

Making You Live Pvt. Ltd

Franchisor - Franchisee Agreement

THIS AGREEMENT made and entered into at Phagwara on the day of Month and Year **BETWEEN MAKING YOU LIVE PVT. LTD**, a company within the meaning of the Companies Act, 1956 (1 of 1956) and having its registered office at Plot No. 161, Urban Estate, **G. T. Road**, Phagwara-144401 (herein referred to as “**The Franchisor**”, through its Authorized Signatory, which expression shall, unless repugnant to the context or meaning thereof, include its successor and/or assigns) **of the ONE PART**

AND

.....
having its office at
.....
.....
through its partner Mr./Mrs./Miss.....
Here in referred to as “**The Franchisee**” (which expression shall, unless repugnant to the context or meaning thereof, be deemed to include her/his heirs, legal representatives, executors, administrators, successors and/or assigns) on the **OTHER PART**.

WHEREAS:

The Franchisor is engaged in the business of development of software, website development and utilities, communication services which are based on internet, web and communication network and technologies.

The Franchisor has its own **Research and Development Department** for development of softwares, website development and utilities, communication services which are based on internet, web and communication network and technologies.

The Franchisee has requested the Franchisor to grant license to the Franchisee under its trademark for selling the products developed by the Franchisor and for providing the after sales services to the clients at the authorized office of Franchisee under this Agreement.

The Franchisor has agreed to grant license to its Franchisee on payment specified as per particular Region and areas described by Franchisor and must be followed by Franchisee.

It is agreed between the parties that all the terms and conditions including the rights and liabilities contained in this agreement shall be deemed to have come into effect from the date of entering into contract.

The parties now, being desirous of reducing their arrangements in writing, have entered into this agreement in the manner hereinafter appearing.

NOW THEREFORE IN CONSIDERATION OF THE PREMISES AND MUTUAL COVENANTS AND PROMISE MADE HEREINAFTER, THE PARTIES HERE TO AGREE AS FOLLOWS:

SECTION 1: GRANT OF LICENCE

In consideration of payment by the Franchisee to the Franchisor by way of **License fee and agreeing to share other incidental charges**, the Franchisor hereby:

1.1 Agrees to grant license to the Franchisee to for selling the products developed by the Franchisor and for providing the after sales services to the clients mentioned in the Guidelines.

1.2 Agrees to supply softwares, website development and utilities, communication services which are based on internet, web and communication network and technologies on payment of such amount, as the Franchisor will decide from time to time.

1.3 The Franchisor hereby *reserves the right for opening of New Franchisee* and granting license for selling the products developed by the Franchisor and for providing the after sales services to the clients and trade name; discontinuation, alteration and modification of the terms and conditions of the Agreement without assigning any reason.

1.4 The Franchisor obliges to permit the Franchisee to carry on the business of selling the products developed by the Franchisor and for providing the after sales services to the clients etc. under the trade name or such other name as may be specified or approved by the Franchisor from time to time in the prescribed manner.

SECTION 2: TERMS AND CONDITIONS

License Fee

2.1 The Franchisor agrees to provide the license to the Franchisee on the payment of Non-Refundable license fee as specified on a separate online invoice with all the applicable taxes to the Franchisor.

2.2 Subject to other provisions of this Agreement, the license shall not be granted for a period of more than 3 year (from the date of agreement) subject to compliance of the prescribed set of Code of conduct and other rules and regulations as mentioned hereinafter and in the guidelines.

2.3 If the Franchisee has operated under all the Franchisor guidelines and had shown ethical behavior and followed all the Franchisor instruction as communicated from time to time during the tenure, this contract will automatically be continued without any renewal/additional fee.

2.4 At the end of three years from date of contract, if Franchisee wants to discontinue the agreement then half of the license fee or the amount which has not been earned during this tenure and is less than half of the Franchisee fee, whichever is lesser will be refunded back to Franchisee excluding service tax.

2.5 The half fee refundable facility is given to the Franchisee who have performed its duties upto the best of standards as per company guidelines including office ethics, daily work/service report to the concerned authority of the company. No refund request will be entertained in case the Franchisee is not able/willing to perform its duties as per company guidelines and performs daily activities to create a profitable Franchise region..

2.6 If the Franchisee agreement is terminated then Company has all the rights to transfer the Franchisee to another eligible party. All the Franchisee Territory bonus and incentives will be transferred to the new Franchisee. The terminated Franchisee may opt to work as a Nano Franchisee.

2.7 Franchisor has full rights to create/divide the any Franchisee region for new Franchisee if the current Franchisee is not able to perform its duties and company management finds the region as not profitable one. In this case company can analyze and assign the Franchisee regional bonus as whole/partly to new Franchisee.

2.8 Franchisor will give warning to the current Franchisee in written or through company official email (e.g info@makingyoulive.com, hr@makingyoulive.com) to instruct about further action/mend the way and improve on working or a show cause notice in Company Head Office for giving the reason to management. If Franchisee is not able to take any action/improvement in business continuously after 2 consecutive warnings from company then the Franchisee can be terminated to reduced to nano in that region till further instruction. In this case Company or current Franchisee or any other eligible distributor may find new Franchisee for the region.

Renewal of license

2.9 Notwithstanding anything contained in this Agreement, the parties hereto, may by mutual Agreement, renew this Agreement (subject to the conduct of the franchisee) for a further period of one year upon satisfactory conduct of the franchisee and on such other terms and conditions, and on compliance of such other necessary formalities as may be decided by the Franchisor from time to time. No extra fee will be charged for any further renewal. There is no formal documentation required for renewal as it should be considered automatically renewed agreement. This clause will only be

applicable if there is some unethical behavior conducted by Franchisee or other misconduct complaint against the Franchisee from its clients.

2.10 Franchisee will need to renew only the website with domain and any other tax applicable at that time. Renewal is same for a User, Nano and Franchisee.

The Renewal of this agreement is due after 3 years from the date of initial agreement. If both parties do not raise any objection then this agreement will automatically be considered renewal without any written instructions.

Payment of Commission/Incentives

2.11. The Franchisor has agreed to pay a renewal commissions and incentives on the sale and renewal of the product. All the details can be checked in the online web interface provided by the company.

2.12. Commission and incentives are specified as per different category products e.g. Websites, Cloud Telephony and Software Services.

2.13. The Franchisor retains the right to change the commission structure or introduce new commission structure.

2.14. Direct and territory income will be given on the sale of Category I (Websites, Mobile Websites) products in the whole territory.

2.15. Franchisee will work as a Nano Franchisee out of the Franchisee Territory. Having commission as direct and as per current given commission structure. Franchisor can introduce new products with different commission structure in the same category or change the existing commission model due to internal or external factors like government policies, operational cost increase.

2.16. Current Commission Structure notice will be given to Franchisee through E-Mail or Telephonic Conversation.

2.17. If company assigns the “Monthly Expense Incentive” and the Franchisee does not perform its duties as per all the terms and conditions in this agreement, company has the right the withdraw this incentive and assign to some other Franchisee. Company will issue “Monthly Active” criteria from time to time to get this “**Monthly Expense Incentive**” as the purpose of this incentive is to support the Territory business and will not allow any Franchisee to get this if the duties are not performed well and the assigned Territory is not developed with as per company expectations.

2.18. Direct and territory income will be given on the sale of Category 2 (Cloud Telephony Products) products and Category 3 (Software Services: Inventory, Chartered Accountant etc) in the whole territory. Franchisor can introduce new products with different commission structure in the same category or change the existing commission model due to internal or external factors like government policies, operational cost increase.

2.19. Franchisee will work as a Nano Franchisee out of the Franchisee Territory. Having commission as direct and as per current given commission structure.

2.20. Commissions and incentives will be paid on or before 15th of the next month of sale of any product. For example: Sales commission of January 1st to 31st will be paid on or before 15th of Feb.

2.21. TDS as applicable shall be deducted as per the provisions of Income Tax Act 1961 on above amount.

2.22. For any new addition of product or new categories different commission slab will be communicated to the Franchisee & Nano Franchisee from time to time.

Advertisement Share

2.23. Franchisee will not pay any charges for Advertisements given by the company in any media offline (newspapers, print media) and online (internet, facebook, google, television, radio etc)

General administration

2.24. The Franchisor will take periodical feedbacks from the clients for the purpose of evaluation of products used by them and services provided by Franchisee.

2.25. The Franchisor shall have the right to inspect the books of accounts, log books, and other records maintained the Franchisee in order to ensure that the Franchisee is adhering to the prescribed standards of this agreement.

Sub - Franchising

2.26. The Franchisee shall not be entitled to grant any Sub- Franchisee or Sub – Licensing, Transfer to use Franchisor’s trade name, contents or the sub- delegation of rights and duties granted to it under this agreement.

Confidentiality and Secrecy

2.27 The Agreement entered between the Franchisor and the Franchisee shall be highly confidential and secret. The Franchisee has the obligation not to violate any of the terms and conditions of the agreement and also not to disclose any of the business policy and inside information. If he is found guilty on this account, his license/ franchisee may be terminated by the Franchisor. Also, he shall be liable for a fine of Rs. 50,000/- (rupees Fifty thousand only) or may be asked to indemnify the loss occurred due to his default and negligence.

SECTION 3: COMMENCEMENT OF THE FRANCHISEE BUSINESS

3.1. The Franchisee shall commence the conduct of the Franchisee’s Office within 30 (thirty) days from the date of approval of the application by the Franchisor in respect of which this Agreement has been entered into. However, without prejudice to what has been mentioned above in this section, ***the franchisee shall not commence the conduct of the Franchisee’s Centre unless the following prerequisites are complied with by the franchisee:***

3.2. Installation of all the hardware equipment and software.

3.3. Recruitment and training of sales persons, service persons, counselor and other administrative staff up to the satisfaction of the Franchisor.

3.4. In relation to the commencement of the conduct of Centre, the Franchisee shall also make the dues if any within 15 days of approval of Application or Initial Payment.

3.5. In case, the centre does not become operational within the above mentioned period, all the charges and expenses mentioned in this agreement and in the guidelines shall be deemed as binding on the Franchisee from the next day of the expiry of period as mentioned above.

3.6. If the license fee is not paid within 15 days from first date of booking amount an additional fine may be imposed by Franchisor on Franchisee.

SECTION 4: OBLIGATIONS OF FRANCHISEE

4.1. Franchisee's are strongly suggested to read and follow the Obligation part and maintain the reputation and image of the MYL's brand as any of the below given instruction can cause the termination of the Franchisee rights with immediate effect.

4.2. The Franchisee agrees to carry on its activities of selling the products developed by the Franchisor and for providing the after sales services to the clients and as per the norms and conditions laid down in this agreement and the Franchisee is under obligation to maintain a high and result oriented standard of office and if it is not maintained then Franchisee can be terminated by Company.

4.3. Franchise must not claim to have, sell or service any other kind of business from the Franchisee Premises in any situation or without any written permission from MYL.

4.4. The Franchisee ensures good conduct and behavior of staff. The Franchisee also ensures to maintain high reputation, integrity, discipline and decorum conducive for creating good atmosphere in the Franchisee's Office. If it is not maintained then Franchisee can be terminated by Company.

4.5. The Franchisee shall offer to it's clients only those products as are covered by this agreement provided in the guidelines. However, the Franchisee shall be free to sell other products or use his premises for other commercial activities so long as these services are not in conflict with the activities covered under this agreement subject to the prior consent of the Franchisor. The Franchisee must get a letter signed by authorized person from Franchisor on the company letterhead to carry on any other business from same premises otherwise Franchisee agreement can be terminated on any violation of this clause.

4.6. The franchisee shall comply with all laws, regulations and conditions and shall pay all taxes, other statutory payments and outgoing promptly and send a yearly certificate to the Franchisor in an appropriate format signed by the Chartered Accountant ensuring the compliance of all the laws and regulations.

4.7. Products can only be sold following the business methods given by the Company. Franchise cannot develop their own methods of business. Any work innovation or change must be approved from Company.

4.8. Site selection, renting, lease, purchasing, maintenance, outside banners & hoarding of office site will be the sole responsibility of Franchisee.

4.9. Hours of operation will be from 9:30 A.M. to 6:30 P.M. and workdays will be from Monday to Saturday except holidays and other incidental closes. Franchisee offices will be occasionally inspected or invigilated by MYL authorized person/team and if its found that working days and timings are not followed in a consistent manner, Franchisor can fine or terminate the Franchisee with prior warning/intimation. Franchisee can be called in company head office for giving the reason. Maximum 2 chances will be given to Franchisee to be disciplined in office routine.

4.10. All Franchisee offices must be maintained and designed with company specifications. Alterations can be done with Company's permission. A team will visit Franchise location and guide the design of the office. Cleanliness and hygienic environment must be kept all the time in Franchise Office.

4.11. Principal or any other well trained professional with company's business and product knowledge must be present during working hours to deal with clients.

4.12. Franchisee or one of Franchisee designated person must attend any business and new product training conducted by company so that service can be provided to individual region clients.

4.13 The Franchisee is solely responsible to formulate and carry out the local Marketing activities like Banners, Posters etc. Any advertising material must be approved by the company before distributing in local market.

4.14. If the Franchisee office is closed for a long time without any notice/intimation to the Company or any unlawful behaviour is conducted a Franchisee location, Franchisee rights will be terminated immediately.

4.15. If Franchisee is found to be involved in any illegal activity, activities against the law of land of the country where franchisee exists or any unethical behavior Franchisee rights will be terminated immediately.

4.16. If any default or misconduct arises, the Franchisee shall be liable for the under mentioned penalties (subject to change at any time at the option of franchisor):

<u>DEFAULT</u>	<u>PENALTY</u>
(A) Bouncing of Cheque	Rs. 1,000/- (one thousand only) per cheque.
(B) <u>MISCONDUCT</u>	
(1) Unethical discount to any customer against the policy of the Company circulated from time to time.	Rs. 5,000/- (five thousand only) per customer.
(2) Transfer-Franchisee	Rs. 50,000/- (fifty thousand only) plus termination of Franchisee
(3) Misuse of Logo and Trade Mark	Rs. 50,000/- (fifty thousand only) plus termination of Franchisee
(4) Misuse of Sale and Products	Rs. 50,000/- (fifty thousand only)

plus termination of Franchisee

(5) Any other matter detrimental or Prejudicial to the interests of Institute and Franchisor

Rs. 50,000/- (fifty thousand only) plus termination of Franchisee

The Franchisee is liable to pay the penalty within a period of seven (7) days from the date of notice.

SECTION 5: OBLIGATIONS OF FRANCHISOR

5.1. The Franchisor shall provide the salable products; develop the software/website/telecome products as per requirement of the client.

5.2. The Franchisor shall provide training to the Franchisee and its staff for the sale/use of its products in the Company Head Office or some mutually agreed place as per both party convenience.

5.3. The Franchisor shall provide all technical support for the sale and after sale service of its products.

5.4. The Franchisor shall provide Assistance in site selection.

5.5. The Franchisor shall provide guidance in construction of the business premises.

5.6. Initial Training will be provided to the Franchisee by the Franchisor without any cost and without any time limit in the Franchisor Head Office.

SECTION 6: GENERAL PROVISIONS

6.1. Nothing herein contained shall constitute the Franchisee as an agent, legal representative, partner, subsidiary, joint venture or employee of the Franchisor. The Franchisee shall have no right or power to, and shall not bind or obligate the Franchisor in any way, manner or thing whatsoever, nor represent that it have right to do so.

6.2. The parties hereto agree that the Franchisee is an independent contractor.

6.3. The entire cost of running a Centre, including acquisition of space, acquisition of equipment(s), engaging of personnel and all other expenditure shall be borne and paid by the Franchisee only and the Franchisee shall not be entitled to require the Franchisor to share any part or portion of such expenditure or reimburse any part thereof.

6.4. The Franchisee disclaims any right or interest in Franchisor trademarks, trade names, service names or marks and the logos and designs and all advantages and benefits derived there from and the Technical know-how and Training Resource Material.

6.5 In the event of Death / Disability of Franchisee, nominee will be verified and first priority will be given to nominee for running the operations of the Franchisee and will be allowed to continue the Franchisee. In any other case where no one is available, willing to take the responsibility, or capable, Franchisor retains the right to create another Franchisee under the sponsorship of previous Franchisee so that previous Franchisee will always reap the reward of hard work done with company. Franchisor can decide to convert the Franchisee into Nano Franchisee.

6.6 Franchisee is suggested and must provide the valid nominee details to the Franchisor and get in registered in Company Software.

6.7. As and from the termination date in any case, the Franchisee shall not be entitled to make use in any manner of its association with the Franchisor.

6.8. Notice of exit: In case Franchisee is unable to run the business due to whatsoever reason, Franchisee must give a **two months** prior notice of such intention and during that period, Franchisee will have to share all expenses which he was required to do as a Franchisee to run as a office as agreed by him in normal course of business.

6.9. This Agreement should not be deemed to be providing any Guarantee to the Franchisee for a collection of minimum amount as revenue or anything and the Franchisor shall not make good any loss occurring to the Franchisee, if it occurs.

6.10. The Franchisor may levy any penalty, if it comes to the conclusion that any of the terms and conditions is not being followed and is detrimental to the Brand image of the Franchisor.

ARBITRATION

All disputes between the parties shall be referred to and settled by arbitration, such arbitration proceedings to be held at Phagwara, District Kapurthala, India only. The submission to Arbitration under this clause shall be deemed to be a submission to Arbitration within the meaning of the ARBITRATION AND CONCILIATION ACT, 1996 with any statutory modification or amendment or re-enactment thereof.

For the purpose of this clause the term “dispute” shall mean any dispute relating to the rights or obligations of the parties under this agreement. It is agreed that notwithstanding the reference to arbitration, the parties hereto shall continue to be bound by this agreement and shall continue to honour their respective obligations under this agreement.

JURISDICTION

This agreement is executed in PHAGWARA and all payments under this agreement by the Franchisee to the Franchisor are to be made, unless otherwise agreed upon, in PHAGWARA and the parties hereto expressly agree that the courts in PHAGWARA alone shall have jurisdiction to try any matter arising between the parties and accordingly the Franchisee submits to the exclusive jurisdiction of the courts in PHAGWARA for that purpose.

The Franchisee hereby agrees and admits that the Franchisee shall alone be held responsible in respect of any suit, application for interim order(s) of any legal proceedings or any Legal Notice of whatsoever nature or any complaint filed by any customer or any person or any authority in any court, tribunal, consumer redressal forum/commission or before any authority, pertaining to the facilities to customer, any dispute between the customer(s) and the franchisee or in any respect of any matter related to or concerning the Franchisee’s centre and the Franchisor or its Director or officials shall not be held responsible and made party to any such suit , complaint, or any legal proceeding related to or in respect of any matters of the Franchisee’s centre.

The Franchisee undertakes to indemnify and keep indemnified at all times, the Franchisor of, and against all actions, suits or proceedings and all costs, charges, expenses, losses

and damages which may be incurred, suffered or caused by or to the Franchisor by reason of any suit, application or any other legal proceedings or complaint filed by any person against including any customer of the respective Franchisee against the Franchisor or its officials in any court, consumer redressal forum / commission or before any Authority , pertaining to or in respect of any matter of the Franchisee's centre.

In the event Franchisee fails to clear its dues towards aforesaid liabilities, it is agreed that the Franchisor shall have every right to recover the amount paid by the Franchisor by way of costs, charges, expenses, compensation, losses or damages which may be incurred, suffered or caused by or to the Franchisor in the aforesaid proceeding.

SUPPLEMENTARY PROVISIONS

Unless otherwise advised in writing by either party to the other, the addresses for service of notice shall be as under, namely

Address

Address:

For the Franchisor
Authorized Director

For the Franchisee
Franchisee Head

A notice shall be served in writing either by hand delivery against acknowledgement or by prepaid registered post.

The Agreement shall be executed in duplicate. The Franchisor shall retain the original and the Franchisee, the Duplicate copy of the Agreement

The Agreement has been prepared only in English and in case of dispute the English text will prevail.

In the case of Unavoidable circumstances beyond the control of the parties, like war, earthquake and other natural calamities, this agreement shall cease to be in operation till such period and neither party to this agreement shall be liable to the other for any kind of loss incurred hereby due to such event.

IN WITNESS WHEREOF the parties hereto have set their respective hands to these presents and a duplicate hereof the day and year herein above written.

For Franchisee

For Making You Live Pvt. Ltd

(Authorised Signatory)

(Authorised signatory)

WITNESSES :

SIGNATURE

1. Name

Address:

2. Name

Address:

Dated this 20th day of Dec 2012