

Negotiating for a Master Franchise: A Win-Win Approach

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Negotiating for a Master Franchise

- Determining the Legal Status of the Parties
- Defining the Exclusive Territory
- Fees
- Structuring the Agreement
- Terms of the Agreement
- Schedule of Development
- Withholding Taxes and Grossing up Provision
- Training
- Trade Marks and other Intellectual Property
- Choice of Law and Forum

Determining the Legal Status of the Parties

Is the Master Franchisee an Individual(s) or a Company?

Defining the Exclusive Territories

Are there exceptions to the
exclusive territory granted?

Fees

Does one size fit all?

Should we localize the fees?

Structuring the Agreement

Is it a Master Franchise Agreement
a Development Agreement
or a Hybrid?

Terms of the Agreement

What is the typical term of the Franchise Agreement and the typical term of the Development Agreement?

Schedule of Development

What is a reasonable Schedule of Development?

How many units?

How many years?

Withholding Taxes and Grossing Up Provision

The prevailing wisdom for paying withholding taxes...

Is it fair for the Franchisee to pay withholding taxes?

Training

Should Franchisees be charged for training?

Trade Marks and Other Intellectual Property

Should the Trade Marks be
registered everywhere
or just in strategic markets?

Choice of Law and Forum

My place or your place?

Thank you
for your attention!