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## **FRANCHISE AGREEMENT**

THIS AGREEMENT is made on the *[insert date]*

BETWEEN:

*[Insert name and address of the organisation to be the Franchisee], ("the Franchisee")*

AND

*[Insert name and address of the organisation to be the Franchisor], ("the Franchisor")*

WHEREBY IT IS AGREED as follows:

### **1. Definitions**

**1.1** "Territory" shall mean the area or

**1.2** "Trade Mark" shall mean those trade marks listed in Schedule 2.

**1.3** "Fees" shall mean all charges made in connection with granting the franchise, supplying goods and services, and overseeing the Franchise and marketing.

**1.4** "Franchisee Manual" shall mean the manual provided by the Franchisor at the commencement of the Franchise.

### **2. Appointment**

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

**2.2** The Franchisor hereby grants to the Franchisee the right to carry on the business as a Franchisee.

### 3. Location

The Franchisee will operate the franchise at the following address *[Insert business address]*.

### 4. Contract Term

**4.1** This Agreement shall remain in force for a period of *[Insert term of agreement, e.g. 2 years]* from the date of signing.

**4.2** The Franchisor agrees to allow the Franchisee to renew the Agreement on the same or similar terms being agreed and where the Franchisee has successfully and in accordance with the Franchise Manual.

### 5. Fees & Payment Terms

**5.1** On the signing of this Agreement the Franchisee shall pay a sum of *[Insert amount, e.g. Ten Thousand Dollars]* as an Initial Fee.

**5.2** Thereafter the Franchisee shall pay a recurring Fee of *[Insert amount, e.g. One Thousand Dollars]* per month.

**5.3** The Franchisee shall pay a *[Select amount]* depending upon the amount of Product sold.

**5.4** The Franchisee shall pay a *[Select amount]* of marketing the Franchise in the Territory according to the level of marketing program.

**5.5** All fees must be paid within thirty days of the due date.

**5.6** The Franchisor reserves the right to increase the Fee at a rate of 5% per annum above the base Fee at any time.

**5.7** The Franchisee shall also pay the Franchisor the costs of the Franchisor in obtaining payment from the Franchisee if the Franchisor is overdue. Such costs include court fees and enforcement fees.

### 6. Franchisor's Responsibilities

**6.1** The Franchisor will carry out the following responsibilities:

**6.1.1** provide a copy of the Franchisee Manual if and when it is updated.

6.1.2 provide adequate initial training  
successfully operate the Franchise.

6.1.3 provide further ongoing training

6.1.4 keep the Franchisee regularly in  
Franchisor.

6.1.5 regularly monitor and audit the  
met and that sales targets are achieved

6.1.6 provide ad hoc advice where the  
that they are unable to overcome.

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

**7.1** The Franchisee will undertake the

7.1.1 observe and follow the Franchise

7.1.2 to develop the Franchise and bu

7.1.3 conduct business in a proper and  
name and goodwill of the business and

7.1.4 fit out the business premises and  
directed by the Franchisee Manual and

7.1.5 only carry on the Franchise busi

7.1.6 to use the business name and Fr  
Franchise business.

7.1.7 not during the term of this Agree  
third-party business that competes wi

7.1.8 to deal with all customer compla  
complaints cannot be resolved the Fra

7.1.9 to observe all national, regional

7.1.10 to take out business insurance,  
reputable insurance provider and to er

7.1.11 to ensure that the Franchise is  
Tax (VAT) or any other sales tax that

7.1.12 to obtain all necessary licenses  
Territory.

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

**8.1** Furthermore the Franchisee will u  
Agreement:

8.1.1 to provide the Franchisor with a  
Franchisor giving *[Insert period e.g. T*

8.1.2 to provide the Franchisor with de  
Franchisee and the results of those ma

## **9. Intellectual Property**

**9.1** The Franchisor grants to the Franch  
use its logos, trade marks, service ma  
database rights and patents as set out  
restrictions in Clause 9.2.

**9.2** The Trade Mark shall not be used  
registration of the Trade Mark and the  
third parties.

**9.3** This Agreement does not convey o  
interest in any intellectual property ow

**9.4** On expiry of this Agreement all lic  
and the Franchisee agrees to immedia  
intellectual property.

## **10. Confidentiality**

**10.1** The Franchisee shall keep confid  
all confidential information relating to

**10.2** Confidential information shall co  
technical, commercial, financial, opera  
information or data.

**10.3** The Franchisee may not disclose  
third parties save to such third parties  
information for the purposes of perfor  
required by Law or by Order of a Cour

**10.4** This Clause shall survive the terr  
for a period of *[Insert period e.g. Two*

## **11. Limitation of Liability**

**11.1** The Franchisee agrees to indemnify the Franchisor for all damages, losses and liability suffered by the Franchisor as a result of the Franchisee's operations.

**11.2** The Franchisor shall not be liable for damages, lost profits, lost business or other losses reasonably foreseeable.

**11.3** Both parties shall indemnify each other for damages, losses and liability caused by the negligence of its employees acting within the terms of this Agreement.

**11.4** All other liability not expressly assumed or excluded.

**11.5** Both parties hereby agree that the terms and conditions in this clause are reasonable and take effect as part of this Agreement to both parties and the corporation.

## **12. Termination**

**12.1** This Agreement may be terminated by either party if either party may have against the other party under this Agreement if any of the following circumstances occur:

**12.1.1** Either party commits a serious breach of this Agreement including, but not limited to, neglect of that party's duties under the Agreement and fails to be remedied for Thirty (30) days after notice is given to the defaulting party.

**12.1.2** Where the conduct of the Franchisee has a material and adverse effect upon the business, products and services of the Franchisor.

**12.1.3** Either party is unable or has no ability to pay its debts or enters into a compromise for the benefit of its creditors or becomes subject to an Administration Order or Receivership or Receiver of any of its property or assets or is unable to carry on business.

**12.2** Such termination will take place immediately upon notice to the other party and without prejudice to a claim for damages or other for any breach committed prior to the termination.

**12.3** Upon termination of this Agreement, the Franchisee shall, at the request of the Franchisor promptly transfer all rights, title and control of the Franchisee relating to the business and affairs of the Franchisor.

**12.4** All clauses intended by the Franchisor in the Franchise Agreement shall survive, including, but not limited to, the Franchisor's Property.

### **13. Restrictive Covenants**

**13.1** The Franchisee shall not for a period of one year after the termination of this Agreement be engaged in any business that competes with the Franchisor or the development, promotion, sale or service of the Products with the Products and Services supplied by the Franchisor.

**13.2** The Franchisee shall not for a period of one year after the termination of this Agreement approach or solicit the customers of the Franchise.

### **14. Notices**

**14.1** Any notice given by either of the parties shall be in writing and delivered by personal delivery, pre-paid recorded delivery or by electronic transmission to the receiving party's address and to the subsequent addresses as may be notified in writing.

**14.2** Any such notices shall be deemed to have been received by the receiving party at the following times:

14.2.1 In the case of service by pre-paid recorded delivery, eight hours after posting.

14.2.2 In the case of service by telex or electronic transmission, on the day.

### **15. Force Majeure**

Neither party shall be liable for delay or failure to perform its obligations under the Agreement if the delay or failure is caused by circumstances beyond its reasonable control, including but not limited to, natural disasters, industrial disputes. If such delay or failure exceeds (60) days the party not subject to the delay or failure shall terminate the Agreement by written notice to the other party.

### **16. Assignment**

Neither party may assign their rights or obligations under the Agreement in writing of the other party.

**17. General**

**17.1** IT IS HEREBY DECLARED that the clauses of this Agreement shall be read as if they were set out in full. Should any part of this Agreement or any of its clauses be found invalid it shall not affect the remaining clauses.

**17.2** The Schedules to this Agreement shall form part of this Agreement.

**17.3** Failure by either party to enforce any of its rights under this Agreement shall be taken as or deemed to be a waiver of those rights. The party so failing acknowledges the waiver in writing.

**17.4** No addition to or modification of the terms of this Agreement shall be binding on the parties unless made in writing and signed by both parties or their duly authorised representative.

**17.5** This Agreement sets out the entire agreement between the parties and is in substitution of any previous verbal or written agreements.

**17.6** Reference to any Statutory Provisions in this Agreement shall include any Statutory Provisions, which amends or replaces the original Statutory Provisions.

**18. Jurisdiction**

This Agreement shall be construed in accordance with the law of England and shall be subject to the exclusive jurisdiction of the courts of England and Wales.

IN WITNESS of which the parties have hereunto set their hands and seals on the year first above written.

*[Insert Company name]*  
*[Insert name or person signing on Company name]*  
*[Insert their position]*

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

*[Insert Client name]*  
*[Insert name or person signing on Client name]*  
*[Insert their position]*

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



**Schedule 1 - Territory**

The geographical area will be:

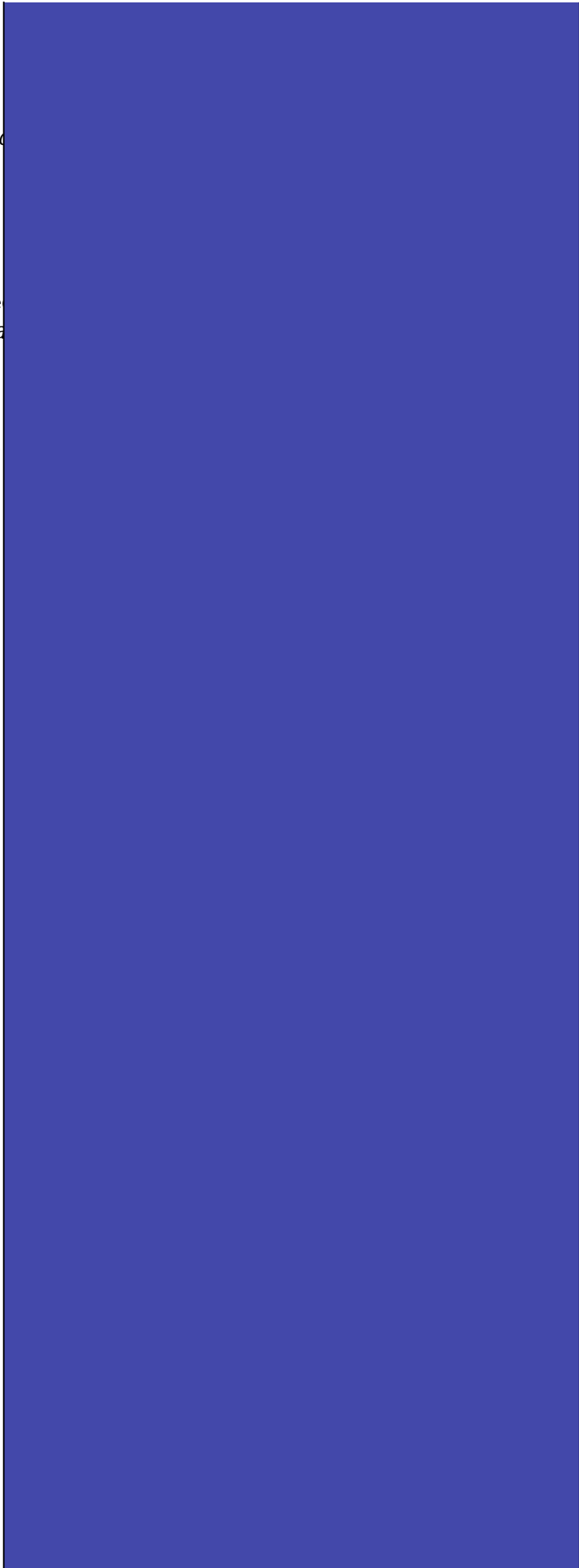
*[Specify the Territory where The Franch*

**Schedule 2 - Trademarks**

Trade marks licensed to the Franchisee

*[Detail Franchisor's trade marks and a*

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**EXAMPLE AGREEMENT**

**FRANCHISE AGREEMENT**

THIS AGREEMENT is made on the 4<sup>th</sup> of

BETWEEN:

**Green Clean Lawn Limited, Lawn H  
8TY, ("the Franchisor")**

AND

**Peter Jones, 16 Bridleway, Northri  
Franchisee")**

WHEREBY IT IS AGREED as follows:

**1. Definitions**

**1.1** "Territory" shall mean the area or

**1.2** "Trade Mark" shall mean those tra  
listed in Schedule 2.

**1.3** "Fees" shall mean all charges mad  
granting the franchise, supplying good  
overseeing the Franchise and marketin

**1.4** "Franchisee Manual" shall mean th  
by the Franchisor at the commenceme

**2. Appointment**

**2.1** The Franchisor appoints the Franc

**2.2** The Franchisor hereby grants to th  
business as a Franchisee.

**3. Location**

The Franchisee will operate the franch  
address **Unit 2, Links Trading Estate**

#### **4. Contract Term**

**4.1** This Agreement shall remain in force until terminated by the signature by the parties.

**4.2** The Franchisor agrees to allow the renewal terms being agreed and when successfully and in accordance with the Manual.

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

**5.1** On the signing of this Agreement the Franchisee shall pay a sum of **Twenty-One Thousand Pounds (£21,000)**.

**5.2** Thereafter the Franchisee shall pay a sum of **Three Thousand Pounds (£3,000)**.

**5.3** The Franchisee shall pay a **quarterly** fee based on the amount of Products and materials purchased.

**5.4** The Franchisee shall pay a **yearly** fee for the Franchise in the Territory. The amount shall be the amount of marketing proposed by the Franchisor.

**5.5** All fees must be paid within thirty days of the due date.

**5.6** The Franchisor reserves the right to increase the fee at a rate of 5% per annum above the base fee at any time.

**5.7** The Franchisee shall also pay the costs of legal proceedings the Franchisor in obtaining payment from the Franchisee if the Franchisee the Franchisor is overdue. Such costs shall include court fees and enforcement fees.

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

**6.1** The Franchisor will carry out the following responsibilities:

6.1.1 provide a copy of the Franchisee Manual and Franchisee Manual if and when it is updated.

6.1.2 provide adequate initial training to enable the Franchisee to successfully operate the Franchise.

6.1.3 provide further ongoing training to the Franchisee.

6.1.4 keep the Franchisee regularly informed of the performance of the Franchisor.

6.1.5 regularly monitor and audit the Franchisee's performance to ensure that sales targets are achieved.

6.1.6 provide ad hoc advice where the Franchisee is unable to overcome difficulties that they are unable to overcome.

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

**7.1** The Franchisee will undertake the following responsibilities:

7.1.1 observe and follow the Franchisee Manual.

7.1.2 to develop the Franchise and business in the Territory.

7.1.3 conduct business in a proper and professional manner to protect the name and goodwill of the business and the Franchisor.

7.1.4 fit out the business premises and equipment in accordance with the directions directed by the Franchisee Manual and the Franchisor.

7.1.5 only carry on the Franchise business in the Territory.

7.1.6 to use the business name and Franchisee Manual in the Franchise business.

7.1.7 not during the term of this Agreement to carry on any other third-party business that competes with the Franchise business.

7.1.8 to deal with all customer complaints and if the complaints cannot be resolved the Franchisee shall refer the matter to the Franchisor.

7.1.9 to observe all national, regional and local laws and regulations.

7.1.10 to take out business insurance, fire and theft insurance from a reputable insurance provider and to ensure that the Franchisee is covered for the full term of the Agreement.

7.1.11 to ensure that the Franchisee is registered for Value Added Tax (VAT) or any other sales tax that applies in the Territory.

7.1.12 to obtain all necessary licenses and permits to operate the Franchise business in the Territory.

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

**8.1** Furthermore the Franchisee will undertake the following reporting responsibilities under the Agreement:

8.1.1 to provide the Franchisor with a copy of the Franchisee's financial statements to the Franchisor giving **thirty (30) days** notice.

8.1.2 to provide the Franchisor with details of the Franchisee and the results of those matters.

## **9. Intellectual Property**

**9.1** The Franchisor grants to the Franchisee the right to use its logos, trade marks, service marks, patents, copyright, database rights and patents as set out in this Agreement subject to the restrictions in Clause 9.2.

**9.2** The Trade Mark shall not be used by the Franchisee without the registration of the Trade Mark and the consent of the Franchisor or third parties.

**9.3** This Agreement does not convey or create any interest in any intellectual property owned by the Franchisor.

**9.4** On expiry of this Agreement all licences granted to the Franchisee and the Franchisee agrees to immediately terminate all intellectual property.

## **10. Confidentiality**

**10.1** The Franchisee shall keep confidential and shall not disclose all confidential information relating to the Franchisor.

**10.2** Confidential information shall comprise all information, technical, commercial, financial, operational, administrative information or data.

**10.3** The Franchisee may not disclose confidential information to third parties save to such third parties as may be required for the purposes of performing the Franchisee's obligations required by Law or by Order of a Court.

**10.4** This Clause shall survive the termination of this Agreement for a period of **Two (2) Years** from the date of termination.

## **11. Limitation of Liability**

**11.1** The Franchisee agrees to indemnify the Franchisor for any liability suffered by the Franchisor as a result of the Franchisee's actions.

**11.2** The Franchisor shall not be liable for damages, lost profits, lost business or other losses reasonably foreseeable.

**11.3** Both parties shall indemnify each other for damages caused by the negligence of its employees or agents under the terms of this Agreement.

**11.4** All other liability not expressly assumed or excluded.

**11.5** Both parties hereby agree that the terms and conditions in this clause are reasonable and take effect under the Agreement to both parties and the corporation.

## **12. Termination**

**12.1** This Agreement may be terminated if either party may have against the other under the Agreement if any of the following circumstances occur:

12.1.1 Either party commits a serious breach of this Agreement including, but not limited to, neglect of that party's duties under the Agreement and is not remedied for Thirty (30) days after notice by the defaulting party.

12.1.2 Where the conduct of the Franchisee has a material effect upon the business, products and services of the Franchisor.

12.1.3 Either party is unable or has no ability to pay its debts or enters into a compromise for the benefit of its creditors or becomes subject to an Administration Order or Receivership or Receiver of any of its property or assets or ceases to carry on business.

**12.2** Such termination will take place without prejudice to any claim either party may have against the other for any breach committed prior to the date of termination.

**12.3** Upon termination of this Agreement, the Franchisee shall, at the request of the Franchisor promptly transfer all rights, title and control of the Franchisee relating to the business and affairs of the Franchisor.

**12.4** All clauses intended by the Franchisor in this Agreement shall survive, including, but not limited to, Intellectual Property.

### **13. Restrictive Covenants**

**13.1** The Franchisee shall not for a period of 12 months from the date of this Agreement be directly or indirectly engaged in any business that competes with the Franchise. This shall include the development, promotion, sale or supply of any Products and Services supplied by the Franchisor.

**13.2** The Franchisee shall not for a period of 12 months from the date of this Agreement approach or canvass customers of the Franchisor.

### **14. Notices**

**14.1** Any notice given by either of the parties shall be deemed to have been given by personal delivery, pre-paid recorded delivery or by electronic transmission to the receiving party's address as stated in the Agreement and subsequent addresses as may be notified in writing.

**14.2** Any such notices shall be deemed to have been given as follows:

14.2.1 In the case of service by pre-paid recorded delivery, eight hours after posting.

14.2.2 In the case of service by telex or electronic transmission, on the day.

### **15. Force Majeure**

Neither party shall be liable for delay or non-performance under this Agreement if the delay or failure is caused by circumstances beyond their reasonable control, including but not limited to natural disasters, industrial disputes. If such delay or failure exceeds 60 days the party not subject to the delay or non-performance shall terminate the Agreement by written notice to the other party.

### **16. Assignment**

Neither party may assign their rights or obligations under this Agreement without the written consent of the other party.

### **17. General**

**17.1** IT IS HEREBY DECLARED that the provisions of this Agreement shall be read and construed in accordance with the law of England. Should any part of this Agreement or any clause hereof be found invalid it shall not affect the remaining provisions of the Agreement.

**17.2** The Schedules to this Agreement

**17.3** Failure by either party to enforce to be taken as or deemed to be a waiver acknowledges the waiver in writing.

**17.4** No addition to or modification of on the parties unless made in writing and or their duly authorised representative

**17.5** This Agreement sets out the entire and is in substitution of any previous written

**17.6** Reference to any Statutory Provisions, which amends or

**18. Jurisdiction**

This Agreement shall be construed in accordance with the law of England and Wales and shall be subject to the exclusive jurisdiction of the courts of England and Wales.

IN WITNESS of which the parties have hereunto set their hands and seals on the day and year first above written.

**Green Clean Lawn Limited**  
**John Brown**  
**Director**

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

**Peter Jones**

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



**Schedule 1 - Territory**

The geographical area will be:

**Birmingham – the following postcodes  
BR1, BR2, BR3, BR4, BR5, BR6, BR**

**Schedule 2 - Trademarks**

Trade marks licensed to the Franchisee

**Green Clean Lawn**

**Green Clean Lawn workman figure**

**Green Clean Lawn colours and trade**

**Green Clean Lawn Franchisee Man**

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