**Salient Points for Master License Agreement- Genetic**

1. **The term; 10 years.**
2. **Renewal;** the Franchise Agreement can be renewed by both parties at no additional fee, for the next 10 years, after the initial 10 years
3. **Development plan**; there are various scenarios that we have compiled e.g., if you open 2 stores by the end of year 1 and a further store by the end of year 2 (E.g., for 3 store country) there is a worksheet for this. The same appliers if we open 10 stores, in a particular country, we can estimate the projected revenues and payback periods.
4. **Upfront franchise fee**; US $ 100 000 paid by the Master License Holder to the Master Franchisor.
5. **Royalty**; 6% of gross revenue per month excluding VAT, is paid to the Master Franchise Holder. Of this 6% is 60% retained by the Master License Holder of that country and 40% is paid to O’ Hagan’s Head Office Group in JHB.
6. **Marketing Fee**; a marketing fee of 3% of sales revenue is paid by the Franchisee to the Master License Holder, who will obtain approval from the Master Franchisor as to how the funds are to be spent. The full amount of 3% will be spent in the country concerned.
7. **Master License Holder;** charges the Franchisee US $30 000 per store as an upfront fee.
8. **Rights and obligations** **of the Master Franchisor** (see agreement)
9. **Rights and obligations** **of the Master License Holder** (see agreement)
10. **Operations and systems;** O’ Hagan’s Head office in JHB shell provide the Master License Holder with an operating manual, training manuals and menu in electronic format.
11. **Point of Sale System**; Franchisees are to use the system determined by the Master Franchisor.
12. **Training**; Master License Holder and staff to be trained by Master Franchisor’s staff on opening and ongoing support.
13. **Financials**; to be completed by the Master License Holder for each store.
14. Projection for the Master License Holder’s office
15. Projections for the store
16. **Trade Marks**; all trademarks belong to and will be protected by the Master Franchisor.
17. **Accounting, records and reporting**; Master License Holder to keep all records as per guide lines set down by the Master Franchisor.
18. **Cession and assignment**; the franchise agreement can be ceded to a 3rd party but only on written approval by the Master Franchisor