

FRANCHISE AGREEMENT

THIS AGREEMENT (the “**Agreement**”) is made this ____day of ___, 20___, by and between:

Burger Legal Private. Ltd., a company incorporated under the laws of India, whose office is at.....; (hereinafter referred to as “**the Franchisor**”)

AND

Mr Rohit Pradhan, s/o Dayanand Pradhan, Resident of Patna, having its PAN Number ABCDEF. (hereinafter referred to as “**the Franchisee**”)

The Franchiser and the Franchisee hereinafter collectively referred to as the “**Parties**” and individually as a “**Party**”.

1. RECITAL

WHEREAS:

- A. The Franchisor has developed methods for establishing, operating and promoting restaurant selling varieties of burger and fast-food products (“**BURGER LEGAL Cafes**” or “**Cafes**”) using the service mark “BURGER LEGAL” and related trade names and trademarks (“**Marks**”) and the Franchisor’s proprietary methods of doing business (the “**Licensed Methods**”).
- B. The Franchisor grants the right to others to develop and operate BURGER LEGAL Cafes, under the Marks and pursuant to the Licensed Methods.
- C. The Franchisee desires to establish a BURGER LEGAL Cafe at a location identified herein or to be later identified, and the Franchisor desires to grant the Franchisee the right to operate a BURGER LEGAL Cafe at such location under the terms and conditions which are contained in this Agreement.

2. DEFINITIONS

Commencement date shall be...

Confidential information shall mean all information...

Intellectual Property Rights shall include...

Location shall mean the premises of the ABC Complex at Rohini, Delhi.

Method shall mean the methods, techniques and processes developed by the Franchisor;

Trademarks shall mean the names, trademarks and service marks owned by the Franchisor and include inter alia;

Products shall mean, all varieties of Burgers, French Fries, Aerated drink and other eating items of the Franchisor bearing any of the Trademarks;

Term shall mean the period fifteen years from the commencement date;

Turnover shall mean gross revenue of the Franchisee's store.

3. GRANT OF FRANCHISE

In consideration of the onetime professional consultancy fees and the other payments, which shall be paid by the Franchisee at the time and in the manner set out in this Agreement and in further consideration of the observance and performance of the undertakings on the part of the Franchisee, the Franchisor grants to the Franchisee the right to establish and operate the **Burger Legal stores** at the Location for the Term.

4. THE FRANCHISEE'S OBLIGATIONS

The Franchisee covenants and agrees with the Franchisor promptly to perform and observe the following covenants and conditions:

4.1 Commencement

To commence the Project by the Commencement Date.

4.2 Project to be carried out at the specific location only

Not to carry on the Project or any part thereof other than from the Location without the prior written consent of the Franchisor.

4.3 Business Promotion

4.3.1 Actively to promote the Project and to exercise best endeavours in the conduct of the Project to promote the mutual business interests of the Franchisor and the Franchisee and shall cause to be provided at the Location such of the Products as are stipulated by the Franchisor from time to time.

4.3.2 As part of its endeavours to promote the Project, to organize a Media Conference at the time of launch and to organize such other promotional activities including but not limited to

media promotions, brochure drops and on-location merchandising display as are mutually decided by the Parties from time to time.

4.4 Products

4.4.1 Only to sell at the Location, the Products, which are specified by the Franchisor and which may be purchased from the Franchisor alone.

4.4.2 In no case will the Franchisee stock or sell any goods other than the Products and goods which the Franchisor otherwise deems to be unsuitable for sale at the Location.

4.4.3 The Franchisee shall pay for all Products acquired by him from the Franchisor according to the terms of payment as notified in writing from time to time by the Franchisor to the Franchisee.

4.4.4 Notwithstanding that risk in any Products supplied by the Franchisor to the Franchisee, shall pass to the Franchisee upon delivery, full legal and equitable title and interest in all and any Products supplied to the Franchisee shall remain in the Franchisor and shall not pass to the Franchisee until the Franchisor shall have received payment in full of all amounts due and owing from the Franchisee to the Franchisor for the time being (including any interest accruing and owing to the Franchisor) and from time to time in respect of all such Products supplied by the Franchisor to the Franchisee at any time.

4.4.5 The Franchisee shall pay the cost of delivery for the Products acquired from the Franchisor

4.5 Non-modification of products

To sell the Products in the same condition as that in which it receives them and not to alter or remove or tamper with them or any markings or name plates or indications of the source of origin on them or any packaging supplied by the Franchisor except putting such notices as are required by the packaging laws of (Country) and will inform the Franchisor of any such laws and the alterations made for the compliance thereto.

4.6 To be only sold to the end-users

Not during the term of this Agreement or any renewal or extension thereof without the written approval of the Franchisor, sell the Products other than to end-users.

4.7 Maximum Prices

Not to charge customers prices in excess of the prices specified by the Franchisor in writing from time to time.

4.8 Maintain Stocks

4.8.1 To commence the Project with a level and type of stock-in-trade of the Products as are in writing specified by the Franchisor and to maintain at all times during the Term, stocks of the Products at a level and of a type approved by the Franchisor from time to time.

4.8.2 To ensure that all stock is maintained in accordance with the Franchisor's instructions and recommendations and to the standards prescribed by the Franchisor in writing from time to time.

4.9 Books of Accounts

4.9.1 To keep such books of account and records and operate such finance and accounting and stock control systems for the Project made up in accordance with proper and accepted accounting practices and accurately maintain them up to date at all times.

4.9.2 To provide the Franchisor with true copies of quarterly audited profit and loss accounts and balance sheets for the Project made up in accordance with proper and accepted accounting practices, which shall be provided no later than 30 days after the end of each quarter

4.10 Payments and Schedule

4.10.1 To pay to the Franchisor (or as the Franchisor directs) as per the relevant dates (time being of the essence):

- (i) One time professional fee of..... (Amount in any currency) towards providing the professional consultancy for the Project, which shall be payable five months prior to the Commencement Date;
- (ii) 4% of the turnover of the Burger Legal's cafe payable on a quarterly basis;
- (iii) The salaries of the staff recruited, trained and employed by the Franchisor in relation to the Project and any costs incurred on travel, accommodation or any incidental expenses incurred on recruitment and training of the manpower or in opening and operating the Project with prior sanction of the Franchisee, which the Franchisor shall bill on the actual.

4.10.2 All payments shall be made by the Franchisee by way of a bankers cheque/demand draft made payable at (place) in favour of the Franchisor.

4.11 No authorized representation

Not to make any representations, statements or warranties about the Project other than those which are expressly permitted by this Agreement or which the Franchisor may first authorise in writing.

4.12 Right to inspection

4.12.1 To permit officers, servants and agents of the Franchisor during normal hours of business to inspect and observe the Project, and all parts of the Location; the stocks of the Products held by the Franchisee and the manner in which the goods are displayed and sold by the Franchisee.

4.12.2 To permit the Franchisor and its servants and agents to inspect and copy, books of account, records, finance and accounting systems at the Location.

4.13 Intellectual Property

Not to be a party to the doing or neglecting to do any act whereby any industrial or intellectual property including trade secrets and business reputation owned by the Franchisor and any company related to it and which the Franchisee is authorised to use (including the goodwill of the business in respect of which this Franchise is granted and used in connection with the Project) may be prejudicially affected either during the Term or afterwards.

4.14 Maintain secrecy

4.14.1 To maintain strict secrecy about the Methods of the Franchisor including any manuals issued by the Franchisor, any technical know-how, trade secrets, product information, market opportunities, advertising and publicity materials belonging to the Franchisor, both during the currency of this Agreement and after it is terminated.

4.14.2 To take all steps necessary to ensure that the Franchisee's nominees, employees, agents and sub-contractors also observe such requirements of secrecy as stipulated in the previous clause and shall cause such nominees, employees, agents or sub-contractors to enter into a secrecy Agreement in a form approved by the Franchisor.

4.14.3 The Franchisee and his nominee, employees, agents or sub-contractors shall not during the currency of this Agreement and after its termination disclose any Confidential Information received by any of them from the Franchisor in the course of the Project unless such disclosure is required by law and will inform the Franchisor of any such disclosure that they are compelled to make.

4.14.4 The Franchisee and his nominees, employees, agents or sub-contractors shall not after the termination of this Agreement and thereafter use such Confidential Information without the prior written consent of the Franchisor.

4.13.5 In order to protect the trade secrets and other Confidential Information as also in lieu of the know-how received by Franchisee from the Franchisor so as to be able to fulfill its obligations as part of the Project, Franchisee agrees that during the Term and even after termination for a period of three years thereof, Franchisee shall not be concerned or interested either directly or indirectly in any business which is involved in the supply of goods which are similar to the Products sold at the Location or in providing services similar to the Services provided as part of the Project.

4.13.6 As part of its obligations to maintain secrecy the Franchisee will not at any time within three years after the termination of this Agreement:

- (i) solicit the customers or former customers of the Project with the intent of taking their custom;
- (ii) employ or offer to employ any person who immediately before such employment or offer of employment was employed by the Franchisor and not directly or indirectly to induce such person to leave his or her employment

4.15 Assignment

Not to assign, charge or otherwise deal with the Project in any way without the prior written consent of the Franchisor.

5. THE FRANCHISER'S OBLIGATIONS

5.1 Permitting the Franchisee to continue the Project

5.1.1 To permit the Franchisee to carry on the business of setting up, operating and promoting the Burger Legal under the style and use the Trademarks or such other names or styles as may be specified in writing by the Franchisor in relation thereto.

5.1.2 To permit the Franchisee to operate the business of providing Products and Services under the style and use the Trademarks or such other names or styles as may be specified or approved in writing by the Franchisor from time to time

5.1.3 To permit the Franchisee to use the Intellectual Property Rights in relation to the Project.

5.2 Management Advise

5.2.1 To provide the Franchisee, as the Franchisor considers appropriate from time to time, with management, sales and administrative advice in the conduct of the Project and such other advice as the Franchisor considers appropriate to promote the mutual business interests of the Franchisor and the Franchisee.

5.2.2 To furnish the requisite technical expertise and assistance as the Franchisor deems necessary to the Franchisee for the completion, management and promotion of the Project.

5.3 Directions on Layout of Location

5.3.1 To provide the Franchisee with directions as to:

- (i) the layout and colour scheme arrangements for the Project at the Location;
- (ii) the plant and equipment and the fixtures and fittings to be used in the Project, as well as for the installation of the same.

5.4 Supply Products and Services

5.4.1 To exercise its best endeavours to fulfil orders for the Products made by the Franchisee, provided always that the Franchisor shall be under no obligation to fulfil any order for the Products made by the Franchisee, if the Franchisee is at the time in default of his liability to pay his dues.

5.4.2 To provide to the Franchisee the technical know-how and expertise for the entire range of “specialized treatments” as developed and formulated by the Franchisor and to update the Franchisee as regards any improvements thereupon.

5.5 Employ staff and training

5.5.1 To recruit and employ such sufficiently competent staff as the Franchisor deems necessary for the efficient conduct and management of the Project

5.5.2 To provide initial training to such of the employees as recruited by the Franchisor at the level which in the opinion of the Franchisor is adequate to instruct, in order to efficiently conduct specialized treatments and sell the Products at the Location.

5.5.3 To provide supplementary training as and when the Franchisor deems necessary during the Term as well as further training in new techniques or concepts developed by the Franchisor

6. IP RIGHT'S OWNERSHIP

- 6.1 The Franchisee acknowledges and recognises the exclusive right of the Franchisor to the Intellectual Property rights including without limitation Trademarks as well as the insignia, logo-grams, designs and other Intellectual Property Rights associated with the Franchisor.
- 6.2 The Franchisee will observe the following requirements in the use of the Trademarks:
- 6.2.1 Use them in a proper trademark sense in the manner as prescribed by the Franchisor from time to time;
- 6.2.2 In the case of such of the Trademarks as are registered indicate that such marks are registered by use of the symbol '®' and that the Franchisee is a licensee of such marks;
- 6.2.3 Not encumber, sub-license, assign, transfer or otherwise deal with his rights to the Trademarks;
- 6.2.4 Under no circumstances on any occasion will the Franchisee register any business, trade or corporate name or style associated with the Franchisor.
- 6.3 The Franchisee shall forthwith notify the Franchisor of any infringements of such Intellectual Property Rights of which the Franchisor becomes aware provided however that the prosecution of any claim with respect to any Intellectual Property Rights shall be the sole responsibility and undertaken at the absolute discretion of the Franchisor.

7. INDEMINITY BY THE FRANCHISEE

The Franchisee covenants and agrees with the Franchisor that the Franchisee shall assume sole and entire responsibility for and indemnify and save harmless the Franchisor from any and all claims, liabilities, losses, expenses, responsibility and damages by reason of any claim, proceedings action, liability or injury arising out of the Franchisee's conduct of the Project or as a result of the Franchisee's relations with his customers and other third parties or because of any breach of this Agreement by the Franchisee.

8. FURTHER TERM

Provided that there shall not be any prior or existing breaches or non-observances of any of the covenants, conditions, Agreements, and provisos on the part of the Franchisee contained in this Agreement, the Franchisor will upon the written request of the Franchisee given not less than 3 months prior to the expiration of the term of the franchise hereby granted, grant a further term of

the franchise for..... years and the Franchisee will accept such further term upon the Franchisor's then prevailing terms and conditions.

9. TERMINATION

This Agreement shall terminate:

(A) On the expiry of the Term;

(B) On the occurrence of any of the following events which are fundamental breaches of this Agreement terminating it forthwith:

(i) in the event of a breach by the Franchisee of any provisions of this Agreement and subsequent failure to remedy the breach within thirty days of having been notified by the Franchisor;

(ii) failure to make the payments on any of the relevant payment dates as specified in the Agreement (time being of the essence);

(iii) any assignment or disposal of the Project or the Location by the Franchisee;

(iv) any challenge by the Franchisee to the validity of any part of the Intellectual Property Rights; provided that the Franchisor may waive any breach of this Agreement by the Franchisee.

(C) If the Franchisee goes into either compulsory or voluntary liquidation (except for the purpose of reconstruction or amalgamation) or if a receiver is appointed in respect of the whole or any part of its assets or if the Franchisee makes assignment for the benefit of or composition with its creditors generally or threatens to do any of these things or any judgment is made against the Franchisee or any similar occurrence in any jurisdiction affects the Franchisee.

(D) If the Franchisee engages in any conduct prejudicial to the Project or the marketing of the Products or Services generally.

(E) If any material change occurs in the management or control of the Franchisee particularly any change of directors or shareholders.

10. EFFECTS OF TERMINATION

10.1 Upon termination of this Agreement for whatever reason the Franchisee shall:

(i) Immediately cease to operate and conduct the Burger Legal, provide Services and sell Products, however it shall not be relieved of the obligation to pay any monies due to the Franchisor pursuant to this Agreement;

- (ii) Cease to exploit any Intellectual Property Rights owned by the Franchisor or any company related to it and licensed to the Franchisee in respect of the Project;
- (iii) Forthwith cease to use any of the Trademarks and to desist from using any trademark confusingly or deceptively similar to the Trademarks or the style BIOTIQUE;
- (iv) Deliver to the Franchisor any documentation including without limitation manuals, catalogues, instructions, notes, publicity promotional and advertising material, samples, letterheads, business cards relating to the Project;
- (v) The Franchisee will furnish to the Franchisor an inventory of the unsold stock held by it and transfer to the manufacturer or any person, firm or corporation designated by the manufacturer;
- (vi) The Franchisee shall if required by the Franchisor sell and deliver to the Franchisor:
 - (a) the fixtures and fittings and plant and equipment owned and used by the franchisee in the Project as may be selected by the Franchisor;
 - (b) the Franchisee's unsold stock of the Products which are in good saleable condition as may be selected by the Franchisor.
- (vii) The purchase price for such fixtures and fittings and plant and equipment selected by the Franchisor shall be as agreed upon by the Franchisee and the Franchisor and failing Agreement as fixed by a reputed valuer of such items appointed by the Franchisor and shall be paid by the Franchisor to the Franchisee within days of the date of termination of the Agreement or within days of the date of valuation by a valuer, whichever is later, and the fee of the said valuer shall be paid by the Franchisee.
- (viii) The sale to the Franchisor of the Franchisee's unsold stock of the Products selected by the Franchisor shall be at the same price as given by the Franchisor to the Franchisee
- (ix) Any freight charges incurred by the Franchisor in the acquisition by it of the Franchisee's fixtures and fittings and plant and equipment and unsold stock of the products as aforesaid shall be paid by the Franchisee.
- (x) The Franchisee shall permit and authorise the Franchisor to have reasonable access to the premises at which the fixtures and fittings, plant and equipment and unsold stocks are then located so as to enable the Franchisor to inspect and to take possession of any such items if purchased.

11. DAMAGES

Most specifically the FRANCHISEE acknowledges that:

- (i) the FRANCHISOR has expended considerable time, investment and efforts in:

- (a) locating an appropriate FRANCHISEE at an appropriate location;
 - (b) entering into discussions and negotiating with the FRANCHISEE;
 - (c) training the FRANCHISEE's personnel;
 - (d) helping the FRANCHISEE build up considerable goodwill in its Centre so as to increase business.
- (ii) the premature termination of this Franchise Agreement would result in huge losses to the FRANCHISOR which would then have to:
- (a) locate another appropriate FRANCHISEE;
 - (b) invest in the FRANCHISEE Center by training personnel etc.;
 - (c) build-up goodwill in the new Centre so that the business of the new FRANCHISEE matches up to that of the earlier FRANCHISEE.

12. ENTIRE AGREEMENT

This Agreement sets forth the entire Agreement and understanding between the parties as to the subject-matter of this Agreement and merges all prior discussions between them and neither of the parties shall be bound by any conditions, definitions, warranties or representations with respect to the subjectmatter of this Agreement other than as expressly provided in this Agreement as duly set forth or subsequent to the date in writing and signed by a proper and duly authorized representative of the party to be bound thereby.

13. FORCE MAJEURE

The Franchisor shall not be liable to the Franchisee for any loss by the Franchisee caused by the failure of the Franchisor to observe the terms and conditions of this Agreement and on his part to be observed and performed where such failure is occasioned by any cause beyond the Franchisor's reasonable control including the failure of the Franchisor to supply or delay in supplying any goods to be supplied by the Franchisor to the Franchisee whether on account of inter alia war, insurrection, fire, flood, earthquake, strikes, lock-outs, the unavailability of raw materials or similar cause.

14. WAIVER

Any waiver by the Franchisor of a breach of this Agreement or any other subsequent Agreement to which it may be a party in consequence of this Agreement shall not be deemed to be a waiver of any subsequent breach.

15. SEVERABILITY

If any provision of this Agreement is invalid or unenforceable, the balance of this Agreement shall remain in effect, and if any provision is inapplicable to any person or circumstances, it shall nevertheless remain applicable to all other persons and circumstances.

16. JURISDICTION

16.1 This Agreement shall be governed by Indian law in every particular including formation and interpretation and shall be deemed to have been made in India.

16.2 Any proceedings arising out of or in connection with this Agreement shall be brought only before the court of competent jurisdictions in

17. NOTICES

17.1 Any notice, request or other communication required to be given under this Agreement shall be served personally or mailed to the other party by registered post, addressed to the parties at their respective addresses set out at the beginning, or at any other address that each party shall provide to the other in writing.

17.2 Any notice served personally shall be considered given at the time of service. Any notice given by registered post shall be deemed to have been received within five days after the date of posting as shown on the post office receipt.

IN WITNESS WHEREOF, the Parties have executed this Agreement, as of the day and year first written above.

On behalf of Burger Legal Pvt. Ltd.

SIGNED AND DELIVERED BY:

(Name and designation)

SIGNED AND DELIVERED BY:

(Name and designation)