

FRANCHISE TERMS & CONDITIONS



This document should be read in conjunction with the Koncept Africa brochure. Koncept Africa is a sales, marketing and reservation outsourcing platform for African tourism products.

Aim: The purpose of franchise is to facilitate fast and efficient growth of Koncept Africa program and subsequently smooth running of operations.

Tasks & Responsibilities

	KONCEPT AFRICA (KA)	FRANCHISEE
Brand, Patents & Trademarks Ownership	KA will own the brand and all rights, responsibilities and benefits associated with ownership present & in the future	Franchisee will have no legal ownership of the KA brand
Systems & Support	KA will provide and operate a back office support system to include sales, marketing, reservations, knowledge processing, payment collection on behalf of vendors, disbursement of commissions, etc.	Franchisee will be responsible for collection of fees from vendors as and when they are due
Vendor Recruitment & Contracting	KA will have overall responsibility and final say in recruitment of vendor members to the program. KA may guide the Franchisee as and when required to approach potential vendors	Franchisee will have the responsibility to recruit suitable vendors into the KA program
Payroll Costs	KA will be responsible for staff costs related to employees recruited by itself directly	Franchisee will be responsible for recruitment and related costs (salary, travelling costs, pensions, social security, etc) for all employees required to smoothly run the KA franchise in their designated region
Trade Shows	KA will be solely responsible for exhibiting at trade & consumer shows as it sees fit.	Franchisee may attend these shows at their own cost
Advertising	KA will carry out all necessary advertising in its source markets	Case by case advertising requirements can be discussed and approved on cost sharing basis
Training	KA will carry out all necessary training of franchisee team as and when necessary	Franchisee will be responsible for basic training of their team members for local products/vendors/destination in a manner to assist the
Territory	KA will appoint one franchisee per country	Franchisee will have exclusive rights to recruit vendors and service them as per KA guidelines. Where a vendor has multiple products spanning one or more country the individual franchisee will have territorial and revenue rights on prorata basis.

Revenue Sharing	<p>KA will offer 10% commission on all annual fees collected from vendors in Franchisee territory.</p> <p>Franchisee will be eligible for 50% of the commission (if any) collected from sales of vendor products</p>	<p>Franchisee will sell vendor members products through the KA system only through the central reservation system.</p> <p>Any revenue/commission earned on direct sales of vendor member products will be shared between KA and Franchisee equally.</p> <p>Franchisee will have no equity rights in the KA or its parent company or subsidiaries.</p>
Franchise Fees & Contract Term	<p>KA reserves the right to charge a Franchise fee.</p> <p>The Franchise contract will be for an initial period of FIVE years. It will be subsequently renewed for periods of FIVE years.</p> <p>Franchise fees will be payable on renewals too.</p>	<p>Franchisee will have the liability to pay the fees agreed on their due dates</p>
Governing Law & Arbitration	<p>The Franchise contract is governed by the laws of India, until KA has a locally registered company in any part of Africa.</p> <p>All arbitration will be through the Arbitration Panel in India initially and later in the country of domicile of KA, if and when registered.</p>	<p>Franchisee will be bound by the Franchise contract and its future amendments.</p>
Renewal & Termination of Franchise Contract	<p>KA will offer the first right of refusal to the existing Franchisee to renew the Franchise contract.</p> <p>KA has the rights to terminate the Franchise contract with two months notice</p>	<p>The Franchisee will have first right of refusal on renewal of contract.</p> <p>The Franchisee can terminate the contract with two months notice.</p> <p>All fees & commissions due/collected will refunded/paid on prorata basis</p>