

FRANCHISEE AGREEMENT

This Franchisee Agreement (this "**Agreement**") is executed at Bareilly on ____day____month____Year ("**Effective Date**"):

BY AND BETWEEN

BIOWELL UNIVERSE PVT. LTD., a company registered under Companies Act 2013, having its corporate office at 1st FLOOR RAJNI RATAN TOWER, NEAR SATELLITE BUS STAND, BAREILLY (U.P.)-243001 and represented herein by its Authorized Signatory DHARMENDRA KUMAR SHARMA (hereinafter referred to as the "**Franchisor**", which expression shall, unless repugnant to the meaning and context, mean and include its successors-in-interest and assigns) of the **ONE PART**

AND

____ a/an individual/company/partnership firm/sole proprietary concern (include as applicable), Indian citizen /registered under the Companies Act, 1956 or 2013 /registered under the Indian Partnership Act, 1932 (Include as applicable), residing at /having its registered office at/carrying on business at _____
(Include as applicable) represented through **self** / its director/ authorized signatory,(hereinafter referred to as "**Franchisee**",

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES, MUTUAL COVENANTS AND AGREEMENTS SET FORTH HEREIN, THE PARTIES HERETO AGREE AND THIS AGREEMENT WITNESSES AS FOLLOWS:

1. The Franchisor hereby grants the Franchise to the Franchisee with effect from the effective date mentioned above, subject to the terms and conditions of this Agreement and other Franchise Documents.
2. Unless terminated earlier by either party in accordance with the terms of this Agreement, the Franchise and this Agreement shall remain in force till the expiry of a period of five years from the date of commencement of Agreement.
3. The Parties may agree to extend and renew the terms by mutual consent expressed in writing prior to the expiry of the term, on terms and conditions as may be mutually agreed to between the Parties.
4. The Franchisee shall market the Products strictly in accordance with the (a) Standard Operating Procedures and specifications provided by the Franchisor time to time.
5. The Franchisee shall use its best efforts to market the Products in the Territory at its cost and expense.
6. The Franchisee can employ adequate number of employees and staff to market the Products in an efficient manner. The Franchisee will alone be responsible for payment of salaries, benefits and incentives to its employees and staff.
7. The Franchisor may from time to time provide the Franchisee with operational and other guidelines for the implementation of the Franchise.
8. The Franchisor shall, at its discretion, carry out regular marketing and business promotion activities for the Products and the Trademarks.

The execution, delivery and performance of this agreement has been duly authorized by all requisite [corporate] action on its part and will not violate any provision of any applicable Laws. This agreement constitutes the legal, valid and binding obligations of the Franchisee, enforceable in accordance with its terms.

OWNERSHIP AND TRADEMARKS

The Franchisor warrants that:

- (a) It owns or has a right to use all intellectual property rights in the Trademarks.
- (b) Any unauthorized use of the Trademarks by the Franchisee or any person acting on its behalf shall constitute a breach of this agreement and an infringement of the Trademarks.
- (c) The Franchisee shall not be permitted to use the Trademarks in its contracts or applications for any approvals or any other documentation (other than on the packaging or advertisements of the Products), or in any manner that may imply that the Franchisor is responsible for any of obligations under such contracts or applications or other.
- (d) The Franchisee shall co-operate with the Franchisor to arrest and mitigate any damage or loss that may be caused to the Franchisor as a result of any infringement.
- (e) In the event the Franchisor is of the opinion, at its sole discretion, that it would be advisable to revise, modify or discontinue use of any Trademark and/or for the Product to be branded with any alternate, additional or substitute trade or service marks, the Franchisee shall comply with the Franchisor's directions to revise, modify or otherwise discontinue the use of such Trademark and/or use any alternate, additional or substitute trade or service marks.

PRODUCTS

1. The Products that are the subject matter of the Franchise under this Agreement.
2. The Franchisor may introduce new Products time to time to extend range of products.
3. The Franchisee shall advertise the sale of the Products at its cost, independent of the Franchisor.
4. The Franchisee can't put, promote or sell any other product(s) of any company/brand/ category/subcategory at his outlet.
5. The Purchase price of products to Franchisee is confidential and franchisee must maintain this confidentiality.

SELLING PRICE OF PRODUCTS

1. The selling price of the products will be defined and regulated by the franchisor. Franchisee can't increase or decrease the price at any cost. If franchisee violate the price policy then a monetary penalty can be charged, this can be or equals to five times of product's actual price.
2. In case of serious violation of price policy the agreement can be terminated by the franchisor and all the monetary and non-monetary benefits will be ceased immediately.

SOFTWARE CHARGES:

1. **Software installation and annual subscription charges for first year will be free.**
2. From second year onwards franchisee will have to pay Rs.4000/- (Rupees four thousand only) **annual software charges** for billing, inventory management.
3. Software charges will be payable in advance at the beginning of next year.

BUSINESS PREMISES:

1. Franchisee will have to manage a shop of minimum 100 square feet area to perform business activities. The shop can be owned or rented or paternal.
2. All the expenses to build, modify and decorate the shop will be borne by the franchisee.
3. Franchisee will manage glass racks for products display, wooden racks for products storage, front counter, sufficient chairs, computer/ mobile, printer, electricity connection, stationary items and other equipment to perform day to day business activities.
4. Only white colour can be used for walls interior, exterior and storage furniture.
5. All the running expenses like electricity, internet, stationary and other daily expenses will be borne by franchisee.

FIRST ORDER AMOUNT:

1. As per mutual understanding Franchisee is starting his business with first order amount of Rs. _____/(Rupees _____)
This amount has been paid in following manner.

Sr.	Payment Date	Mode (Cheque/DD/Cash/Online)	Transaction Number	Amount(Rs.)
1				
2				
3				
4				
Total				

2. The above mentioned "first order amount" is been paid by franchisee to buy product of his choice to start franchisee outlet to meet-out customer's demand. This is not a security from any angle; hence it is not refundable at any cost and any circumstances.
3. Any future subsequent order amounts will be paid by franchisee to buy product of his choice to run franchisee outlet smoothly and meet-out customer's demand. This will also not be security from any angle; hence will not be refundable at any cost and any circumstances.
4. There is no provision of any kind of interest payable on above first order amount.
5. Franchisee can buy products of his choice in single or multiple orders as per his discretion against the first order amount.
6. Franchisee must have to do a minimum shopping of Rs. 500/- (Rupees Five hundred) every month to avail all monthly benefits. Failure to this may or will carry forward or terminate the benefits of that particular month.
7. The Franchisee must have to deposit monthly sale amount (after deduction of his margin) in first week of upcoming month after monthly closing in to the bank account of franchisor. If franchisee fails to deposit monthly sale amount for two consecutive months then the all benefit of franchisee will be terminated with immediate effect and it can't be revived in future.
8. It shall carry out its obligations under this Agreement in accordance with good industry practice and in the best interests of the Franchisor and shall work diligently to promote the Products.

ROYALTY FEE:

The Royalty fee is waived off. So the Franchisee will not have to pay any royalty fee during the term of this agreement.

RETAIL MARGIN:

1. Franchisee will get 10% to 25% **(10 to 25 Percent)** retail margin, depending upon different category and subcategory of products
2. The retail margin can be changed / revised on the basis of tax rules of government or market scenario. Franchisor will inform to franchisee about any change or revision.

BONUSES/INCENTIVES:**Monthly Bonus (Loyalty Bonus/Cash Back/Subsidy)**

- a. Franchisee will get a monthly bonus, based on his first purchase amount and consecutive total monthly purchase amount as mentioned in attached annexure-1 of this agreement.
- b. The amount of monthly bonus is totally depend monthly turnover of franchisor. Means the amount may be variable month to month.
- c. Monthly Bonus is totally depends on monthly purchase and sale of franchisee means if monthly sale of franchisee increases then the bonus will also be increase.
- d. This bonus will be payable on monthly basis and it will be transferred into the bank account of franchisee.
- e. The monthly bonus will be payable only up to twelve months from the date of first purchase amount and other consecutive total monthly purchase amount.

NOTE:

1. **The TDS and other taxes as per the rules of government of India will be applicable of all bonuses and other benefits.**
2. **Franchisee must has to do a minimum shopping of Rs. 500/- (Rupees Five hundred) every month to avail all monthly benefits. Failure to this may or will carry forward or terminate the benefits of that particular month.**

FREIGHT:

Freight charges from warehouse or depot or Master Franchisee to franchisee location (Transporter's office Location) will be paid by warehouse or depot or Master Franchisee, subject to minimum order of Rs. 32000/- if minimum order is less than Rs. 32000/- than the freight charges will be paid by franchisee only. Freight charges from franchisee location to Warehouse, Depot or Master Franchisee or other franchisee location will be paid by franchisee itself only.

NEARBY EXPIRY PRODUCTS:

Franchisee should has to replace the products from franchisor before 120 days of expiry date, if think unable to sale the products up to expiry date. In case of replacement can take similar products of new batch (expiry date) or other products of similar monitory value. The will be no any encashment against any replacement or expiry. There will be no replacement of products in between 120 days of expiry date.

EXPIRED PRODUCTS:

In case of expiry of the products 50% of products cost (taxable invoice value- means the cost before tax) will be borne by the franchisee and remaining 50% will be borne by the franchisee.

DAMAGE:

In case of damage of products during transportation, Franchisee will has to inform the Franchisor or its employee or representative immediately at the time of receipt of good and share photo or video of damaged products. Franchisor will replace the damaged products after receiving the damaged products at its warehouse or depot.

There will not be any encashment against any products damage. Any damage claim reported next day after receipt of products will not be accepted by franchisor.

TRANSFER OF OWNERSHIP:

- a. Ownership can be transferred only in case of unavoidable and extreme critical situation.
- b. Ownership of franchisee can be transferred in only when the franchisee and becoming owner (second owner) both are ready and accept all the terms and conditions of this agreement.
- c. Franchisee will has to take prior approval of ownership transfer with franchisor and this is sole discretion of franchisor to approve or disapprove the request.
- d. All the monitory and non-monitory transactions must be clear between franchisee and becoming owner before approaching to franchisor for ownership transfer.
- e. In case of ownership transfer all the documentation will be done again and a new agreement will be drafted with new franchise owner.
- f. After ownership transfer all the monitory and non-monitory benefits will be transferred to the new owner and the old owner would not claim for the same in future in any condition.

INDEMNITY

The Franchisee shall hereby indemnify and defend Franchisor and the Franchisor's officers, employees and representatives from and against all liabilities, losses, damages, costs and expenses in relation to or arising out of:

- a. Any claims or actions brought in respect of the Products marketed by the Franchisee, on any ground including on the basis of adulteration of the Products.
- b. Any claim or action of any third party including on account of any breach committed by the Franchisee or any misrepresentation by the Franchisee to any third party.
- c. The Franchisee shall not compromise or settle any claim or make any admission fixing liability on the Franchisor without the consent of the Franchisor

TERMINATION OF THE FRANCHISE

Either Party may terminate this Agreement by written notice immediately upon the occurrence of the following events:

- a. If the Franchisee is in breach of its obligations, representations or warranties under any Franchise Document and fails to remedy such breach within thirty (30) days of its receipt of notice in this behalf from the Franchisor.
- b. In the event of change in control or ownership of the Franchisee without the prior written consent of the Franchisor
- c. If the Franchisee is involved in any conduct or performs any act which may, in the sole opinion of the Franchisor, adversely affect the reputation or goodwill of the Franchisor, its distribution network, or of any of its affiliates or business associates or may expose the Franchisor to any form of penal action or litigation or similar proceedings.

Upon expiry of the Term or termination of this Agreement for any reason, the Franchisee shall:

- a. Immediately cease the marketing of Products and cease representing or holding itself out as a franchisee in respect of the Products in any manner.
- b. Immediately discontinue use of all Trademarks and of any marketing tools, articles, packages or labels bearing a Trademark or otherwise indicative of any association with the Franchisor.

GENERAL TERMS AND CONDITIONS

1. During the Term, the Franchisee shall not sell market or distribute products that are the same as any of the Products or become the subject of the Franchise on its own behalf or on behalf of anyone other than the Franchisor or as a franchisee for any entity other than the Franchisor.
2. Any loss or pilferage of goods after delivery to franchise will be responsibility of franchisee only.
3. All the applicable taxes on products sale by the franchisee will be paid by franchisee only.
4. Nothing in this Agreement shall be construed as restricting or limiting the Franchisor's right to appoint other franchisees, distributors, subcontractors or agents in respect of the sale and distribution of the Products or products similar to the Products, in the Territory.
5. The Parties shall ensure that all Confidential Information disclosed by one Party (the "**Disclosing Party**") to the other in accordance with this Agreement shall not be used for any purposes other than those required or permitted by this Agreement, and shall remain confidential and shall not be disclosed to any third party.
6. This Agreement shall be governed by the laws of India.
7. Any dispute between the parties is subject to jurisdiction of "**BAREILLY**".
8. Further, the details of Franchisee are mentioned in Application form :

Franchisee:

Franchisor
(For Biowell Universe Pvt. Ltd.)

Date.....Place.....

Date.....Place.....

Witness-1

Witness-2

Signature:

Signature:

Name:

Name: