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## **FRANCHISE AGREEMENT**

THIS AGREEMENT is made on the *[insert day]* day of *[insert month]* *[insert year]*

BETWEEN:

*[Insert name and address of the organisation giving the Franchise and appointing the Franchisee], ("the Franchisor")*

AND

*[Insert name and address of the organisation or individual that has been granted a Franchise by the Franchisor], ("the Franchisee")*

WHEREBY IT IS AGREED as follows:

### **1. Definitions**

**1.1** "Territory" shall mean the area or areas listed in Schedule 1.

**1.2** "Trade Mark" shall mean those trade marks and all other intellectual property listed in Schedule 2.

**1.3** "Fees" shall mean all charges made by the Franchisor to the Franchisee as part of granting the franchise, supplying goods and services to the Franchisee, managing and overseeing the Franchise and marketing the Franchise.

**1.4** "Franchisee Manual" shall mean the operational manual given to the Franchisee by the Franchisor at the commencement of this Agreement

## **2. Appointment**

**2.1** The Franchisor appoints the Franchisee on *[an exclusive basis / a non-exclusive basis]* in the Territory.

**2.2** The Franchisor hereby grants to the Franchisee all the relevant rights to carry on business as a Franchisee.

## **3. Location**

The Franchisee will operate the franchised business from the following business address *[Insert business address]*.

## **4. Contract Term**

**4.1** This Agreement shall remain in force for the period of *[Specify period of agreement, e.g. 2 years]* from the date of signature by the parties.

**4.2** The Franchisor agrees to allow the Franchisee to renew the Franchise subject to renewal terms being agreed and where the Franchisee has operated the Franchise successfully and in accordance with the terms of this Agreement and the Franchisee Manual.

## **5. Fees & Payment Terms**

**5.1** On the signing of this Agreement the Franchisee will pay to the Franchisor the sum of *[Insert amount, e.g. Ten Thousand Pounds, £10,000]* - the Initial Franchise Fee.

**5.2** Thereafter the Franchisee shall pay a *[Select monthly / quarterly]* Management Fee of *[Insert amount, e.g. One Thousand Pounds, £1,000]*

**5.3** The Franchisee shall pay a *[Select monthly / quarterly]* Product Fee, the amount depending upon the amount of Products and materials ordered from the Franchisor.

**5.4** The Franchisee shall pay a *[Select quarterly / yearly]* Marketing Fee for the costs of marketing the Franchise in the Territory. The amount of this fee shall vary according to the level of marketing proposed by the Franchisor.

**5.5** All fees must be paid within thirty (30) days of the invoice date.

**5.6** The Franchisor reserves the right to charge interest on all overdue payments at a rate of 5% per annum above the base lending rate of Barclays Bank plc from time to time.

**5.7** The Franchisee shall also pay the Franchisor all reasonable expenses incurred by the Franchisor in obtaining payment from the Franchisee where any payment due to the Franchisor is overdue. Such costs to include (but not be limited to) legal fees, court fees and enforcement fees.

## **6. Franchisor's Responsibilities**

**6.1** The Franchisor will carry out the following during the term of this Agreement:

6.1.1 provide a copy of the Franchisee Manual and a replacement copy of the Franchisee Manual if and when it is updated during the course of this Agreement.

6.1.2 provide adequate initial training to the Franchisee, so that the Franchisee can successfully operate the Franchise.

6.1.3 provide further ongoing training where the Franchisor deems it necessary.

6.1.4 keep the Franchisee regularly informed of marketing carried out by the Franchisor.

6.1.5 regularly monitor and audit the Franchise to ensure that quality standards are met and that sales targets are achieved by the Franchisee.

6.1.6 provide ad hoc advice where the Franchisee encounters operational problems that they are unable to overcome.

**Sample document – the remaining are clause headings only  
Full document contains all clauses**

## **7. Franchisee's Responsibilities**

## **8. Franchisee's Reporting Responsibilities**

## **9. Intellectual Property**

## **10. Confidentiality**

## **11. Anti-Bribery Compliance**

## **12. Limitation of Liability**

## **13. Termination**

## **14. Restrictive Covenants**

## **15. Notices**

## **16. Force Majeure**

## **17. Assignment**

## **18. General**

## **19. Jurisdiction**

IN WITNESS of which the parties have signed this Agreement the day, month and year first above written.

*[Insert Company name]*

*[Insert name or person signing on Company's behalf]*

*[Insert their position]*

Signature: \_\_\_\_\_

*[Insert Client name]*

*[Insert name or person signing on Client's behalf]*

*[Insert their position]*

Signature: \_\_\_\_\_

**Schedule 1 - Territory**

The geographical area will be:

*[Specify the Territory where The Franchisee will operate]*

**Schedule 2 – Trade Marks**

Trade marks licensed to the Franchisee by the Franchisor:

*[Detail Franchisor's trade marks and all other intellectual property]*

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