

# Mindz Brainplay Franchises



## Master Franchise options

Each franchisee has the option of purchasing the **Limited Master Franchise** for their **state or territory**. This is where the franchisee can license **one** other geographic area to a sub-franchisee **for their division**.

This means that as well as selling the sub-franchise, they will also obtain a monthly royalty from the sub-franchisee. A Master Franchisee has full responsibility over their sub-franchisees and must ensure they remain within brand parameters and legal guidelines.

In the case of a franchisee owning **both business divisions**, they could run **two** sub-franchises.

**Example 1:** The Melbourne (VIC) Master Franchisee for **Schools** sells a sub-franchise for **Schools** in Warrnambool or West Victoria for \$7,000 and then obtains a royalty of \$200 per month. The sub-franchisee would look after all aspects of the **Schools** business in West Victoria or an agreed area. The fee charged to a sub-franchisee may or may not include equipment.

**Example 2:** The Master Franchisee in Adelaide (SA) who has bought **both business divisions** sub-franchises the **Schools** arm of the business in **Port Augusta and WEST** for \$8,000 to a teacher who wants to run only the **Schools** business west of Port Augusta. The Master Franchisee will now run the **Experience and Corporate** side of the business in Adelaide **AND** the **Schools division east of Port Augusta**. while obtaining an ongoing royalty from the **Schools** side of the business. They could also sub-franchise the **Experience and Corporate Division** into the Barossa Region.



**Mindz Brainplay Franchises** will have veto over sub-franchisees if the entity is deemed unsuitable and reasonable due cause can be shown.

If a Master Franchise option isn't taken by a franchisee, **Mindz Brainplay Franchises** can sell another franchise in a different area of their state. This region must be more than 180km from the first franchisee and must be done in consultation and agreement with the first franchisee.

**Example:** The Franchisee in Hobart for the **Experience and Corporate Division** does **not** take the Master Franchisee option. Mindz Brainplay Franchises can, with consultation, licence a 2<sup>nd</sup> franchise for **Experiences** and Corporate in Launceston

## Master Franchise fees

If you opt to be a Master Franchisee, a fee of **\$3,500 + gst per division** will be paid **in addition** to the initial franchise fee.

The fee charged by a franchisee to a sub-franchise is completely at the discretion of the franchisee. **Mindz Brainplay Franchises** will take **nothing** from the fee you charge to a sub-franchisee.

A small royalty of \$25 per month + gst will be paid to **Mindz Brainplay Franchises** from every sub-franchise.