

FRANCHISE AGREEMENT

This agreement is signed on this 1 day of December the year 2020

Between

SAICO P (Ltd), a private limited company incorporated under the company's Act 1956 in India and having its corporate office at **Shoranur Agricultural Implements Consortium (P) Ltd**, Kallipadam P.O., Shoranur, Palakkad Dt. Pin-679122 INDIA, herein after referred to as the "Franchisor".

And

.....S/o.....
Birth Date.....

Permanent Address

.....
.....herein after referred to as the
"Franchisee"

Both parties as above have expressed a desire of entering into the franchise agreement to meet their respective objectives, which are set out here in below.

1. Definitions

In this agreement the following definitions shall apply

- 1.1 **Agreement:** means this franchise agreement
- 1.2 **Franchise:** means the right granted by this agreement
- 1.3 **Franchisor:** means the party described at the beginning of this agreement and here in referred to as the company
- 1.4 **Franchisee:** means the party named after the Franchisor of this agreement and its legal representatives, successor and permitted assign.
- 1.5 **Business day:** means a day on which banks are open for trading in India.
- 1.6 **Franchise fee:** means the initial fee payable by a franchisee for the grant and other matters as specified.
- 1.7 **Intellectual property:** includes all licensed copyright design, trademarks, patent, process & corporate name, computer software licensed by **SAICO Pvt. Ltd.** and the goodwill of any licensed business name, secret process or confidential information license by the **SAICO Pvt. Ltd.** including the marks of the system.
- 1.8 **Month:** means a calendar month.
- 1.9 **Service:** means these services forming part of the system from time to time.
- 1.10 **Response time:** to respond to all enquires by customers or potential customers on the same day as they are made.
- 1.11 **Communication:** the Franchisee agrees to use such communication technology as **SAICO Pvt. Ltd.** may from time to time require.
- 1.12 **Franchisee meeting:** To convene meeting of Franchisees as the **SAICO Pvt. Ltd.** considers necessary
- 1.13 **Advertising:** To refer the **SAICO Pvt. Ltd.** for its prior approval the contents, style and media proposed to be used by the franchisee (including signage) for any advertising whatsoever

including the system and the business in the customer contracts premises or a proposed sale of a franchise business advertising approved by the company will be the cost of the franchisee.

- 1.14 **Inspection by Company:** to permit the company and its servant and agents (including the field consultant) at all reasonable times upon the provision of reasonable notice by the company to inspect and copy all books financial other records relating to the business
- 1.15 **Confidential information:** means trade secrets information methods ideas concepts price forms techniques database copyright materials and all records relating to the business.
- 1.16 **Customer:** means a person or entity with which the franchisee provides services
- 1.17 **Discontinue:** means to terminate the operating the business.
- 1.18 **Field consultant:** means any person nominated by the company from time to time which city franchisee and facilitates the commercialization

2. Appointment

- 2.1 The SAICO Pvt. Ltd. Appoint the franchisee on an exclusive basis in the territory and to terms and condition of this agreement franchise can do to online offline trading the products of SAICO in the exclusive territory.
- 2.2 Franchisor hereby grand's to the franchisee all the relevant rights to carry on business as a Franchisee.
- 2.3 Franchisee can use the trade names trademarks of **SAICO Pvt. Ltd.** for the business purpose.
- 2.4 Franchisee can use the franchisor's copyright, material, know-how, knowledge etc.
- 2.5 Franchisee can use the benefit of the incisor's accounting management and marketing knowledge and experience.
- 2.6 The franchisee shall enter into registered license agreement when required by the **SAICO Pvt. Ltd.**

3. Location

The Franchise will operate the franchised business from the following business address
.....
Office maintaining a Uniform standard facilities and services including uniformity in the charges levied from the client for the product sold.

4. Franchise

- 4.1 On the signing of this agreement the Franchisee will pay a to the franchisor the sum of [2 lakh Rs/-] the initial Franchise fees.
- 4.2 The Franchisor will supply agricultural implements/other materials worth rupees 3 Lakhs

(Rupees Three Lakhs only) on credit.

4.3 The franchisee to sell the product and remit the sales realization to **SAICO Pvt. Ltd.** after deducting the agreed sales margin on the 5th working day of every calendar month.

4.4 SAICO private limited will replenish the franchisee with goods so that the total value of the stock at the franchise will be 3 lacs. This will be done within first 5 working days of every month. The request of the replenishment with details of the items needed to be furnished by the Franchise on or before the last working day of every month.

4.5 The Franchisee shall also pay the Franchisor all the reasonable expenses incurred by the Franchisor in obtaining payment from the Franchise where any payment due to the Franchisor is overdue. Such cost to includes (but not to be limited to) legal fees, court fees and enforcement fees.

5. Term

5.1 The Agreement shall remain in force for the period of 3 years from the date of signature by the Parties

5.2 The Franchisor agrees to allow the franchise to renew the Franchise subject to renewal terms being agreed and where the franchisee has operated the Franchise successfully and in accordance with the terms of this Agreement.

6. Franchisor's Responsibilities

The Franchisor will carry out the following during the term of this Agreement:

6.1 Monitor and audit the Franchisee once in every month to ensure that quality standards are met and that sale targets are achieved by the Franchisee

6.2 Provide ad hoc advice where the franchisee encounters operational problems they are unable to overcome.

6.3 Franchisor advice to franchisee on alternations to and fixtures and fittings in the Premises.

6.4 General advice to franchisee on how to set up the Franchise.

6.5 Provide the franchisee with knowhow, advice and guidance relating to the business.

6.6 Supply products and service to Franchisee.

6.7 Supply printed material when required.

7. Franchisee's Obligations

The Franchisee Shall:-

7.1. Only use printed material invoices and products which are supplied by franchisor.

- 7.2 Use online/ offline in connection with the business as have been approved by the franchisor.
- 7.3 Maintain the premises to the highest standards and not carry out any alterations without Franchisors consent
- 7.4 Use best endeavors to promote and extend the business.
- 7.5 Operate the business during hours specified by Franchisor.
- 7.6 Ensure that staff is well dressed clean and polite.
- 7.7 At the request of the franchisor provide potential information as reasonably requested.
- 7.8 Franchisee requires franchisor's approval whenever they want to go to campaign. Newspaper advertisements with respect to advertising .
- 7.9 Use the trademarks logos and name on the entire document in the same format given by **Shoranur Agriculture Implements Consortium (P) Ltd.**
- 7.10 Make public any information obtained in the course of business
- 7.11 When dealing with client Franchisee has no rights to suggest anything to client as a layman thought.
- 7.12 The Franchisee should also advertise and promote the Franchise in accordance with the directions, requirements and specifications of the franchisor from time to time.
- 7.13 Franchisee should enhance and promote the intellectual property, goodwill and reputation of the franchise at all times.
- 7.14 The Franchisee will maximize efforts to develop the franchise and maintain the image, identity and reputation of the entire franchising system.
- 7.15 The Franchisee hereby undertake to supply the Franchisor with all information concerning office operation, enabling evaluation of the quality e off of business management, as well as the financial report required for effective management of the Chain. The Franchisee will allow Franchisor and/or its Representatives or Field Consultant free access to the franchise business premises and permit examination of the relevant documents at any official timing.
- 7.16 The obligation to properly maintain and keep clean business premises, office computer, internet and account books.
- 7.17 The obligation to provide excellent customer service.
- 7.18 Franchisee has to arrange basic requirement which includes 1 computer set with printer and webcam with headphone, broadband internet connection, 1 table and 3 chairs, 1 display board,

1 letter box, 1 bookshelf and 1 ceiling fan in office premise.

8. Advertising

8.1 All advertising is to be approved by the Franchisor.

9. Sales of Business

9.1 The Franchisee shall have no right to transfer the franchise.

10. Confidentially

10.1 "Franchise" shall keep all information of confidential nature as strictly confidential and shall not disclose it to third parties without the prior written consent of **SAICO Pvt. Ltd.**, during the term of this agreement.

10.2 "Franchise" agrees not to disclose revenue Information without prior written consent of **SAICO Pvt. Ltd.**

11. Non-Competition

Neither the Franchisee nor the Individuals will during the term of the franchise :-

11.1 Entice employees from the franchisor for other Franchisees.

11.2 Use or disclose confidential information for any purpose other than a purpose set out in the Agreement.

12. Termination.

The Franchisor may terminate this agreement if the Franchisee :-

12.1 Fails to commence business within one months of execution of this agreement.

12.2 If in breach of any of the terms of the agreement.

12.3 Persistently defaults in payment of any amounts due to the Franchisor.

12.4 Is found to have supplied materially and services false or misleading information in or supporting the franchise application.

12.5 Goes into liquidation/bankruptcy or is insolvent.

13. Consequences of Termination

The Franchisee :-

- 13.1 Must cease use of the franchisor's trade name and trademarks and must not thereafter hold itself out as being a franchisee of the Franchisor.
- 13.2 Must pay to Franchisor all sums payable to the Franchisor whether or not then due.
- 13.3 Shall return to the Franchisor all manuals, literature, promotional materials, letterheads , Invoice or anything else which bear the trade name of or indicates any association with the Franchisor.
- 13.4 Shall provide franchisor with a list of all customers and potential customers of which is aware.
- 13.5 Shall not make use of or disclose any confidential information relating to the system or the Franchised business.
- 13.6 Shall not compete with the Franchisor.

14. Dispute Resolution and Jurisdiction

- 14.1 Any dispute, controversy or claims arising out of or relating to this agreement or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the provisions of the [Indian] arbitration and conciliation act 1996.
- 14.2 The arbitral tribunal shall be composed of one arbitrator appointed by **SAICO Pvt. Ltd.**
- 14.3 The place of arbitration shall be at head office of **SAICO Pvt. Ltd.**
- 14.4 The arbitrary procedure shall be conducted in the Malayalam language and any award or awards shall be rendered in Malayalam. The procedural law of the arbitration shall be Indian law.
- 14.5 The award of the arbitral tribunal shall be final, conclusive and binding upon the parties and the provisions of the [Indian] arbitration and conciliation act, 1996 shall apply.
- 14.6 The rights and obligations of the parties under or pursuant to this Clause including the arbitration agreement in this Clause shall be governed by and be subject to Indian law and the agreement shall be subject to the exclusive jurisdiction of the courts at Ottapalam.

