the Franchise provided he is qualified [ ]

17.3. No transfer fee shall be payable to \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_ - \_\_\_\_\_.

17.4. The grant of a new franchise will be .

17.5. A transfer to any other person shall be . . . . .  
 . . . . .  
 . . . . .

[illegible]



## 18. Company's right of pre-emption

18.1. The procedure set `...` “`...`”.

[illegible]

18.3. The Franchisee must give notice in writing to the Company, ■■■■■  
 ■■■■■■  
 ■■■■■■ , ■■■■ , ■■■■  
 ■■■■■■ :

18.3.1 the name of Transferee;

[illegible][illegible][illegible]

18.4. The Company may make .....

[illegible]

18.6. The Company must, within [28] days of the date it was notified of the possibility of a transfer by the Franchisee, \_\_\_\_\_ ,  
\_\_\_\_\_  
\_\_\_\_\_ ,  
\_\_\_\_\_ . \_\_\_\_\_ [ 28 ] \_\_\_\_\_ ,  
\_\_\_\_\_  
\_\_\_\_\_



[illegible]

18.10.1 the Franchise Business is a going concern.

[illegible][illegible][illegible]

**19.1.2 the Transferee signing ■■■■■■ - ■■■■■■  
■■■■■.**

- ## 20. Franchise operated by a partnership

- 20.2. in the event of any of:



## 21. Franchise operated by a company

21.1. The following terms apply if the .....  
 ..... :

21.1.1 becomes insolvent; or

[illegible][illegible][illegible][illegible]

the Franchise shall terminate automatically

21.2. The Company shall not object unreasonably to a change ■■■■■■  
 ■■■■■■  
 ■■■■■■  
 ■■■■■■.

21.3. If the shareholders in the Franchisee propose a change which does, in \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_:

[illegible][illegible]

## 22. Insurance

## 23. Risk and retention of title

23.1. The Company shall deliver the ■■■■, [■■■■■■■■]■■■■■■  
■■■, ■■■■■■■■■■■■■■■■■■■■.

[illegible]

23.6. Any sale or dealing shall be a sale or use of \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_.

23.7. Until property in the Goods passes from the Company the entire proceeds of sale of the

23.8. The Company shall be entitled to recover the price charged for the





- 24.4. to mark the Goods [and ] [ ] ;
- 24.5. to compensate the Company for any ;
- 24.6. to indemnify the Company for ;
- 24.7. on the expiry or termination of this ;
- 24.8. not to tamper with any ;
- 24.9. not to use ;
- 24.10. not to use ;
- 24.11. not to use the name of [ ] .

## 25. New Intellectual Property

- [illegible]

## 26. Intellectual Property / Software

**The Franchisee ■■■■■■■■■■:**

- 26.1. to use only [the Software] [redacted];
- 26.2. to attend training in the use of [redacted] [redacted];
- 26.3. to attend training [redacted];
- 26.4. not to copy [redacted];
- 26.5. to permit the Company to inspect and [redacted] [redacted];
- 26.6. to notify the Company [redacted];
- 26.7. to co-operate fully [redacted];
- 26.8. to use only the current version [redacted];
- 26.9. not to allow any third party [redacted];
- 26.10. to provide the Company with [redacted];



## 28. Termination by the Company on notice

- [illegible]

## 29. Consequences of termination

Upon termination of this agreement for any reason:

- 29.1. the Franchisee .
- 29.2. the Company has the option , ;
- 29.3. the Franchisee :
- 29.3.1 have access to the Franchise Premises;
- 29.3.2 take over ;
- 29.3.3 take a ;
- 29.3.4 take a transfer of all domain , ;
- 29.3.5 take a transfer of any other leased asset.
- 29.4. The Franchisee undertakes to sign , .
- 29.5. each party shall return to the other, all ,  
 , ;
- 29.6. each party shall remain liable to perform all outstanding  
  
.  
.
- 29.7. except as provided here, .
- 29.8. The Franchisee undertakes with the Company:
- 29.8.1 not to accept orders from or otherwise deal with any customer  
( )  
( ) ;









[illegible][illegible][illegible][illegible]

35.1. Neither party shall:

35.1.2 disclose any information; or

[illegible][illegible][illegible][illegible]

### 36. Irrevocable power of attorney

[illegible]

36.3. ■■■■■■■■■■■■■■■■■■■■■■ [ 14 ] ■■■■■■■■■■■■■■■■■■■■■■  
 ■■■■■■■■■■■■■■■■■■■■■■ . ■■■■■■■■■■■■■■■■■■■■■■  
 ■■■■■■■■■■■■■■■■■■■■■■ ■■■■■■■■■■■■■■■■■■■■■■  
 .

[illegible]

### 37. Indemnity







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

40.12. ....  
.....  
.....

40.13. ...., .....  
..... [ .....  
... / ... / ... ] .....  
.....  
.....

..... / .....  
.....  
.....

OR

..... / .....  
.....  
..... / .....  
..... [ ..... ].

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

print name

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

print name

## **Schedule 1: Intellectual Property**



## **Schedule 2: Branded Supplies**

## **Schedule 3: Press release**



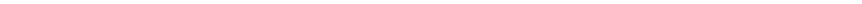
■ ■ ■ ■

[illegible]

### **3. How the Company and the Franchisee shall process data**





.....  
 .....  
 ..... , ..... ,  
 ..... :

[illegible][illegible][illegible][illegible][illegible][illegible]


3.7. 

[illegible]

**3.7.3**

3.7.4  ,   
  
  
 ; 

[illegible]

3.8. 

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3.12.1  $\dots$ ;

3.12.2  $\dots$ ;

3.12.3  $\dots$ ;

3.12.4  $\dots$ ;

3.12.5  $\dots$ ;

3.13.  $\dots$ .

[illegible]





## Appendix 1 to Schedule 4

## Data Processing Activities

**What either party may process in each category**

1. 

1.1. Name

## 1.2. Address

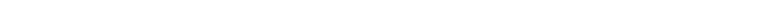
### 1.3. Email address

#### 1.4. Phone number

### 1.5. Date of birth

[illegible][illegible]

## 2. Processing the data of these data subjects

2.1. 

3. 

3.1. 

3.2. 

#### 4. Retention period

[illegible]

4.1.1. for accounting and taxation purposes;

[illegible]

[illegible]

### Explanatory notes:

## Franchise agreement: retail business

## General notes

- [illegible]

## Paragraph specific notes

Notes numbering refers to paragraph numbers.

## 1. Definitions

[illegible]

## 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

[illegible]

#### 4. 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

## 5. Entire agreement

[illegible]









## 15. Franchisee's undertakings

Most of these points will be covered in detail in your manual. But is a good idea

## 16. Transfer on death of franchisee

[illegible]

**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 [REDACTED]. [REDACTED]  
[REDACTED]  
[REDACTED]. [REDACTED], [REDACTED]  
[REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED].

[illegible][illegible]

## 18. Terms for transfer to a third party

We have provided a simple procedure, largely

## 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.

**20. Franchise operated by a company**

[illegible]

## 21. Insurance

The extent to which you require the franchisee to insure will depend on the requirements of \_\_\_\_\_.

## 22. Risk and retention of title

[illegible]

## 23. Use of sub-contractors

We advise that you should carefully consider what goods and services may be required by a franchisee and, of those, which should be controlled by you in some way. You may not wish to be \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.

## 24. 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 .....  
..... , .....  
.....

## 25. New intellectual property

Franchisees can be in a position to “create” new IP, for example by thinking  
up a new recipe or a better employee routine .....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

## 26. Intellectual property / software

This paragraph is about controlling the use of software provided by .....  
.....  
.....  
..... , .....  
.....

## 27. Automatic or immediate termination





