

AFRICAZ

Flame Grilled Chicken

LETTER OF INTENT & CONFIDENTIALITY UNDERTAKING I.R.O AFRICAZ FRANCHISE

The hereinafter mentioned Prospective Franchisee ("the Applicant") has expressed interest in acquiring an AFRICAZ Franchise and by doing so would receive the non-exclusive rights to trade under the name and logo of AFRICAZ and to promote the products supplied by PRAW Trading PTY Ltd trading as Africaz Central Kitchen.

❖ Refer to guidelines attached hereto

Name & Surname of Principal Shareholder, Member or Sole Trader:

Name of Company, Close Corporation/Trust:

Registration / Trust No: _____

Vat No: _____

ID No.: _____ ID No.: _____

Contact Numbers: (Cell): _____
(Fax): _____
(Email): _____

Preferred area:

(Where do you want to open your store?) * We would like to suggest that when making your choice that you select a region / area that is not too far from where you reside as it is very important that you are able to manage and be involved in your store as much as possible.

Physical Address of the Applicant:

Postal Address of the Applicant:

SUPPORTING DOCUMENTS TO ACCOMPANY YOUR LETTER OF INTENT:

- Certified Copies of ID (All Members, Directors, Trustees)
- Company Registration / Trust Documents
- Proof of Residence of all Members, Directors, Trustees)
- 3 Months Bank Statements
- Copy of All Shareholder Certificates
- If married In Community of property (Spouse must also send copy of his/her ID)

AMOUNT PAYABLE:

Franchise Fee (excluding Extras, per attached "Schedule A"):	R175 000.00 excl
Administrative Fee	R5 000.00 excl
Legal Fee	R15 000.00 excl

The above fees will need to be paid in full after the signing of the Franchise Agreement and Non – Disclosure agreement prior to

Should a franchisee request a feasibility study, this is will be quoted accordingly.

The full set up cost is payable at least 30 days prior to shop fitting commencing.

Are you applying for funding?

Yes:

☐

No:

☐

- All payments should be made into the following account and proof of payment must be e-mailed to Warren Flynn (warren@africaz.co.za)

Account Name: ALANDO'S TRADING (PTY)
Bank: Standard Bank
Branch: Kingsmead - Durban
Account: 050882139
Branch Code: 051001
Ref: (Your name and Surname)

- A monthly Royalty fee of 5 % of Net Turnover will be charged and is payable by the 7th of the following month.
- This offer is made subject to the following terms and conditions:
 1. The evaluation of the personal details of, questionnaire responses by and personal interview with the Applicant. AFRICAZ has the sole right to accept or decline this letter of intent.
 2. In the event that AFRICAZ accepts this letter of intent, a standard formal and comprehensive Franchise Agreement will be entered into.
 3. Payment shall be made by the Applicant as detailed above. Payment shall be by EFT in favour of Alando's, and AFRICAZ reserves the right to effect clearance of the payment before undertaking any of its obligations.
 4. This offer is made by the Applicant with the full understanding of the Terms and Conditions set out in this document. Should AFRICAZ not accept this expression of interest, the Applicant shall be automatically released from his obligations in terms hereof and the deposit paid to AFRICAZ shall be refunded to the following account:

Account Holder: _____

Bank: _____

Branch: _____

Branch Code: _____

Account Number: _____

Confidentiality:

1. The Applicant acknowledges that:
 - 1.1. The system under which AFRICAZ operates ("the System") is the sole and beneficial property of AFRICAZ. The Applicant has no rights in the System.
 - 1.2. Neither the Applicant nor any of its employees have any prior knowledge of the System or any aspect of the intellectual property, including without limitation all know-how and trade secrets pertaining to the business and affairs of AFRICAZ, or to the manner in which AFRICAZ renders its services.
2. The Applicant undertakes to:
 - 2.1. Keep secret all information, records, guides and, in particular, any training files, documentation and information as well as all other information supplied by or obtained from AFRICAZ in relation to the manner in which AFRICAZ operates, the System and/or its business.
 - 2.2. Not divulge or permit the disclosure of the manner in which AFRICAZ operates, the System and, in particular but without limitation, the contents of any training files to any third party other than employees employed by the Applicant to conduct AFRICAZ business and then only to extent absolutely necessary.
3. The Applicant shall, should this letter of intent not be accepted by AFRICAZ or at the request of AFRICAZ, forthwith return to AFRICAZ the Franchise Agreement/Training Manual as well as any other written information supplied by or obtained from AFRICAZ.

CONSENT AND DECLARATION – CREDIT BUREAU

The Applicant hereby:

- Consents and approved Franchising to Alando's Trading (Pty) Ltd to carry out a credit enquiry in respect of the Applicant and/or any of its members, shareholders, directors, partners or trustees, either by accessing any credit agency's database or making inquiries with any credit grantors for purposes of making any risk management decision regarding this application;
- Declares that the information supplied herein or attached hereto, is true and complete in every aspect;
- Is aware that should any information be found to be false or incomplete this could lead to the refusal of this application.

For and on behalf of the Applicant:

Signed at _____ on _____ day of _____ 20__

Witness Name: _____ Witness Signature: _____

For and on behalf of AFRICAZ:

Signed at _____ on _____ day of _____ 20__

Witness Name: _____ Witness Signature: _____

Schedule A:

Schedule of Extra's, not included in the Franchise Fee

Dear Franchisee,

Please find below listed items that are not included in the Franchise Fee of R175 000.00 (Excl VAT):

The cost of the below listed items needs to be negotiated with the landlords of the store/site concerned or will be an added cost to the Franchisee/Owner of the store. This payment will be required prior to shop opening/fitting.

*Once full payment is received, and a Franchise Agreement signed, store set up will commence and will take **4 – 6 weeks** for completion, regardless of the beneficial occupation date.*

The following extras shall be paid by the Franchisee:

1. Fees payable to the landlord (Rental deposit and monthly rentals)
2. Working Capital – 250K
3. 3 (Three) phase electricity upgrades – minimum 150amp per phase
4. Gas installations
5. Specialised Extraction and Fresh Air System
6. Cash Depositor or Drop safe
7. GAAP Point-of-sale
8. Any plans that are required in respect to any particular shop that requires to be signed off and/or approved by any local and/or other authority shall be paid for by the Franchisee.

For and on behalf of the Applicant:

Signed at _____ on _____ day of _____ 20__

Witness Name: _____ Witness Signature: _____

For and on behalf of AFRICAZ:

Signed at _____ on _____ day of _____ 20__

Witness Name: _____ Witness Signature: _____

GUIDELINES TO ACQUIRING A FRANCHISE

1. COMPLETE LETTER OF INTENT

In order for the approval process to commence a letter of intent must be completed and returned by e-mail. Your deposit of R175 000.00 Excl Vat, a copy of your ID and company registration documents is also required.

2. INTERVIEW

An interview with the directors and CEO will be scheduled once the above is received.

3. APPROVAL

Once you are approved as a franchisee, the Franchise Agreement and projected cash flows will be disclosed. If you are unsuccessful you will be refunded your deposit.

4. SITE SELECTION

Potential sites will be introduced to franchisees. Should you wish to proceed with a site that was offered to you, written confirmation must be sent to head office within 48 hours? Once the 48 hours has lapsed, head office may offer the site to other elected franchisees. Upon confirmation that you will take a site the franchise agreement must be signed and full payment of the set up cost is required.

5. OFFER TO LEASE / LEASE AGREEMENT

The offer to lease is signed and submitted to landlords.

6. SHOPFITTING

Shop fitting will start once beneficial occupation is given by the landlords in accordance to the offer or lease agreement. Shop fitting takes 4 - 6 weeks

7. TRAINING

Owner, managers and staff training must attend a minimum of 4 weeks training at one of our appointed training stores.

8. OPERATIONS & SUPPORT

Africaz HQ support will be provided for 1 day (from opening and closing of the store), thereafter but not limited hands-on Support, Operations, Marketing, Training, IT and HR.