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 Act 2018 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. Automatic or immediate termination
- 25. Termination by the Company on notice
- 26. Consequences of termination
- 27. Confidentiality
- 28. Confidentiality of Know-how
- 29. Time is of the essence
- 30. Limitation of liability
- 31. Publicity / Announcements
- 32. Irrevocable power of attorney
- 33. Indemnity
- 34. Damages not adequate
- 35. Uncontrollable events
- 36. Miscellaneous matters
 - Schedule 1 Intellectual Property
 - Schedule 2 Branded Supplies
 - Schedule 3 Press release
 - Schedule 4 Data Protection Act 2018 Compliance

This agreement is dated [date] - - - - - - - - - : [ABC] Limited, a company incorporated in England and Wales [under company] 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 Supplies" means the consumable goods and semi-disposable goods listed in the Manual as Branded Supplies and ..,.......... "Central Undertaking" means the whole of the business carried on by the Company, part of which is intended $\blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare$ "Close Relative" means in relation to a deceased Franchisee: spouse, life partner of "Confidential means all information about the Company. It includes Information" among other things: information about businesses, methods of doing business, future plans, policies, suppliers and customers. It includes information about suppliers, agents, distributors and customers. "Drinks and Meals" means any food product sold or intended for ■ ■ ■ "Goods" means the Raw Materials and the

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"Franchise" means the arrangement for operation of the Franchise Business, "Franchise Business" means the business to be carried on by the "Franchise Premises" means the real property or premises occupied by the Franchisee for **E E E E E E E E E E E** "Franchise Service" means any service provided by the Franchise Business, including sales of Drinks and "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, "Know-how" means the body of knowledge and ideas created by -----------------. "Manual" means every manual and other document intended "Raw Materials" means [the food and other materials from which Drinks and Meals are ----------"Software" means the software used in the Franchise Business and licensed = = = = = = = = = = = = = = "Termination Date" means the date when this agreement ends. "Territory" means the area covered by [the county / post code /

 $\blacksquare \blacksquare \blacksquare / \blacksquare \blacksquare \blacksquare / \blacksquare \blacksquare \blacksquare].$ means any person to whom the Franchisee wishes to sell or charge or make some other voluntary $\blacksquare \blacksquare \blacksquare \blacksquare$,

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2. Interpretation

"Transferee"

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 from this ;
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 of
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 VAT, which
2.6.	a requirement for reasonableness shall not imply that reasons shall be 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

3. Warranties for authority

4.

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
Rel	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
Ent	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
2.5.	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	
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 • • • • • • • • • • • • • • • • • • •	
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	
Ear	ly obligations of the Company	
After the signing of this agreement, The Company ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■		
7.1.	[the set-up guide relating to selection of Franchise Premises, ■ ■ ■ , ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	
7.2.	the Manual;	
7.3.	names of approved suppliers and draft contract forms;	
7.4.	the stock of Raw Materials and Branded Supplies ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	

7.5.	draft budget, management accounts and book keeping system based on [Software] which the Franchisee must
	;
7.6.	a three year marketing plan, ■■■■■■■■■■■■ ;
7.7.	advertising and marketing guide;
7.8.	draft contract of employment of staff.
Initi	ial Training
8.1.	Within [28] days of signing this agreement, the Company will provide a minimum of [40] hours training in the •••••••••••••••••••••••••••••••••••
8.2.	The training will be provided free of charge at a location • • • • • • • • • • • • • • • • • • •
8.3.	The Franchisee must pay for his travel
8.4.	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.
8.5.	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
	£[200]
Ong	going Company provision
Durir ■ ■ :	ng the operation of the Franchise, the
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.	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	
Franchise 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 from ••••••••••••••••••••••••••••••••••••	
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 \blacksquare	
10.5	All advertising must be approved by the Company as to materials, ■ ■	
10.5.		
	 9.4. 9.5. 9.6. 9.7. 9.8. France 10.1. 10.2. 10.3. 	

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 Franchisee interest on late payments on a daily basis at a rate equivalent to [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	
11.2.	Payme ■ ■ ■ ■	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.	made in full without set-off or counterclaim [(where the party is situated outside the UK) = = = = = = = = = = = = = = = = = = =		
		ı ■ ■ ■].	
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.	Any sur	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 = = = = = = = = = = = = = = = = = = =	

12. Right to Renewal

12.1.	The Franchisee may renew the Franchise for any number of additional periods of [\blacksquare			
	12.1.1	gives written notice to the Company at least three • • • • • •		
	12.1.2	has achieved the minimum target sales set \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare		
	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	Prote	ection Act 2018 Compliance		
13.1.	To satisfy the Company's and the Franchisee's legal obligations in the European Union concerning the personal data of customers and clients of the Franchise Business, each of [ABC Ltd] • • • • [• • • •] • • • • [4].			
13.2.	Those obligations shall continue to apply after expiry or termination			
13.3.	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 the			

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 in at least [48] weeks of the year and to leave a trained and competent
	••••;
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 \blacksquare
14.7.	maintain high standards of \blacksquare
14.8.	to use only the Company's
14.9.	obtain and maintain all the
14.10.	maintain accounting, employment and other ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
	•••••;
14.11.	make available to the Company
	•;
14.12.	pay all taxes as due:

14.13.	maintain a relationship with every
14.14.	sell the Drink and Meals and any
14.15.	at all times maintain • • • • • • • • • • • • • • • • • • •
14.16.	maintain the = = = = = = = = = = = = = = = = = = =
OR	
14.17.	not change in • • • • • • • • • • • • • • • • • •
14.18.	always use his •••••••••••••••••••••••••••••••••••
14.19.	allow access to any person authorised by the •••, ••••
14.20.	at the request of the Company, to •••••[••••/••••
14.21.	not incorporate or change the
14.22.	not use any business name of •••••••••••••••••••••••••••••••••••
14.23.	conduct the Franchise
	;
14.24.	not sell, transfer, sublicense, or assign any right or
14.25.	provide for assessment by the
14 26	Each shareholder in a corporate Franchisee, who signs
17.20.	

15.	Exclusive purchase arrangements		
		Franchisee will not buy from any supplier except the Company,	
16.	Trai	nsfer on death of Franchisee	
	16.1.	In the event of the death of the Franchisee, the Franchise • • • • • • • • • • • • • • • • • • •	
		•••••	
	16.2.	A Close Relative of the deceased Franchisee may take over the Franchise provided he is qualified	
	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	
	16.6.	If the quality of management of the Franchise Business is reduced in the judgement of the	

17. Company's right of pre-emption before transfer of the Franchise

17.1.	The procedure set \blacksquare		
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		
17.5.	All of the information given to the Company ("■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■		
17.6.	The Company must, within [28] days of the date it was notified of the possibility of a transfer by the Franchisee,		
	[28]		

17.7.	If the Company elects not to buy			
	••••			
	17.7.1	the Transferee is ••••; ••••		
	17.7.2	the Transferee is ••••; ••••		
	17.7.3	the Transferee is disqualified by his failure to		
		Company so		
17.8.		Company elects to buy the Franchise Business, completion shall		
17.9.		Company elects		
		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 • • • • • • • • • • • • • • • • • • •
17 10	If the C	ompany has the right to buy the Franchise Business in
17.10.	circums	stances where
	••••	
	17.10.1	the Franchise Business is a going concern.
	17.10.2	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
Tern	ns for	transfer to a third party
		fer to a third party who
16.1.		
	••••	
	18.1.1	the Transferee must meet
	18.1.2	the Transferee signing • • • • • • • • • • • • • • • •
	18.1.3	payment to the Company of a contribution to the cost

			£[].
		18.1.4	payment to the Company \blacksquare
		18.1.5	payment to the
	18.2.	If a tran	nsfer does not proceed, the
		••••	
	18.3.	The tra	nsfer must be completed within [12] weeks of the
		••••	
	_		
19.	Frar	nchise	operated by a partnership
	19.1.		ranchisee wishes to enter into
			:
		19 1 1	the new partner (or, if a = = = , = = = = = = =) = =
		10.111	
			the Transferee signing
			the Transferee signing
		19.1.2	
		19.1.2	payment to the Company of a contribution to the cost
		19.1.2 19.1.3	payment to the Company of a contribution to the cost \blacksquare
		19.1.2 19.1.3	payment to the Company of a contribution to the cost
		19.1.2 19.1.3	payment to the Company of a contribution to the cost \blacksquare
	19.2.	19.1.2 19.1.3 19.1.4 19.1.5	payment to the Company of a contribution to the cost \blacksquare

	19.2.2	
	19.2.3	the bankruptcy or proven insolvency of a partner;
	the par	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,
		, £ [50 , 000].
19.3.	The Co	ompany = = = = = = = = = = = = = = = = = = =
19.4.	If the s	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
		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	ompany 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
	00.0.0	
	20.3.3	Payment to the Company of a fee calculated as the proportion of £ [10, 000] \blacksquare
		,
		,

	20.3.4 If and so far as the Company requires in its \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare
20.4.	If the Everebies terminates the Company shall have a vight to
20.4.	If the Franchise terminates, the Company shall have a right to •••••
Insu	ırance
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
21.4.	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, [• • • • • • •] • • • • • •
22.1.	
22.2.	In spite of delivery having •••••, ••••••
	22.2.1 the Franchisee = = = = = = = = = = = = = = = = = =
	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 \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare
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

	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.	,

	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
24.	Auto	omatic or immediate termination
	Witho	ut prejudice to any other right or remedy it may have, either ■ ■ ■ ■ ■
	:::	
		:
	24.1.	the other party is declared or becomes insolvent;
	24.1.24.2.	the other party is declared or becomes insolvent; the other party convenes a • • • • • • • • • • • • • • • • • •
	24.2.	the other party convenes a second second for the purpose of considering second second second for the purpose of considering second seco

24.5.	distress, execution • • • • • • • • • • • • • • • • • • •
24.6.	the Franchisee is convicted • • • • • • • • • • • • • • • • • • •
24.7.	the Company reasonably decides that continued operation ■ ■ ■ ■ ■
Terr	mination by the Company on notice
	events listed below are "Default Events". If the Franchisee has not made
• • •	:
25.1.	conduct by the Franchisee which materially

25.2.	a purported assignment, transfer, ••••••••••••••••••••••••••••••••••••
25.3.	failure by the
25.4.	failure by the Franchisee to make timely payment
25.5.	failure to make good a breach of
25.6.	repeated failure by the Franchisee to comply ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
20.0.	
25.7.	the Franchisee abandons the franchise by failing to operate the Franchise Business for [30] consecutive days, or ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
	•••••

	.
25.8.	the Franchisee makes a material misrepresentation relating to ■ ■ ■
	•

26. Consequences of termination

Upon termination of this agreement for any reason: 26.1. the Franchisee 26.3. the Franchisee ---: 26.3.1 have access to the Franchise Premises; 26.3.2 take over 26.3.4 take a transfer of all domain ■ ■ ■ ■ , ■ ■ ■ ■ ■ ■ 26.3.5 take a transfer of any other leased asset. 26.5. each party shall return to the other, all 26.6. each party shall remain liable to perform all outstanding ■ ■ ■ ■ ■ ■

26.7.	except	as provided here, = = = = = = = = = = = = = = = = = = =
26.8.	The Fra	anchisee undertakes with the Company:
	26.8.1	not to accept orders from or otherwise deal with any customer
	26.8.2	not to be engaged or concerned directly or indirectly • • • • • • • • • • • • • • • • • • •
	26.8.3	not to solicit or employ any •••••(••••)•••••••••••••••••••••••••••
Con	fident	iality
27.1.	The Fra	anchisee agrees and undertakes that he will:
	27.1.1	keep all records of •••••;
	27.1.2	keep all records only at [his address] • • • • • • • • (
	27.1.3	use his best endeavours to keep confidential (and \blacksquare \blacksquare \blacksquare \blacksquare
27.2.		anchisee agrees
	27.2.1	store, copy, or use the Confidential Information
	27.2.2	

27.3. This paragraph does not apply to disclosure:

27.3.1

.

27.3.2

27.3.3

27.3.4

27.4.

28. Confidentiality of Know-how

The Franchisee agrees:

28.1.

..........;

28.2.

28.3.

28.4

28.4.

28.5.

28.6.	

29. Time is of the essence

29.1.

30. Limitation of liability

30.2.

30.2.1 indirect or consequential loss; or

31. Publicity / Announcements

- 31.1. Neither party shall:
 - 31.1.1 make any public announcement; or
 - 31.1.2 disclose any information; or

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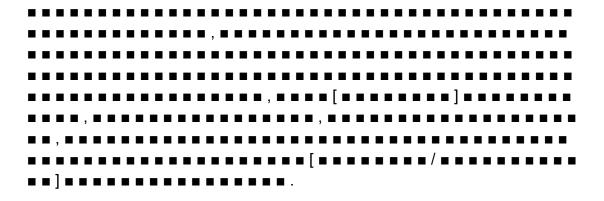
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33. Indemnity

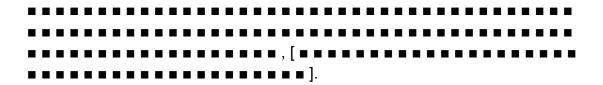
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33.4.		 		 	 	 	 	
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34. Damages not adequate



35. Uncontrollable events



36. Miscellaneous matters

36.1.	·	•		
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36.2.				
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36.3.				

36.4.	
36.5.	
36.6.	
36.7.	,
36.8.	1999 / () () (
36.9.	
36.10.	
	It shall be deemed to have been delivered:
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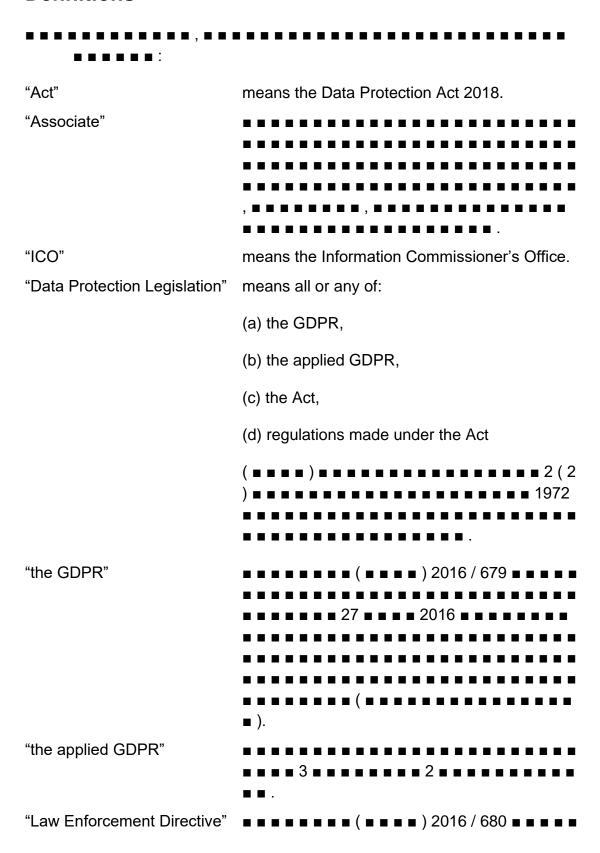
Schedule 1: Intellectual Property

Schedule 2: Branded Supplies

Schedule 3: Press release

Schedule 4: Data Protection Act 2018 Compliance

1. Definitions



-----...................... 27 - - - 2016 - - - - - - - - - - - -..................... ----"----,"----,"----,"----,"----, _____, ___, ___, ___, ___, ___, ___, ___, ___, ___, ___, ____, ____, ____, ____, **Data Protection** 2.1. 2.2. 2.3. 2.4.

2.

Hov data	w the Company and the Franchisee shall process a
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3.10.	
3.11.	24)
3.12.	provide reasonable assistance to each other in: 3.12.1

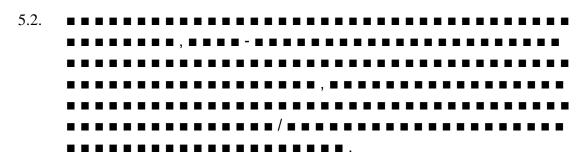
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4.2.									

4.



5. Warranty and acceptance of liability





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.	
4.	Reter	ntion period
	4.1.	-,,,,,,,
		4.1.1. for accounting and taxation purposes;
		4.1.2.
		4.1.3.

4.2.

Explanatory notes:

Franchise agreement: restaurant, cafe or other food retail

General notes

1.	comp	ough all matters relating to the management, operation and structure of a pany are regulated by statute, this agreement is comparatively gulated. It is therefore					
	critic: 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	We advise that you do not add greatly to the detail of the franchise arrangements. It is certain that you will need to change them from time to time. 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 •••••••••••••••••••••••••••••••••••					
3.	nece	ner 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					
4.	direc	franchise premises: we have assumed that either the company has no t interest in the franchise premises, or, more likely, that the franchise ch operates from property held under a lease to the franchisor and sub-					

Par	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 ion 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 •••••••••••••••••••••••••••••••••••
	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 I I I I I I I I I I I I I I I I I I
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 despit the individual being called a franchisee and the contract being referred to as
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 I I I I I I I I I I I I I I I I I I
Note that the manual is defined as any number of documents. While it is goo practice to keep all instruction and guidance material in a single document, your method of doing business may require separate documents for ■ ■ ■
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
Transfer for the large form of formal formal formation and the formation formation for the formation formation for the formation formation for the formation formation for the
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 ""

7. Early obligations of the company

4.

5.

6.

	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 ••••••••••••••••••••••••••••••••••
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
9.	Ongoing Company provision
	This depends entirely on what you want to provide. Avoid committing to overdetailed obligations
10.	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 • • • • • • • • • • • • • • • • • • •
	We take the view that it is best to state specific sums, even if they are later eroded by inflation.
	What the franchisee pays and for what services
	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 • • • • • • • • • • • • • • • • • •

11. 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
■ ").
Right to renewal
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

12.

13.

	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: https://ico.org.uk/for-organisations/guide-to-the-general-data-protection-regulation-gdpr/accountability-and-governance/contracts/
	Please note that we have drawn this provision and $\blacksquare \blacksquare \blacksquare 4 \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 E E E E E E E E E E E E E E E E E E E
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 • • • • • • • • • • • • • • • • • • •
19.	Franchise operated by a partnership
	We do not intend that you should delete this paragraph simply because you franchisee is not in a partnership now. If
20.	Franchise operated by a company
	Even if the franchisee is a company, the directors may wish to join another in a joint a a a a a a a a a a a a a a a a a a a

	The extent to which you require the
	•.
22.	Risk and retention of title
	This is a very full provision to provide maximum protection for the
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.	Automatic or immediate termination
	These provisions are reasonable and work both ways. ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

21. Insurance

	•••••
25.	Termination by the company on notice
	We have written this paragraph in strong terms to give you the legal strength you will want.
26.	Consequences of termination
	These are
	You should know however that EU competition law may restrict your ability to impose restraints on
	• • .
27.	Confidentiality
	We have included this paragraph because every business has many secrets which
	Remember to tie • • • • • • • • • • • • • • • • • • •
28.	Confidentiality of Know-how
	Know-how is the term we use to describe all those "ways you do things": ■ ■ ■ , ■ ■ ■ ■ , ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

	This is a legal term which prevents a
	!
30.	Limitation of liability
	This is a simple and sensible provision to limit your total liability. In , , , , , , , , , , , , ,
31.	Publicity / announcements
	This provision is concerned about publicity relating to this agreement. You
32.	Irrevocable power of attorney
	This is a very powerful provision. It creates a power of attorney. That means, in the circumstances set down,
33.	Indemnity
	This is a two-
34.	Damages not adequate
	A judge will usually try to award money damages

29.

Time is of the essence

35.	Uncontrollable events
	Often referred to as "force • • • • ". • • • • • • • • • • • • • •
	••••••
36.	Miscellaneous matters
	A number of points
	Dispute resolution: there are many ways to settle a dispute. But an action in court is the least desirable because it
	Rights of Third Parties Act -

End of notes