

## **FRANCHISE AGREEMENT**

**THIS AGREEMENT("Agreement")** entered into as of day \_\_\_\_\_ (Execution Date) by and between:

1. **POINT S INDIA PRIVATE LIMITED**, a company registered **3/31, 1st Floor, Left side West Patel Nagar Delhi Central Delhi 110008**, with CIN U50400DL2020FTC372920 represented by **Fabien Bouquet** in his quality as legal representative, who acts on behalf of POINT S INDIA Private Limited, Hereinafter referred to as the « **THE FRANCHISOR** », which expression shall, unless it be repugnant to the subject or context thereof, include its legal representatives/ successors/ executors and permitted assigns) of the **FIRST PARTY**;

### **AND**

-----, having its office at -----  
-----and duly represented by its authorized representative -----(hereinafter referred to as the "**Franchisee**", which expression shall, unless it be repugnant to the subject or context thereof, include [his/her/its] legal representatives/ successors/ executors and permitted assigns) of the **SECOND PARTY**.

The Franchisor and the Franchisee may, as the context requires, hereinafter be individually referred to as a "**Party**" and collectively, the "**Parties**".

- WHEREAS, Franchisor is a 100% subsidiary of Alianco, the holder of the **POINT S** trademark license globally,
  - The value of concept, of the know-how and of the brand image had been used in the development of a network of Points-of-sale with the Point S sign in France and in several countries.
  - THE FRANCHISOR wishes, and here is the subject matter of this agreement, to extend and develop this network at an international level, notably in the Scope of activity and the territory defined below.
  - The Franchisor grants the use of the Point S trademark registered THE FRANCHISOR is the beneficiary of the sign right of use of the POINT S trademark registered under the registration number 2405364 and 2405363 in the Indian Office of the Registrar of Trade Marks.
  - THE FRANCHISOR grants to the FRANCHISEE the sign right of use of the Point S trademark as defined and described in the GRAPHIC CHARTER, during the term of this agreement.
- (A)** Franchisee's should be Independent Business Units, they will become users of the Point S trademark to gain recognition among manufacturers of the Indian Market, to promote and develop their business.

- (B) Whereas, the Franchisee has represented to the Franchisor, that it possesses the necessary expertise, manpower, skills, competence and authorizations to operate the Franchise in the Territory; and
- (C) WHEREAS, based on the representations of the Franchisee, the Franchisor is willing to grant the Franchisee, and the Franchisee is willing to accept, the Franchise for the Territory;

Now, therefore, in consideration of the mutual agreements, covenants and conditions herein contained, the Parties hereto agree as follows:

## 2. GRANT OF FRANCHISE LICENSE

### 2.1 Territory, Scope of activity and Sub-Franchising

The Franchisor hereby grants and vests in the Franchisee, the right to exploit the concept under the Point S trademark and sign for a Term of 1 year, the non-exclusive Franchise License, to operate as per the Authorized Scope within the Territory, located -----  
-----**and an area of 3km of radius around this place**, subject to the terms and conditions of this Agreement.

The Franchisor grants the use of the Point S trademark to the Franchisee, for a specific scope of activity including the perimeter as follow:

- Sale of tyres and tyre related services: alignment, balancing, repair, pressure check...,
- Sale of car parts and accessories,
- Supply of undercar (fast fit) services: engine oil change, filters, brake system, suspension, shock absorbers, air conditioning fluid, exhaust pipes and the electronic diagnostic analysis.

**Sub-Franchising:** Franchisee is expressly **prohibited** to appoint sub-franchisee and shall not in any manner, either directly or indirectly, sub-franchise (or cause the appointment of sub-franchisees) / assign the Franchisee license or any rights or obligations, terms or requirements thereof.

### 2.2 Franchisor Obligations

- (a) **Know – How:** Franchisor shall transfer to the Franchisee, under the conditions described below, all the Know-how he has acquired in the following areas: Organisation, Management, Promotion, Technical Know-how related to this kind of Business. However, all the fees and costs related to this support will be supported by the Franchisee, unless no specific agreement is fixed between the parties. This transfer of Know-how will be done through the transmission of A GRAPHIC CHARACTER for the use of the Point S trademark and its signs.
- (b) **Trademark and Sign right of use:** Franchisor authorises the Franchisee to use the Point S trademark as defined and described in the GRAPHIC CHARACTER, during the term of this agreement.

Franchisor authorizes franchisee to use the Point S trademark as a sign as well as any process, method, promotional element, claim, sign and generally any element which may be related directly or indirectly to the Point S trademark for the management of one or several Points-of-Sale using Point S sign, during the term of this agreement, exclusively in the location defined.

Franchisee have no rights to register the Point S trademark in any trade register, to include the trademark in his Company or trade names, in any form. The trademark will be exclusively used as a sign.

Franchisee shall not, in any manner, register or use any trademark, tradename, copyrights, patents similar or mentioning the Point S trademark as defined in the GRAPHIC CHARTER.

- (c) INDEMNITY:** Franchisor shall handle the appropriate action against any infringement related to the trademark by a third party.

Franchisee shall promptly notify and Cooperate with the Franchisor of any claim, action or proceeding threatened or commenced by a third party concerning the property rights (E.g.: Trademarks, Tradenames, Copyrights, Patents).

The costs and fees of any action which would be handled by the Franchisee in its sole discretion without prior written agreement of the Franchisor will be at its own expense.

- (d) Support to Franchisee:** To give common image to the Franchisee network every Point-of-sale has to be harmonized with respect to the GRAPHIC CHARTER.

All the support provided by the Franchisor for the pre-implementation & harmonization assistance is described in the GRAPHIC CHARTER.

- (e) Advertising and Promotion assistance:** Franchisor will provide to the Franchisee its Know-how and technical assistance for promotional and advertising activities. Franchisor may suggest some promotional campaigns to the Franchisee and will explain him as clearly possible the related objectives to the Franchisee, in order to give him opportunity to understand the purpose of the suggested promotional policy.

## **2.3 Franchisee Obligations**

- (a) Sign:** Franchisee shall, at its own expenses, order or make produce and fix the signs on its Point of Sale, in accordance with the layout described in the GRAPHIC CHARTER. The Franchisee have to harmonise its Point(s)-of-sale within a period of 01 Month after the signature of the present agreement.

Franchisor or any person appointed by him, is allowed to follow the harmonisation work of the Point-of-sale to check that it is done in respect of the GRAPHIC CHARTER and within the agreed period.

**(b) Equipment:** Each Point-of-sale should have appropriate equipment at least one balancing machine, one mounting machine, lift and one-wheel alignment with printer. Besides these, the point of sale should have appropriate workplace and dedicated clients, reception area fulfilling all legislation and regulations applied to this kind of business.

**(c) Compliance with applicable laws: as an independent company,** Franchisee shall adhere to and abide by all applicable laws in the conduct of its business and for operations under the Franchise License, including compliance with all statutory and regulatory requirements applicable to the Franchisee, including without limitation, compliance with all direct taxes and indirect taxes related legislations, applicable labour, insurance, employment and intellectual property rights laws.

Franchisee shall be solely responsible for payment of wages and such other emoluments and benefits under applicable laws, to its employees, contractors or such other individuals engaged by the Franchisee. In no event shall any of such Franchisee Engaged Personnel be considered an employee of, or a Person engaged for services to, the Franchisor. Neither the Franchisor will be liable for, nor would the Franchisee claim from the Franchisor, any amounts due and payable to the Franchisee Engaged Personnel or such other individuals performing services for the Franchisee on behalf of the Franchisor unless otherwise required under applicable laws.

**(d) Commitment from Franchisee:** Any commitment from Franchisee to third parties notably to suppliers and customers, will be undertaken as an independent retailer, under its own company/business name.

**(e) Information and data to Franchisor:** Franchisee shall respond to any information, regarding its Point-of-Sale activity, requested by the Franchisor as below.

- Monthly report summarising the monthly Point-of-sale sales figures in value and volume, per business activity and per brand in format given time to time.
- The retail prices and purchase price in format given time to time.

In order to take into consideration its monthly trading results in statistical analysis, the franchisee shall send within 10 days month after the monthly last date closure about the purchases and sales report to the Franchisor.

**(f) Procurement Policy:** Franchisee shall consider, as much as it can according to the local regulations, Franchisor's recommendation in term of procurement policy.

**(g) Non-Disclosure Agreement:** The Franchisee agrees as to any Confidential Information disclosed by the Franchisor under this Agreement:

- It will take such steps necessary to protect the Franchisor's Confidential Information from unauthorized use, reproduction and disclosure as the Franchisee takes in relation to its own confidential information of the same type, but in no event less than reasonable care;

- It will use such Confidential Information only for the purposes of this Agreement or as otherwise expressly permitted or expressly required by this Agreement or as otherwise permitted by the Franchisor in writing;
- It will not, without the Franchisor's prior written consent, copy the Confidential Information or cause or allow it to be copied, directly or indirectly, in whole or in part, except as otherwise expressly provided in this Agreement, or as needed for the purposes of this Agreement, provided that any proprietary legends and notices (whether of the Franchisor or of a third party) are not removed or obscured;
- It will not, without the Franchisor's prior written consent, disclose, transfer, publish or communicate the Confidential Information in any manner to any Person except as permitted under this Agreement.

**"Confidential Information"** for the purpose of the above shall mean and include all information (whether in written, oral, or electronic or other format) which relates to the technical, financial and business affairs, customers, suppliers, products, developments, operations, processes, data, trade secrets, design rights, know-how and personnel of the Franchisor and its affiliates, and the Franchisor's established operating procedures, production and marketing methods and other techniques as part of the Franchise System, and the know-how relating to the conduct of Franchisor's Business, which is disclosed to or otherwise learned by the Franchisee or the Franchisee Engaged Personnel in the course of or in connection with this Agreement.

- (h) Territorial Network Recognition:** Franchisee shall manage its points-of-sale in a way which makes clear for the customers that they are parts of the concept, particularly in the respect of the harmonization, by the use of the technique, methods and material specially designed for that purpose.

The FRANCHISEE shall use the logos and signs which are described in THE GRAPHIC CHARTER, as well as the material and other tools needed to manage the point(s)-of-sale in respect of the standards defined in THE GRAPHIC CHARTER

The FRANCHISEE shall use as a sign the trademark as well as its current & future logos & claims, identifying the concept in and on the premises, in the trade and advertising documents, in respect of the terms fixed in this contract and of the guidelines included in THE GRAPHIC CHARTER

Franchisee is not allowed to modify, in any manner, the trademark and its derivatives as described in the GRAPHIC CHARTER.

- (i) Development Exclusivity:** THE FRANCHISEE shall not manage directly or indirectly any other business which may look directly or indirectly similar to the concept and/or to the Point S trademark and its derivatives, without the prior FRANCHISOR written agreement.

#### **(4) Consideration**

**Franchisee Upfront Fee:** In consideration for Franchisor's license start and support of the Franchise System, the total franchising fee is set to be Rs. 1,00,000/- (GST Extra) (Rupees – One Lakh + applicable taxes) which will be paid in advance during the agreement period at the time

of signing the agreement. The Upfront fee is non-refundable and will bear no interest during or after the term of agreement.

#### **(5) Effective Date and term**

The effective date of this Agreement is ----- and the initial term of this agreement shall be for a period of 1 year from this date.

**Right of renewal** - In the event Franchisee is not in material default under this Agreement upon the expiration of the Initial Term, and upon that Franchisee requires renewing this agreement.

#### **(6) General Provisions:**

This Agreement shall inure to the benefit of the successors and assigns of Franchisor. Franchisor shall have the right to transfer or assign this Agreement to any person or legal entity who assumes its terms and agrees to comply with Franchisor's obligations contained herein. Franchisor shall have no liability for the performance of any obligations contained in this Agreement after the effective date of such transfer or assignment.

The rights and duties created by this Agreement are personal to Franchisee. Accordingly, except as otherwise permitted herein, neither Franchisee nor any person with an interest in Service Franchisee shall, without Franchisor's prior written consent, directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any direct or indirect interest in this Agreement. Any such purported assignment occurring by operation of law or otherwise without Franchisor's prior written consent shall constitute a default of this Agreement by Franchisee, and shall be null and void.

#### **(7) Termination:**

At the discretion of the Franchisor, this Agreement may also be terminated by the Franchisor with immediate effect and without provision of any notice to the Franchisee, for events including, without limitation

- a. Death, major physical / mental disablement of the Franchisee;
- b. Franchisee commits a 'material' breach of the terms or conditions of this Agreement; or
- c. Fraud, misrepresentation or material concealment of any fact, by the Franchisee, or if the Franchisee is convicted of any crime; or
- d. In the event of the Franchisee's dissolution, bankruptcy, insolvency, or in case the Franchisee ceases transaction of business, commits any act of bankruptcy reorganization, composition or re-arrangement; or
- e. Franchisee causing severe damage to the reputation or goodwill of the Franchisor.
- f. Fees unpaid.

**Effect of Termination:** Should either Party choose to terminate this Agreement for any reason whatsoever, Franchisee shall immediately:

- (i) Cease to use, either directly or indirectly, any reference of the Franchisor, its name or such other identification which may deem the Franchisee to have any form of a relationship with the Franchisor or its affiliates;
- (ii) Relinquish from using all the Intellectual Property including brandings and logos of the Franchisor, and return all devices provided by the Franchisor and in the possession of the Franchisee as on such date, including mobile phones as well as mobile numbers provided by the Franchisor in this regard;
- (iii) Return all physical and digital forms, procedures, manuals, software, and marketing materials in possession of the Franchisee; and
- (iv) Stop usage of Franchisor's forms and procedures, except with regard to completion of any outstanding transfers from accounts, as requested, within 10 business days from termination or expiration of this Agreement.

Franchisee shall not in any manner claim, either directly or indirectly, or be eligible for, any goodwill of the Franchisor pursuant to termination of this Agreement for any reason whatsoever.

## **(8) FRANCHISEE'S NON-COMPETE**

During the Term of this Agreement and for a period of 3 (three) years thereafter, the Franchisee shall not, directly or indirectly, solicit, enter into the employment of, tender consulting or other services to, acquire any interest in, or otherwise participate in any business that competes, directly or indirectly, with any of the companies or entities or as an agent, consultant, owner, partner, director, employee, officer or participant, engage in or assist any other Person or entity to engage in any business that competes with the Business of the Franchisor.

In the event that the FRANCHISOR would accept to give up expressly this non-competition clause after the termination or expiration of this agreement, the FRANCHISEE shall pay FRANCHISOR an indemnification equal to the remaining fees to be perceived till the end of the agreement, with a minimum of 12 months. The payment of this amount will have to be effective within the 6<sup>th</sup> months from date of sending of the registered letter giving notice to the FRANCHISEE of the FRANCHISOR intent to give up the non-competition clause.

This indemnification has to be considered as a penalty clause to protect FRANCHISOR from the dishonesty of a FRANCHISEE which may try to terminate the agreement after having received the global know-how.

## **(9) Independent Contractor Status and Indemnification:**

- I. Independent Contractor:** Franchisee shall act only as an independent contractor for all statutory matters and shall not as an agent of Franchisor.
- II. Public Display of Status Franchisee:** shall prominently display notification to the public of its status as a Franchisee and not an agent of Franchisor

- III. Effect of Status:** Franchisor shall not be liable, under any circumstances, for any act, omission, debt or any other obligation of Franchisee.
- IV. Indemnification:** Franchisee shall indemnify and hold Franchisor harmless against such claim (including, without limitation, reasonable attorney's fees) or otherwise arising directly or indirectly from, or as a result of, or in connection with Franchisee's operation of the franchise.

**(10) Miscellaneous:**

**Payments:** All payments between Franchisor and Service Franchisee shall be done by bank transfer within time designated. Information For purpose of fund transfers under this Agreement, the Franchisor and Franchisee shall exchange with one another all necessary banking instructions to facilitate the transfer of funds, and when appropriate to notify each other of any essential modification in the banking instruction.

**Notice:** All notices requested or communications permitted to be given hereunder by the Parties hereto shall be made in writing and shall be deemed to be sufficiently given or made, upon being delivered personally or via e-mail communication (in which case, a physical delivery of such notice shall also be provided in terms of this clause) or upon being sent by courier or hand delivery, when delivered to the Party to whom notice is addressed, and if sent by registered mail postage prepaid return receipt requested, 10 (ten) days from the date on which posted. All such notices, requests or other communications shall be directed to the addresses set forth below, or at such other address as shall from time to time be notified to the other Parties.

**(a) If to the Franchisor:**

To the attention of : POINT S INDIA PRIVATE LIMITED  
Address : 3/31, 1st Floor, Left side West Patel Nagar Delhi Central  
Delhi 110008,  
  
E-mail : vinod.jathanna@points-development.com

**(b) If to the Franchisee:**

To the attention of :  
Address :  
E-mail :

**Assignment.** Franchisor may assign its rights and obligations under this Agreement , at any time, and to any other company belonging to the Point S group or to any company which may sign a Point S franchise agreement which the Franchisee expressly acknowledges and accepts, but subject to Franchisor's absolute right to assign, this Agreement shall not be assigned by Franchisee without the prior written consent of Franchisor;

**Binding Effect.** This Agreement shall be binding upon the parties thereto and their respective legal representatives, successors and assignees

**DISPUTE RESOLUTION: ARBITRATION AND LEGAL PROCEEDINGS.**



Accordingly, except as otherwise provided in this Agreement, in the event of any dispute or disagreement between Franchisor and Franchisee with respect to any issue arising out of or relating to this Agreement, its breach, its interpretation or any other disagreement between Franchisee and Franchisor, such dispute or disagreement shall be resolved by arbitration. In the event of any dispute or disagreement, Franchisee and Franchisor both agree to submit the dispute to arbitration in accordance with the least expensive procedure of the Indian Arbitration Association ("IAA"), and the application for such arbitration shall be filed in the Delhi . Franchisor and Franchisee agree that the hearing(s) shall be held in Delhi, State of Delhi before one arbitrator. This paragraph shall not apply to any monetary defaults of Service Franchisee, including Service Franchisee obligation to pay franchise and advertising fees to Franchisor, as to which Franchisor shall be free to utilize any right or remedy it may have at law or equity.

**Waiver of breach or default.** Any failure by any of the parties hereto to require strict performance by the other of any terms or conditions of this Agreement shall not be construed as a waiver of any rights. Moreover, such failure to require strict performance of any terms or conditions herein shall not be construed as a consent to any other breach of the same or as a waiver of any other term, covenant or condition herein.

**Language.** This Agreement is executed in the English language and in the event this Agreement is translated into any other languages, the English text shall be controlling.

IN WITNESS WHEREOF, the parties hereto have read and fully understood its contents and hereby agree to comply with its terms and conditions and have caused this Agreement to be duly executed by their authorized representatives affixed with the seals thereon in the presence of witnesses on the date first above written.

<b>POINT S INDIA PRIVATE LIMITED</b>	
Represented by Fabien BOUQUET	Represented by
Title: Legal Representative	Title :
Signature	Signature