

This International Franchise Agreement is entered into between [LEGAL NAME OF COMPANY], whose registered office is located at [REGISTERED OFFICE ADDRESS], with the registration number [REGISTRATION NUMBER], hereby represented by [NAME AND POSITION OF THE LEGAL REPRESENTATIVE] (referred to as the “Franchisor”),

And

[LEGAL NAME OF COMPANY], whose registered office is located at [REGISTERED OFFICE ADDRESS], with the registration number [SPECIFY THE REGISTRATION NUMBER], hereby represented by [NAME AND POSITION OF THE LEGAL REPRESENTATIVE] (referred to as the “Franchisee”).

This International Franchise Agreement is executed by the parties on [SPECIFY THE DATE OF EFFECTIVITY OF THE AGREEMENT].

Both parties undertake to observe the following agreement:

RECITALS

WHEREAS, the Franchisor is a company that specializes in the production and distribution of organic beauty (hereinafter referred to as “Product”);

WHEREAS the Franchisor owns the trade name [TRADE NAME] and all its related logos and marks and trade dress, as specified in this Agreement;

WHEREAS, the Franchisor is the owner of all the goodwill associated with the given trade name;

WHEREAS, the Franchisee recognizes the advantages and value of the Product and desires to obtain a license for a [TRADE NAME] business (hereinafter referred to as the “Franchised Business”);

WHEREAS, the Franchisee recognizes the necessity of maintaining high-quality standards and uniformity of the appearance, image, products and customer relations that are in conformity with the Product as Franchisor may modify the Product from time to time;

WHEREAS, the Franchisee is aware of the risks that are associated with owning the Franchised Business and has evaluated those risks; and

WHEREAS, the Franchisor is willing to provide training and other necessary services, and to grant the Franchisee a licensed of the Franchised Business.

NOW, THEREFORE in consideration of this Agreement, the parties agree to the following terms and conditions:

LICENSE

Grant of License

Subject to the terms and conditions of this Agreement, the Franchisor grants to the Franchisee a non-exclusive license to operate one office and branch producing and distributing the Product for a period of [NUMBER] years from the Effective Date of this Agreement.

Location

The office and branch shall be located at [INTERNATIONAL ADDRESS]. There shall be no other Franchised Business located in the same geographical territory unless specified in this Agreement.

In the event that the Franchisee desires to expand the territory, it shall be subject to the Franchisor’s prior written approval, provided that the Franchisee is in full compliance of this Agreement.

Franchised Business

The term “Franchised Business” means a business in which the Franchisee engages in the business of production and distribution of organic beauty products. The Franchisee will produce and distribute said Products in the specified territory.

Product

The Product specified in this Agreement are listed as follows:

Anti-wrinkle cream

Anti-aging cream

Mascara

Foundation

Lip gloss

Lip balm

Lipstick

Eyeshadow

Eyeliner

Shampoo

Conditioner

Soap

Body lotion

Antiperspirant deodorant

[SPECIFY OTHER PRODUCTS]

The Franchisee shall not be allowed to change or modify the ingredients or the process of production of the said products.

The Franchisee shall not provide any other product or service on the location of the Franchised Business.

Operations Manual

The Franchisor shall provide an operations manual to the Franchisee for its use during the term of this Agreement. The Franchisor shall give prompt and timely information on any updates and modifications made in the Operations Manual.

FRANCHISE FEES

Initial Fee

The Initial Fee for the [TRADE NAME] is [AMOUNT] ($0.00), and shall be paid on [DATE OF PAYMENT].

The Initial Fee shall not be refundable for any reason except when, through no fault of the Franchisee, the Franchisor determines that the former has not completed the training, in which case the Franchisor shall refund [PERCENTAGE] of the Initial Fee.

Royalties

The Franchisee shall pay to the Franchisor an annual royalty in an amount equal to [PERCENTAGE] of the Gross Revenue, and shall be paid through electronic fund transfer, at the [DESIGNATED BANK, ACCOUNT NUMBER AND ACCOUNT NAME].

The royalties shall be payable on [DATES].

International Marketing Fee

Due to the nature of the agreement being an international franchise, the Franchisee shall pay a monthly international marketing fee in the amount equal to at least [PERCENTAGE] of the Gross Revenue, or [AMOUNT], whichever is higher.

The Franchisor shall increase the International Marketing Fee to at least [PERCENTAGE] of the Gross Revenue, provided that the Franchisor has given a sixty-day notice prior to the effectivity of the increase.

The Franchisor shall use the collected International Marketing Fee for marketing, advertising, and promotion for the benefit of the Product. It may also use the fee for research and development, and other necessary programs to increase the sales of the Product.

Management Assistance

In the event that the Franchisee requests the management for support services at the location of the Franchisee’s territory, the latter shall pay the Franchisor a fee of [AMOUNT], which shall be due and payable [NUMBER] days following the date of the services.

RECORDS AND REPORTS

Records

The Franchisee shall be obliged to maintain true and accurate business records and shall provide the Franchisor weekly updates and reports regarding the business.

The Franchisee shall retain all business records for at least [NUMBER] years or longer periods as may be required by the law.

Financial Report

The Franchisee shall be obliged to provide a monthly financial report to the Franchisor, for the purpose of determining the payable fees.

The Franchisee shall also be obliged to provide an annual financial report for the assessment of the business performance.

Failure

If the Franchisee fails to deliver the records and reports promptly as agreed upon, the Franchisor shall be authorized to make an independent assessment on the Royalties and International Marketing Fee for the month.

Audit Inspection

The Franchisor shall have the power and authority to enter the premises for the purpose of auditing the accuracy of reports submitted by the Franchisee.

In the event that the inspection result reveals that the Franchisee has understated its Gross Revenue by [PERCENTAGE], then the Franchisee shall immediately pay the cost of the audit inspection, including the incidental costs.

TRAINING

Initial training

The Franchisee shall be obliged to complete the Franchisor’s initial training program. The initial training program shall approximately be [NUMBER] hours and shall be conducted at the Franchisor’s location.

Manager training

The Franchisee’s Manager shall also receive a specific training program and is expected to meet the set criteria.

Any new managers shall be obliged to complete the Manager’s Training Program.

In all cases, the Franchisee shall be solely responsible for the costs of the Manager’s Training Program.

Employee training

The Franchisee shall only employ the persons who have successfully completed the employee training at all times.

The employee training program shall be held at the Franchisor’s location. As such, the Franchisee shall be solely responsible for the costs of the training and all other incidentals as seen fit.

Training materials

The Franchisor shall be obliged to provide the Franchisee and its employees the necessary materials and equipment that shall be used for the different training programs.

The Franchisor may charge a fee for the materials and equipment.

Warranty of success

The Franchisor shall have no warranty of success even after the completion of training.

TRADE SECRETS

The Franchisee shall have access to the trade secrets of the Franchised Business. The Trade Secrets shall include but are not limited to the Product, its ingredients, processes, tools, and equipment. It shall also include the training programs, techniques, and policies of the business.

As such, the Franchisee shall be obliged to keep confidential all the trade secrets that are known to him during the operation of the Franchised Business.

PRE-OPERATING OBLIGATIONS AND RESPONSIBILITIES

The Franchisee shall be solely responsible for the selection of the location for the Franchised Business, provided that such location complies with the condition agreed upon between the parties.

The Franchisee shall give the Franchisor all known information regarding the location.

The Franchisee shall not sign any lease agreements until the Franchisor has given its approval on the location of the Franchised Business.

The Franchisor shall have the authority to terminate this Agreement in the event that the Franchisee has not selected, or the Franchisor has not approved, any location for the Franchised Business within [NUMBER] days after the signing of this Agreement.

The Franchisee acknowledges that not all Franchised Business offices and branches will be required to have identical color schemes, designs, and layout. The Franchisee agrees to accept the evaluation of the Franchisor with respect to the design and layout of the location that shall be in compliance with the Franchised Business standard. However, the Franchisee shall only use and maintain the similar tools, machinery, and equipment of the Franchisor in accordance with the standards of the Franchised Business.

OPERATION OF FRANCHISED BUSINESS

The Franchisee shall devote its full time and effort to the management of the Franchised Business, and shall not delegate this task to the management. The Franchisee shall bear the sole responsibility of running the Franchised Business, and shall make important decisions with respect to its operation.

The Franchisor shall recommend the retail prices for all the Products. As such, the Franchisee is obliged to strictly follow the recommended retail prices given by the Franchisor.

The Franchisee shall be responsible in obtaining the permits and licenses necessary to operate the Franchised Business in its given location.

The Franchisee shall follow the rules and regulations provided in the Franchising Manual with respect to the suppliers, tools, machinery, equipment, and inventory.

GENERAL PROVISIONS

Supplementary Documents

All the supplementary documents specified in this Agreement shall be provided by both parties, and shall hereby be obliged to execute such information as necessary.

The corresponding party shall promptly execute the supplementary documents and have such delivered to the other party.

Headings

The headings provided in this Agreement shall only be for the convenience of the parties, and shall not affect the construction and interpretation of the Agreement.

Notices

As this is an International Franchise Agreement, notices, requests and demands shall always be in writing.

The notices shall be addressed to the following parties:

Franchisor

|  |  |
| --- | --- |
| Name: |  |
| Full Address: |  |
| Contact Number: |  |
| Email Address: |  |

Franchisee

|  |  |
| --- | --- |
| Name: |  |
| Full Address: |  |
| Contact Number: |  |
| Email Address: |  |

Amendments

Any changes, modifications and amendments made in this Agreement shall be in writing and should be signed by both the Franchisor and the Franchisee. Failure to have the said changes, modifications, and amendments in writing shall make such amendments invalid.

Term and Termination

As provided above, the term of this Agreement is for [NUMBER] years, beginning from the effectivity date of this Agreement.

This Agreement shall be terminated upon the following circumstances:

Franchisee is unable to successfully pass and complete the training;

Franchisee is unable to provide a location within [NUMBER] days from the signing of this Agreement;

Franchisee or Franchisor has made a breach in this Agreement.

Governing Laws

This International Franchise Agreement shall be governed by the laws of [COUNTRIES OF BOTH THE FRANCHISOR AND FRANCHISOR].

In the event that any dispute shall arise out of this Agreement, [COUNTRY] shall have the jurisdiction to try and decide the case.

This International Franchise Agreement shall consider the agreement as a whole in regard of the stated subject matter. Any other agreements entered into between the parties prior to this shall be considered void and unenforceable.

IN WITNESS WHEREOF, the parties to this Agreement have made an execution of this [DATE] day of [MONTH/YEAR] as specified.

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| --- |
|  |
| [NAME AND SIGNATURE OF THE FRANCHISOR] |
| Title: |
| Date: |

|  |
| --- |
|  |
| [NAME AND SIGNATURE OF THE FRANCHISOR] |
| Title: |
| Date: |