

Dated

2015

(1) BLAZES RENEWABLES LIMITED

(2) [FRANCHISEE]

(3) [PRINCIPAL]

FRANCHISE AGREEMENT

THIS AGREEMENT is made on

2015

BETWEEN

- (1) **BLAZES RENEWABLES LIMITED** (a company registered in England and Wales with company number 09512246) whose registered office is situated at Elm Street Business Park, Burnley Lancashire, England BB10 1PD ("**we**", "**our**", "**us**", the "**Franchisor**" or the "**Company**"); and
- (2) ***[INSERT NAME] [(a company registered in England and Wales with company number [insert number])] [a partnership] of [INSERT ADDRESS]*** ("**you**", "**yours**" "**yourself**" or the "**Franchisee**").
- (3) ***[INSERT NAME]*** of ***[INSERT ADDRESS]*** (the "**Principal**").

BACKGROUND

- (A) We have exclusive right to grant franchises to operate the Business under the Brand.
- (B) You have represented to us (and we have relied upon that representation) that you have all the skills, experience and attributes that are necessary to become a successful franchisee of ours and that being the case you wish to obtain the right from us to operate the Business under the Brand in accordance with the Manual.
- (C) We are prepared to grant you such a right on and subject to the terms of this Contract.
- (D) Where a Principal is party to the Contract the grant of rights to you under the Contract is conditional upon and in consideration of the Principal agreeing to being bound by the provisions of clause 29 of the Conditions.

TERMS AGREED

1 Definitions and Incorporation

- 1.1 This agreement comprises the following sections (which are listed below in their order of precedence, beginning with the section having ultimate precedence):
 - 1.1.1 the terms set out in the main body of this agreement (including the Background above and the Contract Particulars below) (the "**Main Body**");
 - 1.1.2 our terms and conditions of agreement, a copy of which appears at appendix 1 (the "**Conditions**")(together the "**Contract**").
- 1.2 A word or phrase which is defined in the Main Body or the Conditions shall have the same meaning in the rest of the Contract unless inconsistent with the context.

2 Contract Particulars

The following shall apply to the Contract:

FEES	Initial Grant Fee	£15,000
	Business Software Fee	£[<i>INSERT</i>]
	Resale Buyer Training Fee	£5000
	Management Service Fee	30% of the Job Profit
	Marketing Levy	3% of the Job Profit
Brand	Blazes Renewables	
Commencement Date	[<i>INSERT DATE</i>]	
E-mail Addresses	Your e-mail – [<i>INSERT</i>] Our e-mail – [<i>INSERT</i>]	
Minimum Target	Such level of Turnover as equals 70% of the level of turnover that was, on average (and having regard to the turnover generated by each of our franchisees), generated by a franchised Business over the period in question	
Term	5 years from the Commencement Date	
Territory	The area detailed in Schedule 3	
Turnkey Elements to be supplied by Franchisor	Yes	

THIS CONTRACT has been entered into by the parties on the date first written above.

SIGNED for and on behalf Blazes Renewables Limited:

Signature:

Name:

Occupation/Title:

Date:

[FOR INCORPORATED FRANCHISEES – INCLUDE/DELETE AS APPROPRIATE]

SIGNED for and on behalf of **[INSERT NAME OF FRANCHISEE COMPANY]**:

Signature: _____

Name: _____

Occupation/Title: _____

Date: _____

[FOR INDIVIDUAL UNINCORPORATED FRANCHISEES– INCLUDE/DELETE AS APPROPRIATE]

SIGNED by **[INSERT INDIVIDUAL'S NAME]**:

Signature: _____

Date: _____

Witnessed by:

Signature: _____

Name: _____

Occupation/Title: _____

Date: _____

[FOR FRANCHISEES OPERATING AS A PARTNERSHIP – INCLUDE/DELETE AS APPROPRIATE]

SIGNED by:

Signature: _____

Name: _____

Date: _____

and by:

Signature: _____

Name: _____

Date: _____

duly authorised for and on behalf of **[INSERT NAME OF PARTNERSHIP]**

.....

[FOR A PRINCIPAL (N.B. - ONLY INCLUDE IF FRANCHISEE IS A COMPANY) – INCLUDE/DELETE AS APPROPRIATE]

SIGNED by **[INSERT INDIVIDUAL'S NAME]**:

Signature:

Date:

Witnessed by:

Signature:

Name:

Occupation/Title:

Date:

Appendix 1 - The Conditions

1 Definitions and Interpretation

1.1 In the Contract the following words and phrases shall have the following meanings:

"Affiliate"

a person shall be an affiliate of a person if it:

- (a) controls (directly or indirectly) the person in question, or
- (b) is controlled (directly or indirectly) by the person in question, or
- (c) is controlled (directly or indirectly) by a third party which also directly controls the person in question and control shall have the meaning ascribed to it in section 1124 of the Corporation Tax Act 2010;

"Brand"

the brand which encompasses those trade marks and/or trade names and/or logos referred to in the Contract Particulars (and the Brand and the manner in which it is to be used, being more particularly detailed in the Manual);

"BR Products"

Energy Saving products and/or energy monitoring products and associated products and such other products as we may in the future decide that it is appropriate to provide;

"Business"

the business of supplying the Services and the BR Products in accordance with the System and as the context so requires a reference to the Business shall either be in relation to the Business generally or in relation to the Business carried on by you under the Contract;

"Business Development Manager"

any employee of us or any of our Affiliates that we, having regard to the qualification and experience of the employee in question, consider is fit to advise and/or assist and/or supervise with regard to the circumstances concerned;

"Business Development Managers Fee"

the fee payable by you to us in respect of the appointment of a Business Development Manager(s) pursuant to clause 5.5.2 below;

"Business Licences"

the third party licences, consents and permissions detailed in the Manual;

"Business Software"

that part of the software that is to be utilised by you in the Business which will either be provided through us and/or which we will procure the provision of and which software will enable you to manage the Business more successfully and which will assist us in monitoring your performance and which, from time to time, may be made up of both bespoke and off the shelf elements;

"Business Software Fee"

the fee detailed as such in the Contract Particulars, which is payable by you in relation to the Business Software which fee will cover certain matters relating to your use of such software, such matters being detailed in the Manual

"Commencement Date"

the date that the Contract shall come into effect as detailed in the Contract Particulars;

"Company IP"

all Intellectual Property owned or controlled by the Company (including the Brand);

"Competing Business"

any business a material aspect of which is the sale or supply of services that are the same as or similar to the Services and/or products that are the same as or similar to the BR Products;

"Compulsory Ongoing Training"

any training, in addition to the Initial Training that we require the majority of our franchisees and/or the majority of their staff (either generally or in respect of a particular job title or role) that are involved to a material extent in the provision of the Services and/or the BR Products to undertake;

"Compulsory Ongoing Training Charges"

the charges payable by you in respect of the provision of the Compulsory Ongoing training in question, which charges shall be detailed in the Manual and shall be set at such level so as to simply allow us to recover the costs (including both internal costs and third party costs) incurred by us in providing the Compulsory Ongoing Training in question but which charges shall not include any profit element for us;

"Confidential Information"

any information about us, and/or the Business and/or our Affiliates divulged by us and/or received or obtained by you prior to or during the period of the Contract which is either marked or expressed by us as confidential or which would be reasonably considered to be confidential (and for the avoidance of any doubt the contents of the Manual shall be considered confidential);

"Credit Terms"

the credit terms that, having regard to the period of time that you have operated the Business for, the volume of BR Products you purchase from us and your compliance with this Contract, we would be willing to offer you, the details of such credit terms being set out in the Manual;

"Customer"

any person (other than National Account Customers and customers that have been referred to you by another franchisee of ours) to whom you supply the Services and/or an BR Product;

"Customer Information"

in respect of any Customer or potential Customer, that person's name and address and such other details and information as detailed in the Manual, that you are required to obtain in respect of the person in question;

"Employee Guidelines"

the guidelines (which shall include details of the relevant qualifications that must be held by persons (whether employees, workers, agents, consultants, sub contractors or otherwise) that are involved in supply of goods and services by your Business) and advice you must follow and consult when considering whether or not to employ any person in respect of the Business, such guidelines and advice being detailed in the Manual;

"Equipment"

the equipment that, in addition to the Start Up Equipment, we require you to use in the operation of the Business such equipment being detailed in the Manual;

"Fees"

the Management Service Fee and the Initial Grant Fee;

"Franchisee Entitlement"

In respect of a particular Month, such amount as equals the sum of the Job Invoice Sums received and the National Account Customer Fees accruing during that month less the Monthly Fee relating to that Month;

"Franchisee Supply Terms"

the terms, as detailed in the Manual, upon which we will supply you the Franchisor Items and/or the BR Products;

"Franchisor Items"

those items (including the BR Products, certain marketing material and certain Equipment), to be used in connection with your Business that from time to time, we are able to supply you with, such items being detailed in the Manual;

"Franchisor Item Sums"

the sums payable by you in respect of any Franchisor Items and BR Products you purchase from us;

"Goodwill"

the goodwill and all rights in and in connection with or arising from the System and/or the Brand and/or any of the Company IP and/or the operation of the Business;

"Incapacitated"

you for any reason being unable to take a full active role in the day to day running of the Business for periods which are collectively of more than sixty (60) days in any period of twelve (12) consecutive months;

"Initial Grant Fee"

the fee detailed as such in the Contract Particulars;

"Initial Marketing Material"

the marketing material detailed as such in the Manual and/or the marketing material detailed in the Turnkey Elements;

"Initial Staff"

those members of your staff that you anticipate will, from the date that the Business first starts providing the Services, be providing and/or, to a material degree, assisting in the provision of the Services;

"Initial Support"

the support detailed in the Turnkey Elements and the support referred to as such in the Manual (the details including method and timing of delivery and duration, being set out in the Manual and/or the Turnkey Elements);

"Initial Training"

the training detailed as such in the Manual and/or the Turnkey Elements (the method and manner of its delivery also being detailed in the Manual);

"Installer"

the third party engaged by Us on your behalf (you must select your chosen Installer from the list of Installers detailed in the Manual) to install the BR Products required for a particular Job;

"Intellectual Property"

any copyright, design, patent, trade mark, trade name or other so called intellectual property right whatsoever (whether registered or unregistered and whether existing now or at any time in the future) together with any and all goodwill and know how relating or attached to them and all extensions and renewals of any of them and the right to apply for any of these rights;

"IT Support"

the support referred to as such in the Manual (the details in respect of such support including the method and timing of delivery and its duration and frequency being set out in the Manual);

"Job"

the supply of Services and/or BR Products to a Customer;

"Job Cost"

in respect of a particular Job, such amount as equals the sum of the Job Installation Costs and the Job Parts Costs relating to that Job;

"Job Fee"

the fee charged by you to a Customer for the delivery of the Job in question for that Customer;

"Job Installation Costs"

In respect of a particular Job, the fee charged by the Installer (which fee will be agreed between you and the Installer prior to our engaging the Installer in question in relation to the Job in question) to undertake the installation of the BR Products required in relation to that Job;

"Job Invoice"

an invoice that is created in respect of a Job Fee that has been generated by you;

"Job Invoice Sum"

the sums received by us from your customers in payment of Job Invoices;

"Job Parts Costs"

in respect of a particular Job, the sum of the price payable for the BR Products used in respect of that Job;

"Job Profit"

in respect of a particular Job, such amount as equals the Job Fee less the Job Cost and any Referral Fee payable in respect of the Job in question relating to that Job;

"Management Service Fee"

the fee detailed as such in the Contract Particulars;

"Manual"

our operating manual in place from time to time detailing amongst other things, the System and the policies and procedures to be followed in respect of the Business;

"Marketing Levy"

the fee detailed as such in the Main Body which fee represents your contribution to the marketing undertaken by us which will directly or indirectly benefit all and/or part of our network of franchisees;

"Micro Website"

the web page of our website that specifically relates to your Business and which is controlled by us on your behalf, details in respect of Micro Websites generally being set out in the Manual;

"Minimum Target"

the amount of Turnover detailed as such in and calculated in accordance with the relevant section of the Main Body;

"Month"

the period from the Commencement Date up to and including the last day of the Calendar Month in which the Commencement Date falls, each complete Calendar Month falling within the Term and following such first period and the period commencing on the day immediately following the last day of the last complete calendar month falling within the Term and ending on the expiry or termination of this contract;

"Monthly Fee"

in respect of a Month, the sum of the Management Service fee, the Marketing Levy, the Franchisor Item Sums, any Training and Support Charges and any other sums payable by you pursuant to the Contract (including any Operational Sums) generated in respect of that Month;

"National Account Customer"

those customers that we, from time to time, have a contract with to supply the BR Products and/or the Services to within the UK, which such customers will be detailed in the Manual;

"National Account Customer Fee"

the fee that we will be obliged to pay you if you undertake the supply of the BR Products and/or Services in question for the National Account Customer in question, such fees being calculated on the basis set out in the Manual;

"Ongoing Support"

the support referred to as ongoing support in the Manual;

"Operational Default"

circumstances where we, in our reasonable opinion, consider that you are in breach of any of your obligations under the Contract and/or are failing to perform any of such obligations in accordance with the Manual;

"Operational Sums"

The sums referred to in clause 10.5 as Operational Fees;

"Order"

an order placed by you with us for the supply of Franchisor Items and/or the BR Products, which order must be in the form set out in the Manual;

"Our E-mail"

the e-mail address detailed as such in the Contract Particulars;

"Persistent Breach"

in respect of any twelve (12) month period committing the same (or a similar) breach on two (2) or more occasions or committing three (3) or more breaches of the Contract in either case regardless of whether or not any breach was subsequently remedied;

"Price List"

our price list for the Franchisor Items and the BR Products that, at the time in question, we should be able to supply;

"Prime Franchisee Designation"

The right for you to describe and market and promote yourself as the "Principal Blazes Renewable Franchisee in the Territory"

"Records"

- (i) complete and accurate books of account; and
- (ii) details of all activities (including all transactions entered into) undertaken by you in connection with the Business; and
- (iii) all other records (which shall also include non financial records) and similar detailed in the Manual which, according to the Manual, you are obliged to keep and maintain in respect of the Business;

"Referral Fee"

the fee payable by a franchisee of ours when the provision of BR Products and/or Services to a customer is referred to it by another franchisee of ours which fee shall be the percentage of the sums paid by the relevant customer for the Services and/or BR Products in question , such percentage being set out in the Manual;

"Referral Reasons"

the circumstances in which it will be acceptable for you to refer a Job to another of our Franchisees, such circumstances being set out in the Manual under the heading Referral Reasons ;

"Relevant Laws"

all legislation, codes of practice, standards, guidance and regulations (including those of any relevant governing bodies and/or authorities detailed in the Manual) applicable (whether by virtue of the provisions of this Contract, the Manual or legislation in force within the United Kingdom or otherwise) to your operation of the Business and/or the performance by you of your obligations and/or the exercise of your rights under the Contract;

"Resale Buyer Training Fee"

the fee detailed as such in the Contract Particulars, which is payable by you in return for our providing the Initial Training to a person that has purchased your Business;

"Services"

the installation (including the project management of the installation) of the BR Products and related products;

"Standard Terms of Supply"

our standard terms of supply in respect of the supply of the Services and/or the BR Products to our customers, as amended from time to time, the version current as at the date of this Contract being set out in the Manual;

"Start Up Equipment"

the Equipment detailed in the Turnkey Elements and/or Schedule 2; [

"System"

our methods of operation, and the know-how and Confidential Information that we have developed in respect of the provision of the Services and/or the BR Products and/or the operation of the Business;

"Training and Support Charges"

those charges) payable by you in respect of the provision by us (or on our behalf) of any training and/or support that, pursuant to the terms of this Contract, we are entitled to charge for;

"Term"

the period detailed as such in the Contract Particulars;

"Territory"

the area detailed in Schedule 3;

"TUPE"

the Transfer of Undertakings (Protection of Employment) Regulations 2006;

"Turnkey Elements"

those items and services listed in schedule 1;

"Turnover"

all income generated by your Business including the sums paid and payable to you by your Customers in respect of the Services and/or the BR Products before deduction of VAT on such sums. For the avoidance of any doubt, for the purposes of calculating the Turnover and as regards your obligation to pay any sum due under this Contract you will not be entitled to deduct any refund and/or credit and/or (save where such discount has been expressly authorised in writing by us) discount from the income generated by your Business;

"Working Day"

any days other than a Saturday or a Sunday or a bank or public holiday in England;

"Year"

the period of twelve (12) months from the Commencement Date and each subsequent period of twelve (12) consecutive months following that first twelve (12) month period during the continuance of the Contract it being acknowledged that where the Contract is terminated or expires part way through a Year reference to a Year shall include the period from the end of the Year just completed (or, in the case of termination within the first Year, the Commencement Date) until the date of termination;

"Your E-mail"

the e-mail address detailed as such in the Contract Particulars;

1.2 In the Contract:

- 1.2.1 Words incorporating the masculine gender includes the feminine and neuter genders and words incorporating the singular number includes the plural and vice versa.
- 1.2.2 The headings to clauses are for the purpose of information and identification only and do not form part of the Contract.
- 1.2.3 References to any statute or statutory provisions will, unless the context otherwise requires, be construed as including references to any subsequent statute and will include any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision which are in force as at the date of the Contract or subsequently.
- 1.2.4 References to persons include individuals, bodies corporate, unincorporated associations, partnerships and any other legal or commercial entity or undertaking.
- 1.2.5 References to clauses and schedules are (unless otherwise specified) to the clauses and schedules of these Conditions.
- 1.2.6 Each schedule to these Conditions (if any) shall have the same force and effect as if set out in the main body of these Conditions.
- 1.2.7 For the purpose of assessing your liability a reference to you shall be deemed to include your employees, agents, sub contractors and representatives and any person under your control and accordingly you shall be liable for the acts and omissions of any such persons.
- 1.2.8 The words “include”, “includes”, “including” and “included” will be construed without limitation unless inconsistent with the context.
- 1.2.9 Where there is reference to any matter to be specified by us then such matter may be specified by amendment of or addition to the Manual.
- 1.2.10 Where a party is required to perform an obligation it shall, unless otherwise expressly stated to the contrary, bear all cost and expense associated with the performance of the obligation in question.
- 1.2.11 Any obligation to be performed by us may be performed by us or any person we choose to sub-contract the performance of all or part of that obligation to.
- 1.2.12 Where reference is made to something (for example a price) being set out or detailed in the Manual, this shall be a reference to the latest version of the Manual.
- 1.2.13 Where the Franchisee is a limited company, limited liability partnership or other corporate entity then as regards any provision of this Contract that, because you are not a real person, would not make sense or which we, acting reasonably, consider to be a provision of a personal nature (for example the obligation to undertake Initial Training) then a reference to you shall be deemed to be a reference to the Principal

2 Rights Granted

- 2.1 In consideration of the payment by you of all fees (including the Fees) payable under this Contract, subject always to clauses 2.3 and 17.5 we grant you the right to operate, within the United Kingdom, the Business under the Brand for the Term in accordance with the terms of the Contract.
- 2.2 We will not grant any other Franchisee the right to use the Prime Franchisee Designation in relation to the Territory however, you acknowledge and agree that you have not been granted any exclusive or sole right to operate the Business (whether in respect of a particular territory or otherwise) and accordingly, you shall be in competition with us, our Affiliates and other franchisees and licensees;
- 2.3 Where, for any of the Referral Reasons, you transfer the delivery of a Job (or potential Job) to another of our franchisees and the franchisee in question delivers the Job in question then that Franchisee shall be obliged to pay you a Referral Fee in respect of that Job. We shall deduct the Referral Fee in question from the Job Invoice Sum relating to that Job. Similarly, when the provision of BR Products and/or the Services is referred to you by another franchisee of ours then you shall be obliged to pay the relevant Referral Fee and you unequivocally and irrevocably consent to our deducting the relevant Referral Fee from the Job Invoice Sums received in respect of the Job in question. For the avoidance of any doubt the customer in respect of whom the provision of BR Products and/or the Services is referred by another franchisee of ours shall remain the customer of that franchisee and, other than the correspondence with that customer that is entirely necessary for the provision of BR Products and/or the Services that has been referred, you shall not seek further work from that customer and shall refer any subsequent requests for the provision of BR Products and/or the Services from that customer to the franchisee that referred the work to you.

3 Term and Renewal

- 3.1 Subject to earlier termination as provided for in this Contract, the Contract shall commence on the Commencement Date and shall continue in force for the Term.
- 3.2 If at any time, not earlier than nine (9) months but not later than six (6) months before the expiry of the Term, you desire, following the expiry of the Contract, to enter into a new contract with us governing the Business and:
- 3.2.1 you give us written notice of such desire; and
- 3.2.2 you are (at the time of such notice) not in breach and have not (during the Term) been in Persistent Breach of your obligations under the Contract (provided always that if after the service of the notice and prior to the execution of the new Contract you shall breach the Contract we shall not be obliged to grant a renewal); and
- 3.2.3 we are, at that time still offering franchises; and
- 3.2.4 you relinquish in such form as we may require all claims against us and/or, any of our Affiliates and/or any third party associated with us; and
- 3.2.5 provided you have met the Minimum Targets for the last three (3) years of the Term; and

- 3.2.6 have (in each case during the Term) paid all sums due to us and to our approved suppliers when due; and
- 3.2.7 operated the Business in accordance with the Manual; and
- 3.2.8 are up to date as regards the training that we require you to undertake; and
- 3.2.9 between the date that you give us notice pursuant to clause 3.2.1, and the date of expiry of the Contract you and your staff do all things (including renewing and replacing ant Equipment, purchasing further stationary, undergoing further training etc.) that we reasonably require to ensure that you are fully up to date as regards the Business; and
- 3.2.10 you agree, at your cost, to undertake (within the timescales specified by us) and to procure that any members of your staff that we require undertake such training as we consider necessary; and
- 3.2.11 you agree to reimburse us in respect of any legal and/or other third party expenses that we may incur in connection with the renewal.

then we will enter into a new standard Contract with you (the "**Renewal Agreement**").

- 3.3 The terms of the Renewal Agreement shall be the same as the standard franchise contract that, at the relevant renewal date, is then currently being offered to potential franchisees save that:-
 - 3.3.1 it will not include an obligation to pay a further Initial Grant Fee; and
 - 3.3.2 it will not contain any obligation upon us to provide Initial Training, Initial Marketing Material, Initial Support, any of the Turnkey Elements or any other of our obligations that we, acting reasonably, consider only apply to the initial grant of the franchise;
 - 3.3.3 it will not contain a right of renewal.
- 3.4 For the avoidance of any doubt, the maximum amount of Renewal Agreements that we shall enter into with you will be one (1)

4 Our Obligations

- 4.1 We shall:
 - 4.1.1 provide you with the Initial Support and during the Term provide you with the Ongoing Support and such other support in respect of the Business as we consider is reasonably appropriate, the nature and method of delivery of such support and the persons responsible for providing the same being detailed in the Manual;
 - 4.1.2 provide the Initial Training and the Compulsory Ongoing Training As regards the Compulsory Ongoing Training, you shall pay the Compulsory Ongoing Training Charges;

- 4.1.3 provide, at our sole discretion, in addition to the Initial Training and Compulsory Ongoing Training, further training and if you wish to receive such further training then you will have to pay our charges (as detailed in the Manual) for such training or, where such training is provided by a third party, the charges of such third party for the provision to you of the training in question;
- 4.1.4 provide, at our sole discretion assistance and/or support falling outside of the scope of clause 4.1.1 above on request, subject to you agreeing to pay our charges, as detailed in the Manual, in respect of the same;
- 4.1.5 not be responsible for any salary (or any other remuneration or benefit whatsoever) costs nor shall we be responsible for, travel, accommodation, subsistence, living, or similar expenses of you or your staff that are incurred in connection with any training that you undertake pursuant to this Contract and accordingly, in all cases (including as regards the Initial Training and the Compulsory Ongoing Training) you shall be responsible for such costs and expenses. The time and place of any training provided by us (including the Initial Training and the Compulsory Ongoing Training) shall be at such place (within the UK) and at such times and on such dates as we may, acting reasonably, specify;
- 4.1.6 provide you with a copy of the Manual. We may amend the Manual at any time and will provide you with details of such changes from time to time;
- 4.1.7 provide you with access to and use of the Business Software. Such access shall be on the basis and terms set out in this Contract and/or in the Manual;
- 4.1.8 review and inspect the Business as often as we, acting reasonably, deem necessary;
- 4.1.9 provide, as part of the Turnkey Elements, the Initial Marketing Material;
- 4.1.10 in addition to the Initial Marketing Material provide you at, having regard to the prices set out in the Manual, your expense with such further advertising, marketing and promotion materials and stationery in respect of the Business as you reasonably require;
- 4.1.11 authorise you to use the Brand solely for the purpose of operating and promoting the Business during the Term (but only in accordance with the provisions of the Manual);
- 4.1.12 substitute or add to the Brand if it can no longer (as regards infringement of a third party's right) legally be used or if we, in our sole discretion determine that the substitution of a different brand will be beneficial to the Business. In such circumstances, the use of the substituted brand shall be governed by the terms of the Contract, and you shall not be eligible and we shall not be liable to you in respect of any compensation for such substitution;
- 4.1.13 without prejudice to any other provision of this Contract be entitled to use any information gained under the Contract for the purpose of refranchising the Business (including by sharing the information with potential new franchisees) and/or in connection with any enquiry by any relevant regulatory body (including the British Franchise Association);

- 4.1.14 at our discretion, organise (at a suitable venue within the UK) and convene an annual general meeting of our franchisees, you bearing the cost of any travel and accommodation expenses incurred in your (and/or any member of your staff) attending such meetings;
- 4.1.15 subject to availability, sell or procure the sale or supply of Franchisor Items and the BR Products to you at the price at which we sell to our other franchisees (the price of a particular Franchisor Item or, as appropriate, BR Product being the price detailed in the then current Price List). We will notify you promptly following the Commencement Date and from time to time of the Price List then current. After you have received a Price List, unless we expressly state otherwise, all previous Price Lists will be null and void. We shall only be obliged to sell the Franchisor Item or, as appropriate, BR Product to you after we have accepted, in writing, your Order for the Franchisor Items or, as appropriate, BR Product (and where we consider that it would be reasonable for us to do so, we may refuse to accept any particular Order). All Franchisor Items and BR Products will be supplied on the Franchisee Supply Terms;
- 4.1.16 We shall, subject to your complete compliance with this Contract, offer you the Credit Terms but we shall be entitled to alter the Credit Terms (or completely remove your right to credit and require payment in advance for all or any of the Franchisor Items) at any time, by notice, if we consider it reasonable for us to do so and it shall always be deemed reasonable for us to do so if you fail to make any payment to us on or before such payment is due;
- 4.1.17 for the avoidance of doubt, we shall not be under any obligation to fulfil any Order if you have outstanding Franchisor Item Sums due in respect of any previous Order and such sums have not been paid by the date that they were due. Further, if you have failed to pay , on more than two (2) occasions, any Franchisor Item Sums by the date the sums in question were due, we shall be entitled to require you to pay for each Order in full before we shall be bound to fulfil any Order;
- 4.1.18 utilise the Marketing Levy to undertake such advertising (which may include national advertising) and/or marketing as we may, acting reasonably, (including as to methods, manner and media) see fit. Within sixty (60) days of the end of each Financial Year we will provide a report in the form set out in the Manual and signed by our accountant which will detail the total of the Marketing Levy collected in respect of that Year and what that sum has been spent/allocated towards.
- 4.2 For the avoidance of any doubt, unless expressly stated otherwise, any service or thing to be provided or obligation to be performed by us will be provided or, as appropriate, performed in the manner detailed in the Manual and that will be the extent of our obligations as regards such performance or provision;
- 4.3 Without prejudice to the provisions of clause 9.2, in respect of our obligations as regards the provision of training and support to you, we may either provide such training and support ourselves and/or sub contract the provision of all or any part of it to such third parties as we shall consider appropriate.

5 Your Obligations

- 5.1 You agree:

- 5.1.1 to pay us the Fees and any other sums that, pursuant to this Contract, you are obliged to pay us;
- 5.1.2 execute all such documents (including direct debit mandates) that we reasonably require to ensure that payment is made to us;
- 5.1.3 not to bring the Brand into disrepute or damage our Goodwill and/or reputation;
- 5.1.4 to ensure that in respect of the six (6) month period commencing on the Commencement Date and each successive period of six (6) months after the first such six (6) month period your Turnover exceeds the Minimum Target. If we, acting reasonably, consider that your failure to achieve the Minimum Target was as a result of your acts and/or omissions then we may deem such failure to be an Operational Default and if we notify you that we consider such failure to be an Operational Default then the provisions of clauses 5.5 to 5.11 shall apply;
- 5.1.5 to co-operate with us and other third parties and participate on our instruction in such advertising campaigns, sales promotion programmes or other advertising or promotion activity in which we may require the majority of our franchisees in the UK and/or the generally accepted region of the UK (e.g. the North West) into which you are based , from time to time, to participate in;
- 5.1.6 to comply strictly with the provisions of the Manual and any service level standards set by National Account Customers which we may notify you of from time to time;
- 5.1.7 not without first obtaining our written consent to charge, pledge or howsoever encumber the Business, or any of the rights granted to you under the Contract or the receipts of your Business (whether or not such encumbrance is in the ordinary course of business);
- 5.1.8 that the Goodwill shall at all times belong to and be vested in us and that you only have the right to benefit from the Goodwill to the extent and upon the terms provided by this Contract;
- 5.1.9 to indemnify and keep us indemnified against all losses (whether consequential or otherwise), costs, claims, suits, actions, proceedings, damages, penalties, fines, expense (including any expenses in connection with the investigation and defence of any claim), professional fees (including legal fees) and any other liability whatsoever suffered, sustained, incurred or faced by us as a direct or indirect result of your negligence and/or any act or omission of you which results in you breaching any provision of the Contract;
- 5.1.10 to provide to us all assistance, documents and information in relation to the Business as we deem necessary from time to time and permit us to use such information for any purpose we reasonably require (including supplying the same to third parties for market research purposes);
- 5.1.11 to take out and keep in force throughout the Term and for two (2) years following the termination or expiry of the Contract with the providers nominated by us the insurance detailed in the Manual. You will ensure that our interest is noted on all policies relating to such insurance. Further you will

provide us with such evidence as we reasonably require that you have paid all premiums due in respect of such insurance and if at any time you fail to pay such premiums we shall have the right (but not the obligations) to pay such premiums ourselves and charge you for such premiums (and we shall be entitled to deduct such premiums from the sums payable to you pursuant to this Contract). We will notify you of our nominated Insurance providers from time to time;

5.1.12 to clearly and promptly indicate on all literature and correspondence that you are “An independent business owned and operated by ***[insert franchisee’s corporate name or, where franchisee is an individual, his name]***, under licence as a Blazes Renewables franchise” (using those exact words);

5.1.13 to comply with all our reasonable requirements consistent with the terms of the Contract or the Manual for the efficient conduct of the Business;

5.1.14 not to cause us to be in breach of any arrangement and/or agreement with third parties of which we have given you notice;

5.1.15 to ensure that the Employee Guidelines are strictly followed when considering whether or not to employ (whether as employee, worker, agent, consultant or otherwise) any person in the Business;

5.1.16 not to:

- (a) without prejudice to the provisions of clause 5.3.2, employ any member of staff in the Business on terms more favourable than is reasonable having regard to the industry standard at the time of employment;
- (b) employ or offer employment to any person who is not an existing member of staff during the last six (6) months of the Term without our consent;
- (c) employ or otherwise engage any person as a manager (or equivalent role) in the Business without first obtaining our prior written approval in respect of the person in question (and in this regard you shall supply us with all such information as we require in respect of that person and, if we so require, arrange for us to meet with him /her at such time and on such date and at such place as we may reasonably require);
- (d) change the terms of employment of any employee in the Business during the last six (6) months of the Term;

5.1.17 to promote and operate the Business on such terms and conditions (including the Standard Terms of Supply) as we may from time to time specify (but for the avoidance of any doubt, save for complying with any maximum price that we may set for the provision of the Services and/or the BR Products, you shall not be under any restriction as regards the pricing of the Services and/or the BR Products) and to bring the same to the attention of each potential Customer promptly following the Customer in question expressing a genuine interest in receiving the Services and/or the BR Products;

- 5.1.18 to ensure that adequate finance is available to enable you fully to develop the Business;
- 5.1.19 to carry on the Business to the highest standards of service;
- 5.1.20 to send us, within twenty four (24) hours of the same being made, the details (as set out in the Manual) that we require in respect of any complaint you receive about the Business and, if we notify you that we require the same, to allow us to deal with the complaint in question;
- 5.1.21 to use your best endeavours to promote and extend the Business;
- 5.1.22 to devote the whole of your title and attention to the Business and accordingly not to engage in, be involved with or employed by any business other than your Business without our prior written consent which consent we may, in our absolute discretion withhold and we will never consent to you being so engaged unless and until you have appointed a manager (approved by us) in respect of your Business;
- 5.1.23 without prejudice to clause 5.1.22 above, not (and you agree to procure that none of your Affiliates shall) during the Term, engage or be involved directly or indirectly or in any way assist any third party to so engage in or be involved in any business which is a Competing Business;
- 5.1.24 not, without our prior written consent, employ (whether as an employee, consultant or otherwise) or offer to employ or sub-contract any person who was at any time during the period of six (6) months immediately before such employment or offer of employment employed by us or by another franchisee and not directly or indirectly induce any such person to leave his or her employment;
- 5.1.25 to attend all meetings with us that we require you to attend including our annual general conference of our franchisees. Your non-attendance shall be permitted only if there are extenuating personal circumstances which you could not have taken reasonable measures to avoid;
- 5.1.26 if selected by us to be a member of the Franchisee Representative Body, to willingly participate (as set out in the Manual) in it and notwithstanding the provisions of clause 5.1.25 above, attend all meetings of it;
- 5.1.27 to provide potential franchisees, at our request, with such information concerning the Business as such prospective franchisees may reasonably require and at all times be courteous and to co-operate with such prospective franchisees;
- 5.1.28 in respect of the Services and the BR Products refrain from charging in excess of any maximum charges specified by us;
- 5.1.29 to upload, onto the Business Software all the information required by the Manual to be uploaded onto the Business Software within the timescales and in the manner set out in the Manual;
- 5.1.30 that we shall have, at all times, real time access to the Business Software and the information that you have uploaded onto it and you will not do or fail to do anything that will or may hinder such access;

- 5.1.31 to purchase, or as appropriate, lease the Equipment from us or such third parties as we may approve. For the avoidance of any doubt you will not be permitted to commence operating the Business until you have purchased or, as appropriate, leased the Start Up Equipment. Where we supply (whether by way of sale or lease) the Equipment the relevant prices and any rental fees shall be set out in the Price List;
- 5.1.32 to have at all times during the Term possession (whether by way of outright purchase, lease, hire purchase arrangement or otherwise) of the Equipment and the unrestricted right to use the Equipment in connection with the Business;
- 5.1.33 to ensure that all Equipment is kept in a good state of repair and to promptly repair and/or replace any item of Equipment that is damaged;
- 5.1.34 to comply with all Relevant Laws;
- 5.1.35 to be, throughout the term of this Contract, registered in respect of VAT and charge VAT in respect of the Business in accordance with the appropriate Relevant Laws. For the avoidance of any doubt a breach of this clause shall be deemed a material breach of the Contract;
- 5.1.36 to ensure the telephone number for the Business is answered (in person or by voicemail) during the hours, detailed in the Manual, that the Business is to be open for;
- 5.1.37 that other than in respect the Micro Website, you shall not under any circumstances supply and/or promote all or any part of the Services and/or the BR Products through or in connection with any website or howsoever over, through or in connection with the Internet or any similar network unless specifically approved by us;
- 5.1.38 in respect of the provision of the Services, where we have specified that a particular product must be used, to use only the product specified by us;
- 5.1.39 where we have specified that any item to be used in connection with the Business (which items may include Franchisor Items) must only be purchased from us or our nominated supplier to purchase such items only from us or such supplier as we may from time to time advise you of (a "**Nominated Supplier**");
- 5.1.40 where a Customer has requested or requires the supply of a particular product type and that product type has an equivalent or materially equivalent BR Product to supply the Customer in question with the BR Product in question to the exclusion of any other make or brand;
- 5.1.41 where, in respect of an item to be used in connection with the Business, we have not specified that you must purchase the item in question from us or our Nominated Supplier but we have specified that the item in question must only be obtained from a supplier approved by us, then you will only obtain the item in question from a supplier that is approved by us (such approval not to be unreasonably withheld or delayed);

5.1.42 during the entirety of the Term have in place the Business Licences and all third party licences, consents and permissions necessary to operate your Business in accordance with the Relevant Laws and/or which we otherwise advise you that you must put in place;

5.1.43 if the Franchisee is a limited company to ensure that any shareholder holding ten per cent (10%) or more of the shares in the Franchisee shall, promptly following the shareholder in question acquiring or being allocated such shares, be registered as a director of the Franchisee and shall continue to be so until such time as such shareholder's shareholding falls below ten percent (10%);

5.1.44 only be entitled to refer the Delivery of a Job to another franchisee if one of the Referral Reasons applies;

5.1.45 not to approach National Account Customers directly without our prior written consent

5.1.46 promptly, enter into at your own cost (without amendment to their terms) such contracts with such third parties as we require, provided always that:

(a) all franchisees that we deem are required to receive a supply of the goods and/or services with which the contract in question is concerned shall be required to enter into such a contract;

(b) no franchisee of ours has, in connection with the Business contracted with the same third party supplier and in respect of the same types of goods and/or services on terms that are materially more favourable than those set out in the particular contract in question;

5.2 You acknowledge and agree that before you will be entitled to commence, in respect of the operation of the Business, trading you must complete the Initial Training to our reasonable satisfaction and you must ensure that the members of the Initial Staff undertake such parts of the Initial Training as are detailed in the Manual as being applicable to the job description/role proposed for the member of the Initial Staff in question. You will advise of the names, addresses and roles within the Business of the Initial Staff. We will be responsible for the costs of the provision of one set of the relevant parts of the Initial Training for you and your Initial Staff. If however, we require you or any member of the Initial Staff to undertake Initial Training again, we shall be entitled to charge you for the same on the second occasion we require you to undertake Initial Training. The costs of Initial Training shall be detailed in the Manual. If, despite two attempts, you have not completed Initial Training to our satisfaction we shall be entitled to terminate this Contract with immediate effect by notice in writing and, save for any sums which, as detailed further down in this clause, may be repayable to you, we shall have no further liability to you. We will, refund to you such amount as equals any Initial Grant Fee paid by you less any costs of Initial Training that remain outstanding. A particular member of the Initial Staff will not be permitted to provide and/or to a material extent assist in the provision of all or any part of the Services unless and until that member has completed the Initial Training to our satisfaction. If in the future you wish for any member of your staff that was not a member of the Initial Staff to provide or, to a material extent assist in the provision of all or any part of the Services, then such member must complete the relevant part Initial Training to our satisfaction and such training shall be deemed Compulsory Ongoing Training.

- 5.3 You shall:
- 5.3.1 be responsible for ensuring that adequate (in terms of both numbers and experience) staff levels are maintained at all times to ensure that your Business can be, having regard to your obligations under the Contract, successfully carried on;
 - 5.3.2 obtain a signed contract of service from all persons employed by or who, in connection with the Business, provide services to you and shall disclose Confidential Information only to such persons who have previously signed such a contract;
 - 5.3.3 ensure that all personnel employed in or who provide services on behalf of the Business shall at all times have a neat and clean appearance, render competent, sober and courteous service to customers and comply with any and all of our directions relating to dress, appearance and demeanour;
 - 5.3.4 ensure that the Business is carried on in a professional manner and in such a way so as to enhance the goodwill and the reputation of the Brand.
- 5.4 In addition to your obligation to pay the Marketing Levy, you will undertake such marketing and advertising as we reasonably require and in any event you will undertake such marketing and advertising as would be reasonably expected to meet your obligations under this agreement and to enable you to grow your Business. You will not use, publish or distribute any advertising or promotional or marketing material unless it has been approved in writing or supplied by us (and any marketing material that has been supplied by us which has been amended by you will require our approval before it can be used by you) and unless the publication or media in which such material is to feature has also been approved by us. You will immediately cease the use of any advertising or promotional material or cease to advertise or market in any publication or media upon receipt of a request from us so to do. Where we approve marketing material that has been created by you then we may howsoever use (including by way of adapting it) such marketing material or modification for any purpose we require (without any conditions being attached and without any obligation to make any payment to you) and accordingly we shall have a non-exclusive, worldwide payment and royalty free, unrestricted (including in terms of our right to grant sub licences) licence to use and exploit the marketing material in question.
- 5.5 if, in our reasonable opinion, you are in Operational Default we may give you notice of the fact, explaining the reasons why we consider you to be in Operational Default (the "**Default Notice**") and stating the steps that you must take to remedy the default in question. Once we have served a Default Notice you will be considered to be in Operational Default. We are not however obliged to put you in Operational Default in respect of any breach and may simply choose to rely on the other remedies available to us either under this Contract or at law. If following the expiry of one month from the date of receipt of the Default Notice in question you have diligently pursued the cure of such default, but you are still, in our reasonable opinion in Operational Default then you must, at your sole cost do all such things as we reasonably require to remedy the Operational Default in question (the "**Remedial Steps**") including:
- 5.5.1 receiving, at your cost, extra training from us, our representatives or such third party as we may require;

- 5.5.2 the appointment, at your cost, of a reasonable number of Business Development Managers to attend the Business in such a manner as is reasonably deemed appropriate by us, to oversee, assess, advise and assist you in the performance of your obligations under the Contract;
- 5.5.3 where you are in Operational Default by reason of failing to meet Customers legitimate expectations, allow us and/or such of our other franchisees as we may notify you of to provide Services and/or BR Products to such Customers and/or potential Customers.
- 5.6 You agree that each Business Development Manager shall have unrestricted access to all records relating to the Business, and/or your exercise of the rights granted to you under the Contract and/or your performance of your obligations under the Contract and further you agree, at your reasonable cost and expense, to provide and procure that your staff will provide each Business Development Manager, throughout the term of his appointment, with such assistance as each Business Development Manager shall reasonably require.
- 5.7 The appointment of a Business Development Manager shall be by written notice save in circumstances where we believe that the Operational Default is so serious that immediate intervention is needed in which case the appointment of a Business Development Manager may be effected by telephone or by a Business Development Manager attending any premises from which you carry on the Business and announcing his appointment and in such instances we shall not be required to wait the month referred to in clause 5.5 before appointing a Business Development Manager.
- 5.8 Where we appoint any Business Development Managers pursuant to clause 5.5.2 above such appointment shall be for an initial period of one (1) month and such appointment shall automatically continue after that period until the earlier of our being reasonably satisfied you are no longer in Operational Default (in which case we will cancel the appointment of the Business Development Managers) or, the termination of this Contract.
- 5.9 Within seven (7) Working Days of the end of each calendar month during which, for any period of time, the Business Development Managers' appointment was extant we shall send you:
- 5.9.1 our invoices detailing the Business Development Managers Fees (which fees shall be calculated by reference to the rates set out in the Manual) payable in respect of the month in question, such invoice must be paid within fourteen (14) days of receipt of the invoice in question by you; and
- 5.9.2 a written report which will first, detail those areas of your performance which still result in you being in Operational Default and second identify the steps that you must take to rectify such sub standard performance.
- 5.10 If, notwithstanding the appointment of any Business Development Managers or your undertaking any other action required by us pursuant to clause 5.5, you remain in Operational Default for a period of two (2) months or more then we may, terminate the Contract with immediate effect by notice to you.
- 5.11 Once we have put you in Operational Default for a particular breach, we will not be entitled to terminate the Contract for that breach otherwise than in accordance with clause 5.10.

- 5.12 If a National Account Customer informs us that it requires BR Products and/or Services to be supplied (a “**NAC Requirement**”) then provided you are not in Operational Default, have not Persistently Breached the Contract and are in our reasonable opinion, capable of undertaking the Job in question and/or meeting the requirements of the National Account Customer in question (a “**Suitable NAC Franchisee**”) we may (but for the avoidance of any doubt shall not be under any obligation to do so) notify you of the opportunity to fulfil the NAC Requirement in question together with the applicable National Account Customer Fee payable in respect of the NAC Requirement in question. You agree to work on such terms and conditions that have been agreed between the National Account Customer and us. If within seven (7) days of such notification you do not confirm to us that you wish to fulfil the NAC Requirement in question, then we shall be entitled to either fulfil such NAC Requirement ourselves or permit another franchisee or sub-contractor of ours to fulfil the NAC Requirement in question. For the avoidance of doubt, unless you are a Suitable NAC Franchisee, you shall not be entitled to undertake any work for any National Account Customer (“**National Account Customer Work**”). For the avoidance of any doubt, we may at any time, with immediate effect by notice in writing remove Suitable NAC Franchisee status from you if you go into Operational Default or, you have persistently breached the Contract or, we consider that, in our reasonable opinion, you are not meeting the requirements of the National Account Customer in question.
- 5.13 For the avoidance of any doubt you acknowledge and agree that we are not under any obligation to provide work, leads or similar to you nor do we in any way guarantee, warrant, represent or promise that any marketing undertaken by us or you will generate any work, leads or similar.
- 5.14 To the extent that the activities undertaken by us (including any activities undertaken by a franchisee of ours or otherwise under a licence from us) require us to comply with any legislation, codes of practice, standards, guidance and regulations relating to waste, packaging or the environment (including the Producer Responsibility Obligations (Packaging Waste) Regulations 2007) and the CRC Energy Efficiency Scheme and to the extent that your activities are aggregated with ours for the purposes of assessing any payment, obligation or any liability and/or by virtue of your position as our franchisee we are required to obtain information from you under any such legislation etc. then you shall:
- 5.14.1 pay such proportion of any payments due from us under and/or the costs incurred by us in complying with such legislation etc. as we, acting reasonably, consider represents a fair amount when assessed, pro rata, having regard to the proportion that the amount of your relevant activities (that will be aggregated with ours under such legislation etc.) represents of the total of our activities and those of our other franchisees that are subject to such legislation etc. You shall pay such sums within fourteen (14) days of our demand for the same. Further, you shall do all such things as we reasonably require you to do in connection with compliance with such legislation etc; and
- 5.14.2 provide us with all information that we require you to provide in connection with such legislation.

6 Improvements and Manual

- 6.1 You shall without delay introduce any improvement or modification to the Business at the time and in the manner specified by us in writing.
- 6.2 You shall notify us of any improvement or modification which may be beneficial to the operation of the Business and we may howsoever use (including by way of adapting it) such improvement or modification for any purpose we require (without any conditions being attached and without any obligation to make any payment to you) and accordingly we shall have a non exclusive, worldwide payment and royalty free, unrestricted (including in terms of our right to grant sub licences) licence to use and exploit the improvement and/or modification in question.
- 6.3 You shall not introduce any improvement or modification to Business without our written consent.
- 6.4 We shall keep at our principal place of business an up to date copy of the Manual as revised from time to time which shall be the authentic text of the Manual.
- 6.5 The Manual shall at all times remain our sole and exclusive property and you hereby acknowledge that the copyright in the Manual vests in us and that you will not take and will procure that no other person will take any copies of the Manual in your possession or under your control without our prior written consent. You shall only disclose to your staff such parts of the Manual as the member of Staff in question absolutely needs to have sight of to enable such member of staff to properly perform his / her role within the Business.

7 Business Software

- 7.1 You must add and update the Business Software as and when required by us. Such updating may take the form of purchasing new software and/or adding updates provided by us. Save as regards your obligation to pay the Business Software Fee where updates and/or patches are provided by us we will not charge you for providing the same however, for the avoidance of any doubt, where you are required to purchase new software that shall be at your sole expense.
- 7.2 Aspects of the IT Support may be provided by such third parties as we may from time to time notify you of (the "**IT Support Provider**"). As regards the IT Support, you shall, without prejudice to any other provision of this Contract, provide us and/or the IT Support Provider with all assistance that we and/or the IT Support Provider reasonably require (including the provision of access to your systems and/or the Business Software) to enable the IT Support Provider in question to perform the relevant aspect of the IT Support.
- 7.3 Provided we, acting reasonably believe that the benefit to the Business to be derived from using (whether in line with or apart from the Business Software) any other software, network access or any other item of an IT nature clearly justifies the investment in that item then, provided the sum to be invested is in respect of the item in question is less than £1,000 you will be obliged to obtain and start utilising the item in question within the Business.
- 7.4 You will have no right whatsoever (save as permitted under section 50 of the Copyright Designs and Patents Act 1988) to modify, adapt, reverse engineer, copy or decompile the Business Software.
- 7.5 We will not be liable to you in respect of any downtime of any web based or on line application forming part of the Business Software and/or the Micro Website.

- 7.6 We will not be liable for any loss or of diminution of any functionality or performance of any Business Software and/or the Micro Website nor do we give any warranty or make any representation whatsoever that the Business Software and/or the Micro Website will perform to and/or in accordance with any minimum criteria and/or specification or that any aspect of the Business Software and/or the Micro Website that is web based will be accessible for any period of time.
- 7.7 We shall provide the Micro Website which shall be in such format and have such features as we shall require. The way in which you shall be entitled to use the Micro Website will be set out in the Manual.
- 7.8 Without prejudice to any other right or remedy we may have under this Contract or at law if at any time you fail to pay all or part of the Business Software Fee by the date it is due then we may with immediate effect by notice in writing suspend your right to use the Business Software.

8 Financial Obligations

- 8.1 On the Commencement Date you shall pay us the Initial Grant Fee.
- 8.2 Within fifteen (15) days of the end of each Month and within fifteen (15) days of the termination or expiry of the Contract, we will remit to you by such method as we, acting reasonably consider appropriate, to such bank account as you reasonably require the Franchisee Entitlement generated (if any) in respect of the Job Invoice Sums received and National Account Customer Fees accruing during the Month just past. Provided always, that we will be entitled to deduct from the Franchisee Entitlement, any amounts due or owing from you to us whether under the Contract or otherwise.
- 8.3 For the avoidance of any doubt, to the extent that the Job Invoice Sums received and National Account Customer Fees accruing in respect of a Month are less than Monthly Fee generated in respect of that Month then not only shall there be no Franchisee Entitlement generated in respect of that Month but also, you shall, within fourteen (14) days of your receipt of our invoice in respect of the same, pay to us such amount as equals the difference between the Monthly Fee generated in respect of that Month and the Job Invoice Sums received and National Account Customer Fees accruing in respect of that Month.
- 8.4 Save as otherwise provided in the Contract you will be solely responsible for payment of all outgoings, costs or expenses connected with the operation of the Business.
- 8.5 If any sum due to you under the Contract is not paid to you by the date when it is due to be paid (the "**Due Date**") then you shall be entitled to charge interest, from the due date until the date of payment in full, on the outstanding amount at the rate of 2% above the base rate from time to time of HSBC.
- 8.6 We may attribute any monies received by us from you to any monies owed to us by you regardless of what you purport to designate the payment to be on account of.
- 8.7 Unless stated otherwise all references to payments due from you under the Contract are expressed exclusive of VAT and in all cases VAT, where properly chargeable, shall be payable in addition by you.

- 8.8 During the term of this Contract and for a period of six (6) years following its expiry or termination you shall keep at your principal place of business, and in the format and by the method detailed in the Manual, the Records and you will supply us, in the format, by the method and within the timescales set out in the Manual the relevant parts and/or excerpts from such Records. During the Term and for a period of six (6) years after the termination or expiry of the Contract we or our auditor or authorised representative shall on reasonable notice, at all reasonable times be entitled to inspect and audit all and/or any part of the Records (whether stored in tangible or intangible form and on whatsoever medium). If the audit or inspection shows that you have not paid any sums that you are obliged to pay to us then you shall promptly pay to us all such sums together with the reasonable costs (which we shall notify you of) incurred by us in respect of the audit or inspection in question. Without prejudice to our other rights detailed in this clause you will send us copies of your accounts at the intervals and in the manner detailed in the Manual.
- 8.9 You must ensure that in respect of each calendar month that management accounts (the "**Monthly Management Accounts**") in respect of the calendar month in question are prepared in the manner and format detailed in the Manual by such accountant as we may from time to time designate and/or approve and that such Monthly Management Accounts are provided to us by the method and within the timescales detailed in the Manual.
- 8.10 For the avoidance of any doubt, but without prejudice to any other provision of this Contract, we may at any time and with immediate effect, by notice in writing, increase the price of any item (including all or any Franchisor Items) or service that we supply (or procure the supply of) to you to reflect any increase in the UK (all items) Retail Prices Index and/or any increase in the price that we pay for any aspect of the item or service in question which is due to any circumstances beyond our reasonable control (including any change in or any introduction of any law, statute, regulation or code of practice and/or any increase in the costs that any third party charges us (or any of our Affiliates) in respect of the supply by the third party in question of any product and/or service and/or raw materials that we then supply (whether in its own right or after adaption or in combination with any other product or service) to you).
- 8.11 All sums payable to us under or in connection with this Contract shall be paid by such method and to such bank account as we shall reasonably require.

9 Sale of the Business

- 9.1 You will not have the right to assign the benefit and/or burden of the Contract or delegate and/or sub-licence any right and/or sub-contract and/or obligation under it, but shall, subject to the provisions of clauses 9.5, 9.6 and 9.7 below and subject to obtaining our prior written consent and subject to the conditions listed in the Manual relating to the sale of your Business (which conditions shall not require the payment of any fee or similar), have the right to sell the rights to operate (for such period of the Term as is, at the time of sale, remaining) the Business that have been granted to you under this Contract. Upon the date of completion of such sale of the Business this Contract shall immediately terminate.
- 9.2 We may assign or transfer the Contract and any or all of our rights and/or obligations under it to any other person at any time and shall inform you in writing, of any such assignment or transfer within a reasonable time of it happening. In the event of any such assignment or transfer, in consideration of us procuring for you an undertaking from the assignee/transferee to be bound by our obligations under the Contract you

will re-execute the Contract with the assignee/transferee if we (or the assignee/transferee) require you to do so.

- 9.3 For the avoidance of any doubt we may in our absolute discretion sub-contract the performance of all or any of our obligations under this Contract as we see fit. You may not sub-contract the performance of any of your obligations under this Contract or grant any sub-licence of the rights granted to you under it.
- 9.4 If you wish to sell your Business then you must notify us of your intention to sell your Business (a "**Sale Notification**") and before you offer it for sale you must give us a fourteen (14) day period from the date that you send such Sale Notification to notify you if we wish to purchase your Business. If we do not respond to the Sale Notification or if we confirm that we do not want to purchase the Business then, subject to the provisions of clauses 9.5, 9.6 and 9.7 below, you shall be free to offer your Business for sale. If however we do notify you that we want to purchase your Business then you shall sell it to us either at, a price agreed between us or, if we fail to agree a price within twenty one (21) days of the date upon which you receive our notification (the "**Price Negotiation Period**"), at a price determined by an expert (who shall be a chartered accountant having at least seven (7) years post qualification experience and who shall also have considerable experience of franchise resales and who shall have regard to the provisions of this Contract (including those provisions that give us an entitlement to a share of the proceeds of the sale of your Business) when making his determination) that we both agree on provided that if we can't agree on an expert within the fourteen (14) day period immediately following the Price Negotiation Period, the price shall be determined by an expert nominated (on the application of either of us) by the President for the time being of the Institute of Chartered Accountants of England and Wales and the provisions above shall apply to the expert so appointed. Once the price has been determined we shall have a period of ninety (90) days to complete the purchase of your Business and during that period you shall be bound to sell your Business to us at that price and on such terms as we acting, having regard to the terms typically seen in agreements for the purchase of a franchise, reasonably require.
- 9.5 Without prejudice to the conditions detailed in the Manual which relate to the sale of your Business, you must ensure that in respect of any proposed sale:-
- 9.5.1 the proposed Purchaser must set out the offer for your business in writing and in such detail (including with regard to the purchase price, method of payment, source of funds and proposed timetable) as we may require; and
- 9.5.2 the proposed Purchaser must agree to undertake such initial training at such times and at such venues as we shall require and you must pay the Resale Buyer Training Fee; and
- 9.5.3 you must not, prior to any such sale have been notified by us that you are in breach of the Contract; and
- 9.5.4 the proposed purchaser must enter into the franchise contract that, at the date of the sale, is then being offered to potential franchisees (for the avoidance of any doubt the duration of that agreement will be the standard term that is then being offered by us and will not just be the remainder of the Term that, pursuant to clause 9.1 above, you have given up); and
- 9.5.5 notwithstanding that the proposed sale does not complete, you shall pay us such sum, as we, acting reasonably, consider represents the expenses

(whether external or internal) that we incur in connection with the proposed sale; and

- 9.5.6 you must, as a condition of our agreement to any proposed sale, have waived (in writing and in such form as we shall require) any and all claims you have against us whether arising under or in connection with this Contract, or otherwise.
- 9.6 You shall provide all such information with respect to the Purchaser as we shall require to establish that the proposed Purchaser would be a suitable franchisee and unless we approve the proposed Purchaser in question (which approval we may in our absolute discretion withhold) the proposed sale shall not proceed.
- 9.7 In respect of any sale of the Business, you shall, without prejudice to clause 9.5.1, supply us complete details of the terms offered by the proposed purchaser (including the purchase price offered (the “**Purchase Price**”) and we shall have a period of fourteen (14) days from the date on which we receive such details to offer to purchase the Business for such sum as equals ninety-five per cent (95%) of the Purchase Price and on the same terms as those offered by the proposed Purchaser in question (a “**Counter Offer**”). If we make such a Counter Offer, you will be obliged to sell the Business to us (or such third party as we may direct) for such price and you shall complete such sale to us within such timescales as we, acting reasonably, may require.
- 9.8 In respect of any sale of the Business other than to us, you will pay to us:
- 9.8.1 if we have introduced the Purchaser, such amount as equals ten percent (10%) of the Purchase Price; or
- 9.8.2 if we have not introduced the Purchaser, such amount as equals (5%) five per cent of the Purchase Price;
- 9.9 Where the franchisee is a limited company then first, the only transfer and/or sale of shares that shall be permitted is the transfer and/or sale, in a single transaction, of the entire issued share capital of the franchisee (a “**Share Sale**”) and second, in respect of a Share Sale, the provisions of this clause 9 shall apply to such Share Sale as if it were a sale of your Business.

10 Death or Incapacity of a Sole Trader Franchisee

- 10.1 If you become Incapacitated or die during Term then you or your personal representatives may seek our approval for a replacement Franchisee (the “**Replacement Franchisee**”). We may, in our sole discretion, withhold our approval to a Replacement Franchisee and in any event our approval will be subject to the conditions detailed in clause 9.6 and the relevant conditions set out in the Manual. If a Replacement Franchisee is approved, then following such approval we shall agree to novate this Contract in favour of the Replacement Franchisee provided always that the terms of this Contract shall be deemed modified to such extent as is necessary to properly reflect the terms and provisions of the franchise contract that, at the time we agree to the Replacement Franchisee in question is then being offered to potential Franchisees save that the term of such franchise contract shall be equal to the remainder of the Term of this Contract.
- 10.2 In the event that you are not replaced pursuant to clause 10.1 above, then you or your personal representatives may, in writing, request that we try to find a purchaser

for your Business. We shall be entitled, in our absolute discretion to accept or decline such a request and will notify you or, as appropriate your personal representatives of our decision within fourteen (14) days of receiving such a request. If we do decide to try and find a purchaser for your Business and we find one that is acceptable to us (which purchaser will necessarily have had to meet and/or comply with all of the conditions referred to in clause 9 above which are applicable to a potential purchaser) then we shall, subject to the provisions of clause 9 above (including clause 9.5.4) enter into a new franchise contract with that purchaser (the **"Replacement Agreement"**).

- 10.3 If a Replacement Franchisee has not been nominated in accordance with clause 10.1 above or a Replacement Agreement as referred to in clause 10.2 above has not been entered into within three (3) months from the date of your death or Incapacity, we may at any time after that date, without any liability whatsoever, terminate the Contract with immediate effect by notice in writing.
- 10.4 At any time after your Incapacity or death at our sole discretion we may manage (which for the avoidance of doubt shall include the right to administer all receipts of the Business and to make payment to ourselves in respect of any sum owing by you to us out of such receipts) the Business on behalf of you or your personal representatives until such time as:
- 10.4.1 a Replacement Franchisee is substituted for you;
 - 10.4.2 a Replacement Agreement is entered into; or
 - 10.4.3 we terminate the Contract pursuant to clause 10.3.
- 10.5 During the period detailed in clause 10.4 (**"the Management Period"**) we may, at our absolute discretion, charge an operational fee (**"the Operational Fee"**) which shall be calculated by reference to:
- 10.5.1 the number of our personnel and/or representatives (**"Company Representatives"**) required to work in the Business and the period of time for which they are required to work in the Business;
 - 10.5.2 our then current hourly rate applicable to the Company Representatives in question as detailed in the Manual;
 - 10.5.3 the reasonable travel, accommodation and subsistence expenses incurred by the Company Representative in question at our then current rates, as detailed in the Manual, for travel, subsistence and accommodation.

11 Death or Incapacity of a Partnership Franchisee

- 11.1 In the event of one of the partners in the Business dying or becoming incapacitated during the period of this Contract, the surviving partners shall continue as Franchisee or in the event that only one partner remains, as sole Franchisee, on the same terms as in this Contract.
- 11.2 If all the partners in the Business die or become Incapacitated during the period of this Contract then the last surviving Incapacitated partner, (if the last surviving partner is dead rather than incapacitated) or if all the partners die, the personal representatives of the last surviving partner may seek our approval for a Replacement Franchisee as if such request were made under clause 10.1 and the

provisions of clause 10 shall apply in respect of the death or Incapacity of the remaining partner as if a reference to you were a reference to the remaining partner.

12 Death or Incapacity of the Principal

In the event that the Principal shall die or become incapacitated then the provisions of clause 10.1 shall apply as if “you” were referring to the Principal and the provisions of clause 10 shall apply in respect of the death or Incapacity of the Principal as if a reference to you were a reference to the Principal.

13 Customer Information and Communication

- 13.1 In respect of each and every Customer and every potential Customer, you shall obtain the Customer Information in respect of the Customer and/or as appropriate, the potential Customer in question and you shall, subject always to the provisions of clause 22, use your best endeavours to obtain each Customer’s consent to share the Customer Information with us.
- 13.2 Within two (2) days of receiving the Customer Information in respect of a particular customer, you shall upload, by the method and in the manner detailed in the Manual, that Customer Information onto the Business Software.
- 13.3 You acknowledge and agree that notwithstanding that you have collected and compiled the same, we shall own any and all Customer Information compiled by you under or pursuant to the Contract and you shall do all such things and execute all such documents as we reasonably require to ensure that we have and/or evidence such ownership.
- 13.4 In order to protect our reputation and/or that of our franchisees and/or, to maintain satisfactory public relations we reserve the right to communicate with any of your Customers at any time during the Term.

14 Company Intellectual Property

- 14.1 Except for the purpose only of exercising your rights and performing your obligations under the Contract nothing in the Contract shall give you any rights in or to any Company IP.
- 14.2 You agree that in respect of your use of the Company IP, you will only use the Company IP as expressly permitted under the Contract and strictly in accordance with such guidelines and quality standards as may be notified to you by us from time to time.
- 14.3 You agree to promptly notify us of any actual, threatened or suspected infringement, improper or wrongful use of any Company IP, or any allegation that your use of the Company IP (or any part of it) infringes any rights (including Intellectual Property Rights) of any third party, which comes to your notice. You agree not to make any admission with respect to any infringement which might be prejudicial to our interests.
- 14.4 You agree, (provided that we reimburse you in respect of the reasonable, third party, expenses incurred by you in so doing) to take all steps we may reasonably require to assist us to protect and maintain the Company IP (including registering your interest in the Brand with any relevant Trade Mark registry).

- 14.5 You acknowledge that we shall be entitled to settle any claim or action relating to the Company IP without consulting you.
- 14.6 Save as expressly permitted under the Contract you agree not to make any representation or do any act which may be taken to indicate that you have any right or interest in or to the ownership or use of the Company IP.
- 14.7 You acknowledge that the decision of whether or not to bring or defend any action or claim in respect of any Company IP shall rest solely with us and any of your rights in this regard (including any rights under Sections 30 and 31 of the Trade Mark Act 1994) are excluded to the fullest extent permitted by law.
- 14.8 You agree not to do or permit to be done any act:-
- 14.8.1 which would or might jeopardise or invalidate any registration of any part of the Company IP; or
 - 14.8.2 might assist or give rise to an application to remove or invalidate any registration of any part of the Company IP; or
 - 14.8.3 might prejudice the right or title of us and/or any of our Affiliates to any registration of any part of the Company IP.
- 14.9 You shall promptly following a request from us, give us any information that we may require as to your use of all and/or any part of the Company IP and shall at your cost and expense render any assistance reasonably required by us in securing or maintaining any registration of Company IP in the United Kingdom.
- 14.10 We shall have the sole right in our absolute discretion to prepare, file, prosecute, maintain and renew any and all applications and registrations for any Company IP.
- 14.11 Nothing in the Contract shall oblige us to register or otherwise maintain in force any registrations of all and/or any part of the Company IP.
- 14.12 You acknowledge and agree that you shall not, at any time before or after termination of the Contract, either directly or indirectly:-
- 14.12.1 seek to register any trade mark (or similar) that is identical or deceptively similar to all or any part of the Brand; or
 - 14.12.2 register and/or use any part of the Brand (or any name deceptively similar to any part of the Brand) as your, if any, registered company name; or
 - 14.12.3 contest or challenge (whether by way of legal proceedings or otherwise) our, or as appropriate, our Affiliates ownership of any part of the Company IP;
- 14.13 You agree not to do or fail to do anything that would or may bring the Brand into disrepute or and/or our and/or Affiliates and/or the Business's reputation and/or goodwill ("**Brand Damage**"). In respect of any Brand Damage that arises wholly or partly as a result of your acts or omissions, you shall, at your sole costs, do all such things as we shall require to minimise and/or control the brand damage in question.
- 14.14 You acknowledge and agree that the Goodwill shall at all times belong to and be vested in us and that you only have the right to benefit from the Goodwill to the extent and upon the terms provided by the Contract.

15 Confidential Information

- 15.1 You shall maintain secret and confidential the terms of this Contract and all Confidential Information. You shall respect our proprietary rights in the Confidential Information and you shall use it exclusively for the purpose of this Contract and only disclose the same to those of your staff to whom and to the extent that such disclosure is reasonably necessary for the successful operation of the Business.
- 15.2 You shall procure that all members of your staff who have access to any Confidential Information shall, before being given access (whether as a result of your direct disclosure or otherwise) to such Confidential Information are made aware of and made subject to these obligations.
- 15.3 The obligations imposed by this clause shall not apply to any Confidential Information which is at the date of this Contract in the public domain without any restriction on its use or which later comes into the public domain otherwise than by reason of your breach of any of your obligations under this Contract or a breach by any member of your staff of any obligation of confidentiality that they are subject to.
- 15.4 The obligations imposed by this clause 15 shall survive the variation, renewal, expiry or termination of this Contract.

16 Termination

- 16.1 We may terminate the Contract immediately by notice in writing to you if:
- 16.1.1 you have committed any material breach of your obligations under the Contract or shall have failed to remedy any remediable breach within a period of twenty-eight (28) days of the receipt of a notice in writing from us requiring you to do so; or
- 16.1.2 you have been in Persistent Breach of your obligations; or
- 16.1.3 you, whether as a company, partnership or individual, are unable to pay your debts within the meaning of s.123 of the Insolvency Act 1986 or suffer any event which could be reasonably considered to indicate that you are insolvent or are at risk of becoming so in the relatively near future including, insolvent liquidation, a declaration of bankruptcy, the presentation of a bankruptcy or a winding up petition which is not withdrawn, dismissed or discharged within thirty (30) days of its presentation or the appointment of an administrator, receiver or similar over any of your (or the Business's) assets or undertaking; or
- 16.1.4 any sum or document required under the terms of the Contract is not paid or, as appropriate submitted, at the latest within twenty eight (28) days following its due date; or
- 16.1.5 you fail to commence and/or continuously carry on the Business; or
- 16.1.6 you cease to carry on or you take any steps to cease carrying on the Business; or
- 16.1.7 you challenge any part of the Company IP (including the Brand); or

- 16.1.8 you gave us false information or omitted material facts in applying for a franchise from us or have failed to provide full and frank disclosure in respect of any matter or matters which could reasonably have affected our decision to enter into the Contract with you; or
 - 16.1.9 we reasonably believe that any information to be given by you pursuant to this Contract is intentionally false and/or misleading; or
 - 16.1.10 you are convicted of (or receive a caution in respect of) an indictable criminal offence or one involving dishonesty; or
 - 16.1.11 valid complaints have been received by us as to the quality of your Business and you, having been given timely notice of such complaints and having been given the opportunity to address the issues which are the subject of such complaints have failed to do so to our reasonable satisfaction;
 - 16.1.12 you suffer a Force Majeure Event (as defined in clause 32) and fail to return to the full performance of your obligations under this Contract within sixty (60) days of your notifying us of the Force Majeure Event in question.
- 16.2 If we, acting reasonably, believe that we have the right to terminate the Contract then we may (without incurring any liability whatsoever to you) suspend your right to operate the Business and/or the performance of our obligations under the Contract (including any obligation to provide any product, service, training or support) until such time as we either terminate the Contract or are satisfied that the breach in question has been remedied or that there has in actual fact been no breach.
- 16.3 In the event of the termination of this Contract under this clause 16, we shall be entitled to claim damages as if termination has occurred by virtue of your repudiatory breach of this Contract.

17 Post Termination Provisions

- 17.1 The termination or expiry of the Contract shall be without prejudice to any accrued rights or obligations of either of us.
- 17.2 Notwithstanding anything contained in or implied by the Contract we may set off any money which would otherwise be payable or owing by us to you under or pursuant to the Contract against any debts or liabilities due or owing from you to us.
- 17.3 In the event of the termination or expiry of the Contract howsoever arising:
- 17.3.1 you shall promptly cease operating the Business;
 - 17.3.2 you shall immediately deliver to us or allow us to collect (at our discretion) the Manual, all copies of it and all stationery, uniform, signs and anything else that bears the Brand, then in your possession whether or not supplied by us. You will also take whatever steps that we require in order to cancel any registration, recordal or similar relating to your right to use the Brand or any of our other property;
 - 17.3.3 you shall immediately remove from Facebook, Twitter, LinkedIn and any other so called social media platform all links, posts and any other information placed by you (or under your instruction) on any social media platform that refers to us and /or the Brand and/or which otherwise could reasonably be

taken to indicate that there is, post termination or expiry, an ongoing connection between you and us and/or the Brand and/or which could reasonably be taken to indicate that, following expiry or termination, you have a right to operate any part of the Business;

- 17.3.4 immediately inform any bank that you use in respect of the Business that the Contract has terminated or, as appropriate, expired;
- 17.3.5 you shall promptly remove, from within and without any premises from which you operate the Business, all signage (and similar) bearing the Brand and/or which indicates any connection with us or the Brand;
- 17.3.6 you shall not at any time after the termination or expiry of this Contract:
 - (a) make any use of the Brand or any Company IP;
 - (b) purport to be a franchisee or agent or representative of or otherwise associated with us the Business the System or the Brand;
 - (c) use any recommendation or reference provided as a result of your work as a franchisee;
 - (d) make or receive telephone calls, faxes or emails in connection with the Business and shall transfer any listings in any directory and any phone numbers and any email addresses used in connection with the Business to us;
- 17.3.7 you shall immediately pay all sums and amounts due to us under the terms of this Contract, or otherwise;
- 17.3.8 you shall promptly pass to us, in the format and by the method detailed in the Manual, all Customer Information that you have not previously passed to us prior to the date of termination;
- 17.3.9 pay all debts owing to the creditors of the Business;
- 17.3.10 promptly following a request from us to do so, you will novate to us or such person as we may direct any contracts that you have entered into in connection with the Business and/or pursuant to this Contract (including, so such Jobs can be performed by us or such other person as we require, any contracts in respect of any Job and any leases, licences or hire arrangements). You will provide all assistance (including entering into any necessary agreements etc) that we reasonably require to give effect to this clause;
- 17.3.11 you will indemnify us against any losses, liabilities and costs (including any liability incurred by us as a result of defending or settling a claim alleging such liability) which we may incur in connection with your employees including in respect of all amounts which are or become payable by us (including by virtue of the operation of TUPE and including amounts that will become payable in the future) to any employee employed by you including but not limited to wages salaries, awards (including awards in respect of redundancy, unfair dismissal and wrongful dismissal), settlement sums and holiday pay and other entitlements in respect of any claim by or on behalf of an employee relating to the period up to and including the termination of the Contract;

17.3.12 We shall have the right (to be exercised by us, by notice, within 14 days of the termination or expiry of this Contract) but not the obligation to purchase any Equipment and/or fixtures and/or fittings and/or any other items whatsoever (including any IT equipment) that you use wholly or mainly in connection with the Business, from you at the lower of, at the time of expiry or termination, cost price, book value or what we, acting reasonably, consider to be fair market value;

17.4 You and, where a Principal is a party to this Contract, the Principal agree not, during the Term and for the period of twelve (12) months immediately following termination or expiration of the Contract, to:

17.4.1 be howsoever concerned (whether directly or indirectly (including by way of providing assistance to a third party to enable that third party to be so concerned) and whether on your own behalf or in conjunction with or through any other person) with a Competing Business whether or not such Competing Business is based in the Territory or even in a territory within which, as at the time in question, no Business is being operated (the reason for this is that you acknowledge and agree that it is our intention to have the whole of the United Kingdom serviced by the Business); or

17.4.2 solicit, interfere with or endeavour to entice away or employ an employee of ours or any of our franchisees or any person who was such an employee at any time during the period of six (6) months prior to termination or expiry of the Contract.

17.5 You undertake to procure that all of your shareholders (if any) all your senior employees and third party service providers which are specified by us shall enter into valid and legally enforceable undertakings with us to accept obligations equivalent to those imposed by clause 17.4 and shall submit the same to us promptly following their being obtained. Further you agree that you will not be permitted to operate the Business (or, as applicable, we shall be entitled, at any time following the expiry of the 14 day period commencing on the date we requested that you obtain the undertakings in question, by notice in writing, to suspend, with immediate effect, your right to operate the Business) until such undertakings have been obtained.

18 Entire Agreement

The Contract constitutes the entire agreement between the parties in relation to its subject matter and replaces and extinguishes all prior agreements, draft agreements, arrangements, undertakings, and collateral contracts of any nature made by the parties, whether oral or written, in relation to such subject matter. Each party acknowledges that in entering into the Contract it has not relied upon, and shall have no rights or remedies (whether in tort, under statute or otherwise) in respect of any statements, collateral contracts, warranties, assurances, undertakings or representations (whether innocently or negligently made and/or which constitute a misrepresentation) by the other party in relation to the subject-matter of this Contract, that are not expressly set out in the Contract. For the avoidance of doubt, neither party excludes or limits its liability for fraudulent misrepresentation.

19 Waiver and Remedies

19.1 Neither our failure or delay to exercise any power given to us under the Contract, or to insist upon strict compliance by you with any obligation under the Contract, nor

any custom or practice of you or us, or (save for an express waiver in writing) any action by us shall constitute any waiver of any of our rights under the Contract.

19.2 Any waiver by us of any right or remedy we may have against you shall only be effective in respect of the particular circumstance that we have expressly stated that the waiver in question relates to and shall not apply to any other circumstance whether past or future.

19.3 Save as expressly stated otherwise each remedy available to us under the Contract shall be without prejudice to any other rights and/or remedies, whether under the Contract, at common law, under statute or otherwise, which we may have against you and any single or partial exercise of any right or remedy by us shall not preclude any other or further exercise of such or any other right or remedy available to us.

20 Severability

If any provision of the Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

21 Warranties

You shall make no statements representations or claims and shall give no warranties to any customer or potential customers in respect of the Business, save such as may have been specifically authorised by us, such authority to be given either in writing or in the Manual in force at the relevant time.

22 Data Protection

22.1 It is agreed that for the purposes of this clause 22 the meanings of the terms “**personal data**” and “**processing**” will be as defined in section 1 of the Data Protection Act 1998 (the “**DPA**”).

22.2 You acknowledge that we may, in connection with the Business, process personal data obtained by you (including the Customer Information). You shall use your best endeavours to procure that we shall have the right to process such personal data for you and use the same in connection with our business generally.

22.3 You warrant and represent that you are notified under the DPA and that you shall continue to hold a complete, valid and up to date notification in accordance with the DPA and that you will comply with your obligations under the DPA.

22.4 For the avoidance of doubt, and without prejudice to any other provisions contained in this Contract, you consent to us passing your contact details (including your name and email address) and disclosing the existence of this Contract to the British Franchise Association.

23 Approvals

Any approval or consent that we are required to give under the Contract and any variation of it will only be valid if given in writing by a director or nominated representative of us.

24 Notices

24.1 Notices sent in respect of any legal action arising under the Contract or terminating the Contract shall be in writing and must be sent either:

24.1.1 by pre-paid first class post; or

24.1.2 delivered by hand;

In respect of both postal delivery and delivery by hand the notice shall be sent to the address of the party to be served as set out in the Main Body or such other address as that party may advise the other party, in writing, as being its address for service.

24.2 All communications in connection with the Contract other than those referred to in clause 24.1 may also be sent by email to, as applicable, Your E-mail or Our E-mail.

24.3 Notice is deemed given:

24.3.1 in the case of hand delivery – at the time the delivery is made;

24.3.2 in the case of posting– two (2) Working Days after the notice is posted;

24.3.3 in the case of email at the time of transmission provided that notice of failed or incomplete transmission is not received by the sender.

25 Our Liability

25.1 Subject always to clause 25.4, our entire liability and your only remedies in respect of the supply, by us, of defective or non-confirming Franchisor Items and/or BR Products shall be as set out in the Franchisee Supply Terms.

25.2 In respect of any claim arising under or in connection with this Contract (and whether arising in contract, tort (including negligence) or otherwise) (a “**Claim**”), we shall not in any event be liable for:

25.2.1 any loss of profits; or

25.2.2 loss of bargain; or

25.2.3 loss of anticipated savings or business opportunity; or

25.2.4 any indirect, special or consequential loss.

25.3 Without prejudice to the provisions of clauses 25.2 and clause 25.4, our entire liability shall be limited, in respect of any Claim, to the greater of:

25.3.1 such amount as equals the sum of the Fees paid by you under the Contract prior to the date of the Claim in question less any sum paid in respect of any previous Claim; and

25.3.2 the amount (after deduction of any applicable excess) that we can successfully recover in respect of the Claim in question under any policy of insurance we have in place.

25.4 Nothing in the Contract shall limit or exclude any liability which cannot, under English Law, be limited including liability for death or personal injury caused by a person’s negligence and fraudulent misrepresentation.

26 Survival of Terms

Any term of the Contract (including for the avoidance of doubt Clauses 1,5.1.9, 6.2, 8, 13.3, 14.12, 17, 17 25, 29, and 30 of the Conditions) which is expressly or impliedly to survive termination or expiry of the Contract shall continue in force not withstanding such expiry or termination.

27 Status of Parties

Each of the Parties to the Contract is an independent contractor and nothing contained in the Contract, and no action taken by the parties pursuant to the Contract shall be construed to imply that there is any relationship between the parties of partnership or of principal / agent or of employer /employee, nor are the parties hereby engaging in a joint venture, association or other co-operative venture, and accordingly neither of the parties shall have any right or authority to act on behalf of the other nor to bind the other by contract or otherwise, unless expressly permitted by the terms of the Contract.

28 Governing Law

The Contract shall be governed by and construed in accordance with English law and both parties submit to the exclusive jurisdiction of the English courts.

29 Guarantee

29.1 In consideration of the Franchisor entering into the Contract with the Franchisee the Principal unconditionally and irrevocably guarantees:

29.1.1 the performance and observance by the Franchisee of all its obligations, commitments, warranties and indemnities under or pursuant to the Contract in accordance with its terms;

29.1.2 to be bound by the provision of clause 17.4;

29.1.3 to pay all sums payable by the Franchisee under or pursuant to the Contract as and when the same become due.

29.2 The Principal agrees to indemnify and keep indemnified the Franchisor on demand against all losses, actions, claims, costs, charges, expenses and liabilities suffered or incurred by the Franchisor:

29.2.1 in relation to this clause 29 (including the costs, charges and expenses reasonably incurred in the enforcement of any of the provisions of this clause 29);

29.2.2 as a result of the breach by the Franchisee of any provision of the Contract and/or the Franchisee's negligence.

29.3 The Principal acknowledges and agrees that, the guarantee effected by this clause 29 is and at all times shall be a continuing security (and for the avoidance of doubt shall survive termination or expiry of this Contract) and shall extend to cover the ultimate balance of the sums due at any time from the Franchisee to the Franchisor under or in respect of the Contract.

- 29.4 The Principal acknowledges and agrees that none of its liabilities shall be reduced, discharged or otherwise adversely affected by any act or omission other than a written release given by the Franchisor and then only in respect of the liabilities expressly set out in that release.
- 29.5 Prior to making any claim under this clause 29 (a “**Guarantee Claim**”) against the Principal, the Franchisor shall have served a written demand on the Franchisee (in respect of the matter from which the Guarantee Claim in question arises) which remains unsatisfied for fourteen (14) days after service. Save as otherwise expressly set out in this clause 29.5 the Company shall not be obliged before taking steps to enforce any of its rights and remedies against the Principal to take any other action whatsoever, including obtaining judgment, against the Franchisee.
- 29.6 The Principal acknowledges and agrees that it shall have no right to enforce any of the remedies available and/or the rights granted to the Franchisee under the Contract and in particular, the Principal acknowledges and agrees that it shall not be entitled to raise the Franchisor’s breach of this Contract as a reason and/or as a defence for non payment of any sums due under the Contract whether from it or the Franchisee and whether arising under this clause 29 or otherwise.
- 29.7 During the Term, the Principal shall work in the business and devote substantially all of his time and effort to the Business, shall be a director of the Franchisee and shall hold at least 75% of the shares in the Franchisee. Further, if so required by the Franchisor, the Principal shall be an employee of the Franchisee and must be employed on terms that have previously been approved, in respect of that appointment, by the Franchisor. The Principal shall enter into a contract of employment with the Franchisee within fourteen (14) days of being required so to do by the Franchisor.

30 Dispute Resolution Procedure

- 30.1 We shall both use all reasonable endeavours to negotiate in good faith and settle amicably any dispute in respect of any sum (in the nature of a fee) paid or payable under the Contract by either of us (referred to in this clause 30 as the “**Dispute**”). If the Dispute cannot be settled amicably through ordinary negotiations of both of our appropriate representatives within fourteen (14) days of it arising, the Dispute shall be referred to a senior officer of each of us who shall meet in order to attempt to resolve the Dispute.
- 30.2 If the Dispute cannot be resolved by such senior officers within fourteen (14) days of it being referred to them, it shall, at the request of either of us, be referred for final settlement to an expert nominated by agreement between us or (failing such agreement within fourteen (14) days of request) to an expert nominated (on the application of either of us) by the President for the time being of the Institute of Chartered Accountants of England and Wales. Such expert shall be deemed to act as an expert and not as an arbitrator, and his decision shall (in the absence of clerical or manifest error) be final and binding on each of us. Each of us shall provide the expert with such information as he may reasonably require for the purposes of his determination. The costs of the expert shall be borne by each of us in equal shares unless the expert determines that the conduct of either of us is such that such party should bear such greater proportion of the costs as the expert shall in his own discretion determine.

31 Third Party Rights

- 31.1 Nothing in this Contract shall confer any right or benefit upon any person who is not a party to it whether under the Contracts (Rights of Third Parties) Act 1999.

32 Force majeure

Neither we nor you shall be responsible to the other for any delay in the performance or any non-performance of our respective obligations under the Contract due to any causes (including fire, flood, Act of terrorism, extreme weather conditions or industrial action) (a “**Force Majeure Event**”) beyond the reasonable control of the party affected by the Force Majeure Event, but the party whose performance is affected by the Force Majeure Event in question shall promptly following the occurrence of such Force Majeure Event inform the other party in writing of the Force Majeure Event in question, stating that such Force Majeure Event in question has delayed or prevented its performance and after giving such notice such party shall take all reasonable steps to comply with the terms of this Contract as fully and promptly as possible.

33 No set off

- 33.1 Neither you nor the Principal will be entitled to withhold or reduce or set any sums off against any payment required by us to be made to us for any reason whatsoever unless:

33.1.1 We have issued a credit note or have otherwise acknowledged in writing that you have made an over payment or are otherwise entitled to withhold or reduce a payment; or

33.1.2 The proposed withholding or reduction of a payment by you arises directly from our fraud or intentional and deliberate breach of this Contract.

34 Anti Bribery Compliance

- 34.1 You shall:

34.1.1 Comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010;

34.1.2 Comply with our ethics, anti-bribery and anti-corruption policies (as communicated and updated from time to time by us);

34.1.3 Have and shall maintain in place throughout the term of the Contract your own policies and procedures, including but not limited to adequate procedures under the Bribery Act and will enforce them where appropriate;

34.1.4 Promptly report to us any request or demand for any undue financial or other advantage of any kind received by you in connection with the performance of the Business;

34.1.5 On request, certify to us, in writing, your compliance with this clause. You shall provide such supporting evidence of compliance as we may reasonably require;

- 34.1.6 ensure that any person howsoever associated with you who is howsoever involved in the Business does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on you pursuant to this clause.
- 34.2 For the purposes of this clause the meaning of “adequate procedures” and whether a person is “associated” with another person shall be determined in accordance with sections 7(2) (and any guidance issued under section 9 of that Act), 6(5), 6(6) and 8 of the Bribery Act 2010. For the purposes of this condition, a person associated with you includes any sub-contractor of the Business.
- 34.3 We may with immediate effect by notice to you, terminate the Contract in the event that you breach any of the provisions of this clause.

SCHEDULE 1

The Turnkey Elements

In the manner and by the methods set out in the Manual, we shall supply you with the following items. [*insert details of what is to be provided as part of the Turnkey Package*]

SCHEDULE 2

[Alan, please insert list of any Start Up Equipment to the extent not included in the Turnkey Elements]

SCHEDULE 3

[insert details of the Territory]