

DATED _____

BETWEEN

ABC COMPANY
(998 875 4423 555)

and

MR AND MRS MASTER FRANCHISE BUYERS
(022 556 998 444)

REGIONAL MASTER - FRANCHISE DEED

Sample Only Not Complete

BETWEEN: The party named and described in Schedule 2 (the *Company*)

AND: The party named and described in Schedule 3 (the *Regional Franchisor*)

AND: The party named and described in Schedule 4 (the *Guarantor*)

WHEREAS:

- A. The Company has the exclusive right to use the ABC COMPANY method and associated trade marks and intellectual property by way of an agreement with THE LICENSEE which agreement permits the Company to grant sub-licences of franchises to individual franchisees.
- B. The Company, through its director and associated companies, has experience, ability and know-how in relation to the business of ABC BUSINESS CATEGORY, including XYX and XYZ (the *Services*).
- C. The Company and its directors have developed a uniform system (the *System*) for provision of the services and products.
- D. The system has been identified by the Company Name ABC COMPANY NAME including but not limited to other such companies, trade marks, trade names, designs, copyrights and logos, as may hereafter be designated as being part of the system (the *Marks*).
- E. By maintenance of uniformity and high standards of quality and service the Company, its directors, and associated companies have established a reputation, demand and goodwill for the *Services* and the *Marks*.
- F. The Company is prepared to grant to the Regional Franchisor the exclusive Regional franchise and to develop with the Regional Franchisor the systems for the business in the Region set out in Schedule 5 (the *Region*) and Licence others within the Region as Franchisees to operate businesses utilising the marks and systems in the Region.
- G. The Regional Franchisor has acknowledged that it understands that the terms of this Deed and the annexed Sub-Franchise Deed are necessary to maintain the Company's high standards of quality and service and the uniformity of the standards of all ABC COMPANY businesses and at all future ABC COMPANY businesses and to thereby protect and preserve the goodwill associated with the marks.
- H. The Guarantor comprises the directors and majority shareholders of the Regional Franchisor.

NOW THIS DEED WITNESSES as follows:

1. DEFINITION AND INTERPRETATION

Wherever herein appearing unless repugnant to the context:

- (a) the following expressions shall have the meanings attributed to them by this clause:

Business - the business of acting as Regional Franchisor in the sale and development of Sub-Franchises pursuant to which Franchisees will provide the Services in accordance with the Sub-Franchise Deeds;

Business Name - the business name specified in Schedule 6;

Commencement Date - the commencement date specified in Schedule 7;

Company shall mean the party named and described in Schedule 2, its transferees, successors and assigns;

Contracts - contracts pursuant to which the services are provided or are to be provided by Franchisees;

Cooling Off Period - the period of seven clear days from the execution of this Deed, or any other deed, including but not limiting to a Memorandum of Understanding.

Corporations Law means the Corporations Law as amended from time to time and including any legislation passed in substitution therefor.

Franchisees shall mean those parties, which from time to time, are sub-franchisees of the Regional Franchisor pursuant to a Sub-Franchise Deed in the form of either of the Sub-Franchise Deeds annexed hereto as amended from time to time;

Gross Revenue includes all amounts due and payable to the Regional Franchisor on account of royalties (not including franchise purchase fees) from Franchisees;

minimum number of Franchisees - means the minimum number of franchisees in the Region to be maintained during the Term as set out in Schedule 12;

month shall mean calendar month;

Regional Franchise - the Franchisee's rights and obligations under this Deed;

Regional Franchisor shall mean the party named and described in Schedule 3, its transferees, successors and assigns;

Sub Franchise Deed - the Sub Franchise Deed annexed hereto and marked Annexure A;

the term hereof - the period commencing on the commencement date hereof and expiring as described in Schedule 8;

- (b) where there is more than one person comprising any party hereto the covenants on their part shall be deemed joint and several;
- (c) words importing the singular shall be deemed to include the plural and vice versa;
- (d) the masculine gender shall include the feminine gender and corporations and vice versa;
- (e) any Schedule to this Deed shall form and be construed as part hereof;
- (f) headings are included for convenience only and shall not affect the interpretation of this Deed.

2. GRANT OF FRANCHISE

The Company grants to the Regional Franchisor, an exclusive right in the Region to conduct business as a Regional Franchisor under the Business Name to licence others in the terms of the Sub-Franchise Deed to use the business name, the systems, the logo, trade marks and all identifying marks or symbols of or relating to the Company's business which relate to the franchise of businesses under the style of "ABC COMPANY" and the Company will do all necessary things and execute all documents to enable this grant from Commencement Date for the Term hereof and otherwise on the terms and conditions contained herein.

3. REDEFINITION OF TERRITORY

The Company may redefine the Territory by reduction or expansion if:

- (a) the Regional Franchisee does not properly exploit and commercialise the System in the Territory;
- (b) the Regional Franchisee is unable to meet, within a reasonable time, the demands of the company, customers or potential franchisees in the Territory provided that the Company has provided direction on the methodology required to meet those demands, and the Regional Franchisee has been given an opportunity to undertake such further training as the Company may recommend; or
- (c) in the reasonable opinion of the Company a redefinition of the Territory is in the best interests of the System.

4. COMMUNICATION

The Regional Franchisee agrees to install and or use such communication technology as the company may from time to time require;

SECTIONS PURPOSELY REMOVED

7. REGIONAL FRANCHISOR'S DUTIES

The Regional Franchisee hereby covenants with the Company to promptly perform and observe the following covenants and conditions:

(a) **To Pay Franchise Purchase Fee**

to pay the Company the non-recurring, non-refundable Regional Franchise Purchase Fee set out in Schedule 9 in the manner set out therein;

(b) **To Pay Royalty**

(i) to pay the Company a Regional Franchisor royalty calculated at such percentage of the Regional Franchisor's Gross Revenue of the Business in each month as is specified in Schedule 10(a).

(ii) to pay the Company a Royalty calculated at such percentage of the Sub-Franchise purchase price within 7 Days and as specified in Schedule 10(b).

(c) **To Pay for Stock, Products, and or Equipment**

if appropriate, the cost of Stock, Product and or equipment ordered from the Company

(d) **Other Monies**

any other monies to be paid by the Regional Master Franchisee under the terms of this Deed or any other matter within reason considered necessary for the proper conduct of the system as when they fall due.

(e) **To Take Out and Maintain Insurances**

(i) to take out and maintain the insurances in the name of the Regional Franchisee and the Company with respect to the risks set out in Schedule 11;

(ii) all such insurances shall be for such amounts and covers and with such insurer approved by the Company from time to time **PROVIDED ALWAYS** that such approval shall not be unreasonably withheld;

(iii) the Regional Franchisor shall cause each such policy of insurance arranged pursuant to this clause to contain an endorsement that the said policies shall not be cancelled by the insurer until the expiration of 14 days written notice from the insurer to the Company;

(iv) the Regional Franchisor shall at all times observe the conditions of the policies arranged pursuant to this clause and produce to the Company on demand the policies effected by the Regional Franchisor pursuant to this clause and the receipts for payment of premiums and renewal of such policies;

(v) the Regional Franchisor shall not do or allow or permit to be done any act or thing which may render the policies of insurance effected pursuant to the provisions of this clause void, voidable or otherwise liable to cancellation;

(f) To Comply with Procedures

to observe, act in accordance with and comply with all reasonable instructions, procedures and requirements of the Company;

(g) To Co-Ordinate Promotions and Advertising

to co-ordinate promotions and Advertising within the Region;

(h) To Comply with Company's Directions

to strictly, faithfully and promptly observe and comply with any direction which the Company or its servants are authorised to give and to ensure that its servants or agents strictly, faithfully and promptly observe and comply with any directions which the Company or its servants or agents are authorised to give.

(i) To Maintain Adequate Materials

to maintain at all times during the term of this Deed adequate materials and resources to enable it to properly assist the Franchisees;

(j) Use and Purchase of Materials and or Product

(i) During the Term or Renewal Term the Regional Franchisee will not use any material, product and or equipment unless they are approved by the Company.

(ii) The Regional Franchisee will purchase all materials, products and or equipment from the Company or from authorised suppliers nominated from time to time by the Company.

(iii) The Regional Franchisee may not, without the prior written consent of the Company, convey or offer any product or service for sale to Customers or any other person or entity other than the Products and Services of the company and as allowed for within this Deed.

(k) Payment

The Regional Franchisee shall ensure that the Company or any approved supplier as the case may be, is paid promptly for all Product ordered and accepted by the Regional Franchisee and in any event in accordance with the Company's or any approved suppliers then current written terms and conditions of payment;

(l) **Not to Make Misleading Statements**

not to make any deceptive or misleading representation, statement or warranty about the Business or the Services;

(m) **Not to Compete with Business**

the Regional Franchisor and the Guarantor(s) shall not during the Term of this Deed or any extension or renewal thereof without the prior written consent of the Company carry on any other Business engaged in substantially the same activities of the businesses of the Company or Franchisees, unless authorised to do so and so duly signed by a company director.

(n) **To Ensure Prescribed Standards Are Maintained**

Sample Only Not Complete