



INDICATIVE TERM SHEET FOR GRANT OF FELICITA UNIT FRANCHISE  
(India)

Disclaimer: This Document is intended to give an indication of the common franchise terms for the purpose of further discussions towards an offer of a Felicita franchise arrangement. It does not constitute an offer to the prospective franchisee. The franchisor reserves the right to insert additional terms & conditions during the discussion and negotiation process

1. Geographical Territory: Specific City in India only
2. Grant of rights: Rights to use Felicita's proprietary business system of operating and managing Felicita's outlet/outlets and trademarks and such other relevant intellectual property rights
3. Type of Franchise: Individual franchise
4. Retail Outlet Format: Standalone outlets that retail only Felicita's products or its approved suppliers. Formats are as follows:
  - a. Kiosk – 80 - 150 sq ft
  - b. Full Concept Store – More than 500 sq ft
5. Tenure: 5 years from signing of the franchise agreement, with an option to renew for a further term of 5 years on such terms
6. Initial Training: Felicita to train the first set of employees employed by the franchisee
7. Unit Franchise Fees: a) Kiosk – 3 lacs, b) Full Concept Store – 5 lacs
8. Royalty – 6% of Gross Sales
9. Advertising & Promotion Spend: 2% gross sales towards central marketing fund and 1% of gross sales towards local advertising
10. Inventory Purchase terms: 100% in advance
11. Products for sale: All products for sale must be purchased from Felicita (or its approved suppliers)