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FRANCHISE DISCLOSURE DOCUMENT

Franchisor BOCONCEPT FRANCHISE, INC
Type of Business Organization Corporation
Business Address 142A LeFante Way, Bayonne, New Jersey 07002
Telephone Number (201) 433-4461
Home Page www boconcept us

BoConcept
urban design

The franchise offered is for the business of selling retail furniture and related products, under the name of BoConcept® and which is owned by BOCONCEPT FRANCHISE, INC and its affiliated companies The initial entrance or franchise fee is $30,000 00 for a franchise, as described in Items 5 and 6 The amount of the franchise fee may vary dependent upon the location of a franchise and the number of franchises purchased

The total investment necessary to begin operation of a BoConcept Franchise, Inc , franchised business is between $395,612 00 to $954,212 00, dependent upon the size and location of each store This includes $169,712 00 to $254,712 00 that must be paid to Franchisor or affiliate

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English Read this disclosure document and all accompanying agreements carefully You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale **Note however that no governmental agency has verified the information contained in this document**

You may wish to receive your disclosure document in another format that is more convenient for you To discuss the availability of disclosures in different formats, contact BoConcept Franchise, Inc , at 142A LeFante Way, Bayonne, New Jersey 07002, Telephone Number (201) 433-4461

The terms of your contract will govern your franchise relationship Don't rely on the disclosure document alone to understand your contract Read all of your contract carefully Show your contract and this disclosure document to an advisor, like a lawyer or accountant

Buying a franchise is a complex investment The information in this disclosure document can help you make up your mind More information on franchising such as "A Consumer's Guide to Buying a Franchise" which can help you understand how to use this disclosure document, is available from the Federal Trade Commission You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW Washington D C 20580 You can also visit the FTC's home page at www ftc gov for additional information Call your state agency or visit your public library for other sources of information on franchising

There may also be laws on franchising in your state Ask your state agencies about them

Issuance Date April 15, 2019

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed in **Exhibit C** for information about the franchisor or about franchising in your state

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN DENMARK ARBITRATION IN DENMARK MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN DENMARK THAN IN YOUR OWN STATE

2 THE FRANCHISE AGREEMENT STATES THAT DANISH LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, EVEN IF YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS (PERHAPS INCLUDING YOUR HOUSE) AT RISK IF YOUR FRANCHISE FAILS

4 THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO QUESTION THE FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU FRANCHISOR IS UNDERCAPITALIZED AND MAY NOT BE ABLE TO MEET PREOPENING OBLIGATIONS TO ALL FRANCHISEES

5 YOU MUST PURCHASE ALL OR NEARLY ALL OF THE INVENTORY OR SUPPLIES THAT ARE NECESSARY TO OPERATE YOUR BUSINESS FROM THE FRANCHISOR, ITS AFFILIATES, OR SUPPLIERS THAT THE FRANCHISOR DESIGNATES, AT PRICES THE FRANCHISOR OR THEY SET THESE PRICES MAY BE HIGHER THAN PRICES YOU COULD OBTAIN ELSEWHERE FOR THE SAME OR SIMILAR GOODS THIS MAY REDUCE THE ANTICIPATED PROFIT OF YOUR FRANCHISE BUSINESS

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise A franchise broker or referral source represents us, not you We pay this person a fee for selling our franchise or referring you to us You should make sure to do your own investigation of the franchise

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

California	April 3, 2018
Illinois	Pending,
New York	Pending
Washington State	Pending

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EXHIBITS

Exhibit A	Audited Financial Statements as of April 30, 2016, April 30, 2017 & April 30, 2018 and internal unaudited verified information as of March 31, 2019
Exhibit B	Franchise Agreement and Appendices 2, 3, 4, 7, 8 & 10
Exhibit C	List of Agents for Service of Process and State Administrators
Exhibit D	Letter of Intent
Exhibit E	Listing and contact information of current franchisees
Exhibit F	State Addendums (California, Illinois, New York, Virginia, Washington St)
Exhibit G	Security Agreement
Exhibit H	Call Option Agreement

Item 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The franchisor is BOCONCEPT FRANCHISE, INC For ease of reference, BOCONCEPT Franchise, Inc , will be referred to as "BOCONCEPT", "we", or "us" and includes our affiliates that provide goods or services to franchisees We will refer to the person who buys the franchise as "you" throughout the Disclosure Document If you are a corporation, limited liability company, partnership or other legally recognized entity your owners will have to personally guarantee and be bound by the obligations contained in the franchise agreement to be signed by you as described in this Disclosure Document

The name of the Franchisor is BoConcept Franchise, Inc , and our current principal business address in the United States is 142A LeFante Way, Bayonne New Jersey 07002

We primarily do business under our company name of BoConcept®

We have certain predecessors or affiliates as defined in the Disclosure Document guidelines BoConcept USA, Inc BoConcept USA, Inc is a Kansas corporation owned by BoConcept North America, Inc (Delaware) which is owned by BoConcept A/S of Denmark BoConcept USA, Inc was originally formed on June 22, 1993 as Bo Concept Holding, Inc and the name was changed to Club 8 Company, Inc , on January 6, 2000 and then changed to BoConcept USA on April 4, 2006

On January 6, 2004, we formed Club 8 Franchise, Inc , as a separate Kansas corporation solely to franchise BoConcept® in the United States and the name was changed to BoConcept Franchise, Inc , on April 4, 2006 BoConcept Franchise, Inc is also owned by BoConcept North America, Inc , which is owned by BoConcept A/S of Denmark BoConcept A/S is owned by 3i Group plc, a multinational private equity company based in London, United Kingdom, founded in 1945 and now organized as a public limited company, listed on the London Stock Exchange as LSE III Through predecessors and affiliates these companies have been in the business of furniture manufacturing and sales since 1952 The principal business address of our parent company in London United Kingdom is 16 Palace Street, London SW1E 5JD UK

The Agent for Service of Process in certain States is set forth in Exhibit C Unless otherwise set forth in Exhibit C, our agent for service of process is Mark W Arensberg, 10300 Howe LN, Leawood, KS 66206 We through our affiliates own the rights to the name BoConcept® and BoConcept®

The Business of the Franchise. We franchise the business of retailing contemporary furniture and accessories (the "Franchised Business") under the "BOCONCEPT®" trade names and service marks (the "Marks") using certain inventory procedures, techniques, business methods, business forms, business policies and a body of knowledge pertaining to the establishment and operation of the Franchised Businesses (the "System and sometimes the "Concept") The franchise offered is for the right to operate a BoConcept® business using the Marks and the System at a specific location sometimes also referred to as the ("store" or "Brand Store") You must sign our franchise agreement (the "Franchise Agreement") when you purchase a franchise The Franchise Agreement provides for identification of you as either a "First" franchise if you are starting your first BoConcept® Franchise Business or an "Additional" franchise if you are already operating a BoConcept® Franchise Business

Competition. Your competitors would include national, international and local contemporary furniture retailers The market for contemporary furniture in general is developed, and we believe the market for contemporary furniture continues to expand

Regulations We are not aware of regulations specific to the operation of your franchise with which you must comply You will be required to comply with all local, state and federal laws applicable to the operation of any business There may be other laws applicable to your business and we urge you to make further inquiries about these laws

Operating BoConcept Businesses As of April 15, 2019, there are fourteen (14) operating BOCONCEPT businesses in the United States (plus (3) in Canada) These include 13 US franchises with 1 additional Company owned store in New York There are independent domestic corporations or limited liability companies operating BoConcept franchised stores in the following locations **Georgia** (1) Atlanta (1), **New York** (1) Westchester (Upstate NY), and **New Jersey (2)** Paramus and Princeton, and **Pennsylvania (1)** Philadelphia, and **California (4)** Costa Mesa, San Francisco, San Jose and Los Angeles , and **Florida (1)** Miami, **Massachusetts** (1) Cambridge, **Washington DC (1)**Georgetown, and **Washington State** (1)Bellevue/Seattle, and **Canada**-Vancouver BC, - Toronto ON, and Montreal(Laval), Quebec

In forming this franchise program, we have chosen to combine and operate under the BOCONCEPT® name the retail contemporary furniture business We have obtained a license to use and sublicense the use of the Mark and the System (See Item 13) We have not offered franchises of the type to be offered prior to January 1, 2003 either through BoConcept Retail, Inc or BoConcept Franchise, Inc Neither we nor our affiliates have offered franchises, or engaged in, any other lines of business

Item 2. BUSINESS EXPERIENCE

President/Chief Executive Officer Henrik Eriksen, Mr Eriksen has over 35 years' experience in the retail furniture industry and has been employed by BoConcept A/S since 2008 and has been CEO of BoConcept USA, Inc since 2016 In 2017, he became President of BoConcept Franchise Inc , and oversees all functions for BoConcept North America and is in charge of Business Development and Retail Division for North America.

Business Development Director of the Americas Robert Mitchell, CFE – has been the Business Development Director of the Americas for BoConcept since April 2018 Prior to that, he served as Vice President of Franchise Development for The Casual Pint from January 2015 to April 2018 Before that, he was the Franchise Sales Director for Fantastic Sam's International Corp , from October, 2013 to October, 2014 Before that, he served as Senior Business Advisor at Transworld Business Advisors of TN from March 2011 to September, 2013 He also served as head of franchise sales for a Regional Developer of the Sportclips chain from June, 2010 to July, 2013 Before that he served as Senior Vice President of Franchise Development for @WORK Franchise Group from September 2002 to May 2010

Treasurer/Chief Financial Officer Mike Hillyer-has been with BoConcept USA, Inc since 2006 He has a BA in Finance and is responsible for the Accounting and Finance Department, Human Resources and Information Technology

Secretary Mark W Arensberg-has been Secretary and Corporate Legal Counsel for BoConcept USA since 1994 and Secretary and Corporate Legal Counsel for Franchisor since 2004 He is responsible for legal representation and franchising matters for BoConcept Franchise, Inc and its affiliated companies

Item 3. LITIGATION

BoConcept Franchise, Inc , and BoConcept USA, Inc , vs Jeremy Cohen and Liora Cohen and Cohen Retail Stores, LLC, Harris Co Texas District Court Case No 2014-57766 filed October 3, 2014 This Houston Texas Franchisee had numerous defaults of their Franchise Agreement and upon filing suit to collect substantial arrearages, their Franchise was formally terminated effective October 14, 2014 On December 2, 2015, we were granted our Motion For Summary Judgement and Final Judgement against the former Franchisee's business and all owners personally

Other than these actions, no litigation is required to be disclosed in this item

Item 4. **BANKRUPTCY** No bankruptcy information is required to be disclosed in this item

Item 5. INITIAL FEES

For a BOCONCEPT® franchise, the initial entrance or franchise fee is $30,000 00 A $3,000 00 deposit may be payable upon signing a Letter of Intent (Exhibit D) and the remaining $27,000 00 is payable upon opening your store The initial franchise fee is not refundable The amount of the initial franchise fee may vary dependent upon the location of the franchise and number of franchises purchased which are determined on a case by case basis and there is no range of fees currently available The States of California and Virginia require us to defer payment of the initial entrance fee until we have completed our pre-opening obligations under the Franchise Agreement and the initial entrance or franchisee fee shall be payable to us upon your store opening which is after we have completed our pre-opening obligations

Depending upon the size of your store, you also pay one of our affiliates (BoConcept USA, Inc or BoConcept A/S) between $95,000 00 and $160,000 00 for initial inventory including accessories and furniture displays, and between $15,000 00 and $35,000 00 for store design, stylists and shopfitters, and $20,000 for an Interim Store Manager for 6 weeks, and an initial fee of $2,023 00 for AXAPTA (inventory, sales, delivery software) and User license of $7,689 00, payable as purchased There are no other fees or payments you would pay us before you open for business The total of all of the above initial fees to us are between $139,712 00 and $224,712 00

Item 6. OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Inventory pricing	No additional fees over inventory prices for purchases from Franchisor affiliates	As purchased, per terms	See Notes 1 & 2 & paragraph 14 in Franchise Agreement
Regional and Local Advertising and Ad-coverage Area Promotions	A percentage of Annual Gross Sales	To be spent quarterly & accounted for by you	Payable to advertising vendors and coop as incurred-See Supply Agreement Appendix 8
Marketing (Mapping) Fee	$1,500 - $4,000 per year, varies based on store size, layout, and windows	Monthly	Payable to BoConcept for Annual Activity Wheel - which includes Point of Sale marketing, Social Media, and Website
Training-BoConcept Retail Academy	$2,100 Min , per year, plus cost of transportation, lodging and other expense	Monthly	See item 11
Software (Currently AXAPTA)	$133 00 per month, per user	Monthly	Varies by store size and location, See Items 7, 8 and 11
Customer Insight Tracking (CIT)	Up to $420 00 per month – includes Online Customer Satisfaction Survey, Mystery Shopping, and Exit Interviews	Monthly	Varies by store traffic volume and options selected
Other Annual fees	Business Intelligence - $324 00/yr, Fabric Samples - $1,000 00/yr minimum,	Monthly	Varies by store size and location, See Note 6 and Items 8 and 11

Business Meetings	Cost of transportation, lodging and other expenses	As incurred	Varies depending upon subject matter, See item 11
Specialized Assistance	Additional specialized assistance is currently $550 per day plus cost of transportation, lodging & other expenses	As incurred	Tailored to experience of franchisee See Note 3 and Item 11
Renewal Fee	No new entrance fee upon renewal		Franchisees in good standing who are eligible to renew their agreement will not pay an entrance fee
Transfer fee	$25,000 00	At time of transfer	If you transfer franchise to a wholly owned corporation, limited liability company or partnership, we charge for our legal expenses and related costs but no transfer fee is due
Audit	Cost of inspection or audit	As incurred	Payable only if you fail to furnish reports or records or if the audit reveals you have understated your Gross Sales by more than 2%
Interest	Maximum rate allowed by applicable law	As incurred	---
Late Fee	in addition to interest and additional late fee may be charged for every notification, non-sufficient funds check or demand for payment	As incurred	Payment Demands, non-sufficient funds checks & other Franchise Agreement violations- i e failure to timely provide reports & financial statements
Lease Renewal Fee	Currently there is no Lease Renewal Fee paid to Franchisor		
Management Fee	To be determined under circumstances	As incurred	Payable during period that our appointed manager manages the Franchised Business upon your default, death or disability
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	You have to reimburse us if we are held liable for claims arising from your operations
System of Fines	19 3, Competition and 20 3, Confidentiality and	As incurred	19 3, 20 3, 22 2, Additional fines may be assessed in the future for Violations of

	22 2 Termination alternative		policies in the Company Operating Guidelines

(1) You must purchase all inventory and accessories from one of our affiliated companies (BoConcept USA, Inc or BoConcept A/S) Purchases are defined as the cost of all inventory, accessories (except for special shipment requests from franchisee) or other purchases directly or indirectly from the Company and its affiliates (currently including shipping), exclusive of handling, taxes, insurance and duties Inventory prices and terms may be changed by Company or its affiliates at any time upon thirty (30) calendar day's prior written notice to Franchisee Annual Gross sales include all revenue collected by Franchisee from sales of all items by Franchisee

(2) No Commission shall be due from you for purchases from us

(3) At your request, we will provide additional assistance beyond our standard support, at a cost to you based on our then current daily fee for the respective personnel performing such assistance plus other reasonable expenses including all transportation, lodging and other expenses

(4) All other fees except Regional and Local Advertising and Promotion are imposed by and payable to us and are non-refundable Regional and Local Advertising and Promotion are payable to advertising vendors as incurred or to BoConcept USA, Inc

(5) All daily fees listed for training, consultation and assistance are for each separate person providing the consultation per day

(6) Annual fees include AXAPTA $1,596 per year per user, Retail Academy training $2,100 00, Mystery Shopping $1,214 00 which are all payable monthly (plus other fees which vary, samples, in-store TV, etc)

(7) Although some fees may vary where indicated, fees charged by us are uniformly imposed on all franchisees

(8) The highest interest rate allowed by California law is 10% annually

Item 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT (assumes average store size of 4,500 to 6,000 square feet)

Type of Expenditure	Actual or Estimated Amounts	Method of Payment	When Due	To Whom Payment is To Be Made
Initial Franchise Fee (1)	$30,000	Lump Sum	$3,000 on signing Letter of Intent – $27,000 At Store Opening	Us
Travel & Living Expenses During Training	$2,000 to $3,000	As incurred	Prior to Opening	Other suppliers
Office Supplies, Equipment and furniture	$4,000 to $5,000	As incurred	Prior to Opening	Other suppliers

Business Insurance	$1,500 to $2,500 (per month)	As incurred	Each month	Other suppliers
Computer Equipment	$15,000 to $20,000	As incurred	Prior to Opening	Other suppliers
AXAPTA Software	$9,712	As incurred	Prior to Opening	Us
Accounting and Legal Professional Fees	$4,000 to $6,000	As incurred	Prior to Opening	Other suppliers
Local Architect	$20,000 to $50,000	As incurred	Prior to Opening	Other suppliers
Interim Store Manager	$0 to $20,000	As incurred	Prior to Opening	Us
Initial Inventory, depends on store size-see Accessories and Furniture	See below-in Accessories and Furniture/Product Displays	As incurred	Prior to Opening	Us
Accessories	$20,000 to $50,000	As incurred	Prior to Opening	Us
Furniture/Product Displays	$75,000 to $110,000	As incurred	Prior to Opening	Us
Lease, Utility and Security Deposit	$20,000 to $25,000	As incurred	Prior to Opening	Landlord Utilities
Leasehold Improvements	$95,000 to $300,000	As incurred	Prior to Opening	Other suppliers
Store Buildout by merchandisers/ shop fitter and stylist	$15,000 to $35,000	As incurred	Prior to Opening	Us
Signage	$5,000 to $20,000	As incurred	Prior to Opening	Other suppliers
Store Fixtures including Lighting and Flooring	$50,000 to $120,000	As incurred	Prior to Opening	Other suppliers
Equipment and Tools	$2,500 to $5,000	As incurred	Prior to Opening	Other suppliers
Vehicles-leased	$900 to $1,500, per month	As incurred	Prior to Opening	Other suppliers
Business Licenses and Permits	$1,000 to $1,500	As incurred	Prior to Opening	Other suppliers
Grand Opening Advertising	$25,000 to $40,000	Lump Sum	Between 1 month before and 3 months after scheduled store Opening	Other Suppliers
Additional Funds for 1st 90 days (2)	$0,000 to $100,000	As incurred	As incurred	Third Parties
TOTAL (3)(4)(5)	$395,612 to $954,212	---	---	---

Explanatory Notes to Table

(1) References to "Us" in this table and elsewhere includes our affiliates listed in Item 1 (currently all of the expenditures in this table referencing Us are paid to BoConcept USA, Inc and BoConcept A/S)

(2) Initial Franchise Fee As described in Item 5, for a BOCONCEPT® franchise, the initial franchise fee is $30,000 00

(3) Vehicles- there currently are no specified requirements for the "Vehicles"

(4) Additional Funds This item estimates your initial startup expenses These expenses do not include any draw or salary for you These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business Your costs will depend on factors such as how thoroughly you follow our methods and procedures, your personal discipline, dedication and commitment, your sales-ability, your management skill, experience and business acumen, local economic conditions, the local market for your products and services, the prevailing wage rate, location of your store and lease rates and expenses, advertising expenditures, competition, and the sales level reached during the initial period These estimates are provided solely to indicate possible working capital requirements and we make no representation that any franchise will experience these costs We relied on the experience of opening and operating other retail contemporary furniture businesses, however expenses will also vary significantly by location

(5) You should review these figures carefully with a business advisor before making any decision to purchase the franchise

(6) We do not offer financing directly or indirectly for any part of the initial investment The availability and terms of financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have, and lending policies of financing institutions

(7) Amounts paid to others may not be refundable

(8) All amounts owed to us are the personal obligation of each individual owner of franchisee and are secured by a Security Agreement in any Lease for the Franchised Business and all inventory, proceeds and other collateral per the Franchise Agreement and separately per Exhibit G

Item 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases You must purchase all inventory and accessories from us or our affiliated companies and except for having access to our product line no other material benefits are provided to you No officer of the franchisor holds any ownership interest in any third-party supplier

Revenue from Franchisee purchases In the year ending April 30, 2018 BoConcept A/S sold $13,336,000 00 (USD) of inventory and accessories directly to the franchisees which is 6 83% of the total revenue of BoConcept A/S The cost of initial inventory and accessories purchased by you will represent 100% of your total inventory and accessories purchases in establishing your business and 100% of your total inventory and accessories purchases during operation of the business

Shipping and Delivery of Inventory We manufacture some items while other third parties manufacture or produce items for us Due to the logistics involved in furniture manufacturing and distribution (including material and labor shortages and delivery and customs issues) we cannot guarantee shipping or delivery times Franchisee is fully responsible for all costs and services required to deliver and set-up all inventory to Franchisee's customers Franchisee shall either employ delivery personnel and obtain appropriate delivery equipment or utilize a qualified independent vendor to provide delivery and set-up services Regardless of which method is utilized, all delivery personnel (whether employed directly by or hired by you) shall be properly trained and managed by Franchisee Company retains the right to approve all equipment and personnel utilized to deliver inventory to Franchisee's customers to insure compliance with Company standards

Operating and Maintaining the Franchised Business You must operate and maintain the Franchised Business, at your sole cost and expense, in accordance with our specifications and procedures contained in the Company Operating Guidelines as defined in the next paragraph, as available You must use only those items, equipment, inventory, décor, supplies, apparel and signs, that we have approved for a Franchised Business as meeting our specifications and standards for appearance, function, trade dress, design, quality and performance and to purchase or lease them only from us, our affiliates or suppliers approved by us If you propose to purchase, lease, or otherwise use any equipment, inventory, décor, supply, apparel or sign which is not then approved by us or from a supplier not then approved by us, you must first notify us in writing and shall submit to us sufficient specifications, photographs, drawings, samples, and information, along with our then current daily fee (which is currently $550 00 per day) for each person which we provide for this determination plus reasonable expenses, for a determination by us of whether such inventory, décor, supply, apparel or sign, or proposed supplier complies with our specifications and standards relating to among other factors quality, price, consistency, reliability, financial capability, and customer relations, which determination shall be made and communicated in writing to you within forty-five (45) days from receipt of the submission from you We and our affiliates may be making a profit on your purchases when you purchase any goods or services from us or our affiliates or an approved supplier You must maintain the Franchised Business inventory, equipment, and furnishings in good repair, attractive appearance, and sound operating condition You at your expense shall do the repairs, re-equipping and upgrading/remodeling reasonably requested by us from time to time You must make no material replacements of or alterations to the store, vehicles, equipment, signs or other assets of the Franchised Business without prior written approval by us

Purchase and Maintain Insurance You must at all times during the term of the Franchise Agreement maintain in force at your sole expense such insurance coverage as we may, in our sole discretion, prescribe from time to time, including but not limited to fire and flood insurance, the normal business liability, business injury and consequential loss insurance policies Such insurance coverage must be maintained under one or more policies of insurance of the types and containing such terms and conditions and minimum liability protection in such amounts, as are specified from time to time by us and issued by insurance carriers we approve of All insurance policies required hereunder must provide that we will receive advance written notice of termination, expiration or cancellation of any such policy Prior to your commencement of operations, and annually thereafter, you agree to furnish to us a copy of the certificate, or other evidence of the insurance, renewal, or extension of each such insurance policy, together with evidence of payment of premiums, evidencing the required limits if any are specified

Computer Software Our computer and certain related reporting requirements are provided in Item 11 of this Disclosure Document The cost of all of the above-referenced purchases described in this Item and in Item 7 of this Disclosure Document, the cost of these required purchases and leases typically represents up to 90% to 95% of your total purchases in connection with the establishment of your Franchised Business We estimate that of all purchases and leases to establish and operate the franchise 90% to 100% must be made from approved suppliers or in accordance with our specifications or standards

We currently negotiate purchasing arrangements for the benefit of franchisees with the supplies of the furniture and accessories from whom you are required to purchase your inventory The negotiations cover price terms, adequate supply, delivery, and other terms No purchasing or distribution cooperatives for the Franchised Business currently exist

Item 9 <u>FRANCHISEE'S OBLIGATIONS</u>

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document

Obligation	Section in Agreement	Disclosure document item

a Site selection and acquisition/lease	Sections 7 3, 7 4, 7 5,	Items 8 and 11
b Pre-opening purchases/leases (prepay orders)	Sections 5 6,	Items 5, 6, 7, 8 and 11
c Site Development and other pre-opening requirements	Sections 8 1	Items 5, 7, 8 9 B and 11
d Initial and ongoing training	Sections 3 1 3, 3 1 4, 4 2-i, 12 2 1, 12 2 2, 12 3 3,	Items 6 and 11
e Opening	Section 5 13	Items 8 and 11
f Fees	Sections 5 5, 6 1, 8 4 1, 8 4 2, 9 2, 18 7,	Items 5, 6 and 7
g Compliance with standards/policies-Operating Guidelines-Minimum Turnover-and reporting	Sections 1 1, 2 1 2, 2 1 4, 2 1 9, 2 1 17, 2 1 18, 3 1 2, 3 1 4, 3 1 7, 4 1, 4 2 c, 4 2 g, 4 6, 5 14, 8 1, 8 2, 8 5, 9 1, 9 5, 10, 11 2, 11 3, 12 1, 12 2 1, 12 2 2, 12 2 6, 12 3, 13 1, 13 2 1, 14 1, 14 4 1, 14 4 2, 14 4 3, 15 1 1, 21 3 14, 25 1 3,	Items 8 and 11
h Trademarks & proprietary information	Sections 1 1, 1 2, 1 3, 4 1, 4 2 5 10, 26 E	Items 13 and 14
i Restrictions on products/services offered	Section 14 and Appendix 8	Items 8, 11 and 16
j Warranty and customer service requirements	Section 4 2 c	Item 8
k Territorial development-Development Plan	Sections 5 10 to 5 14 and Appendix 4	Item 12
l On-going product/ service purchases	Sections 14 and Appendix 8	Item 8
m Maintenance appearance remodeling	Section 8	Item 8
n Insurance	Section 16	Items 7 and 8
o Advertising	Section 11 and Appendix 8	Items 5, 6, 7, and 11
p Indemnification-Personal Guaranty-Security Agreement	Sections 5 5 and 5 6 and Acknowledgement	Items 1, 6, 7, 9, 11, 15 and 22 Also Exhibit G
q Security deposit in EUR-cash or Bank Guarantee as security for payment and other obligations	Section 5 6	Item 15
r Owner's participation/ management/ staffing	Section 5 15	Item 15
s Records and reports	Section 15	Items 6, 8 and 11
t Inspections/ Audits	Sections 15 1 3 and 15 3	Item 6
u Transfer	Section 17 1 1, 17 1 3, 21 3 (2),	Items 6 and 17

v Renewal	Section 23	Items 6 and 17
w Post-termination obligations	Sections 21 4, 21 5, 21 6 and 21 7	Item 17
x Non-competition covenants	Sections 19 and 20	Item 18
y Dispute resolution	Section 26	Item 17
z Other	Not Applicable	Not Applicable

Item 10. FINANCING

We do not offer direct or indirect financing We do not guarantee your note, lease or other obligations

Item 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, TRAINING

Except as listed below, BoConcept Franchise, Inc., is not required to provide you with any assistance

Our Support Services Prior to Opening Before you open your Franchised Business, we will

(1) Designate your Territory (Franchise Agreement – Sections 5 10 to 5 13 and Appendix 4) (See Item 12)

(2) Provide an initial training program for the operation of the Franchised Business using the BOCONCEPT® System (Franchise Agreement – Sections 3 1 3, 3 1 4, 4 2 i, 12) (See below)

(3) After you select a site, you must obtain our approval of the site location and the lease The factors which we may (but are not required to) consider for our approval include demographic radius characteristics and growth factors in the area, traffic patterns, ease of access, parking, visibility, allowed signage, competition from other businesses providing similar products and services, the proximity to other businesses, the nature of the businesses in proximity to the proposed site, and other commercial characteristics (including rental obligations and other lease terms for the proposed site) and the size, appearance and other physical characteristics of the proposed site location We recommend that the size of the location be a minimum of 4,500 to 6,000 square feet We approve or disapprove locations or leases by a written notice, which is delivered to you We use our reasonable best efforts to deliver such notification to you within thirty (30) days after the location evaluation or lease information is available If we cannot agree on a site after thirty (30) days from the date of our notice of disapproval, your Franchise Agreement shall automatically terminate and any deposit shall be retained by us You must lease the premises for your location in the form and manner required by us pursuant to your Franchise Agreement incorporated therein and deliver a copy of the executed lease to us immediately after its execution You must not execute any lease, which has not been approved in writing by us You must not execute or agree to any modification of the lease without our prior approval You must agree that any new, amended, restated, extended or renewed lease for the location will include the above terms and conditions required to be included in a lease for a location If you want to relocate, you must notify us in writing at least sixty (60) days prior to the relocation We reserve the right to refuse to approve a proposed relocation if we believe that the proposed relocation is for any reason not acceptable to us Our judgment may be based on factors such as the proximity to existing or proposed locations owned by other franchisees or us, the suitability of the proposed facilities, compliance with our then current franchise location requirements, the competitiveness within the market place or other factors Our approval of the location and the lease does not constitute a guaranty or a representation of the likelihood of success of the location or the viability of the lease terms We will not be responsible for the failure of any location approved by us to meet your expectations as to revenue or operational criteria (Franchise Agreement – Section 7 3)

(4) Provide pre-opening and opening supervision and assistance by our personnel at your location (Franchise Agreement –13 1) You will complete New Franchisee Introductory training week prior to your store opening

(5) Provide written specifications for store construction or remodeling and for all required and replacement equipment, inventory and supplies (Franchise Agreement-Section 8 (See item 11 below)

Our Support Services During Operation During the operation of your Franchise Business, we will

(1) Provide you a continuing advisory service through a Retail Account Manager, concerning the operation of your Franchised Business (Franchise Agreement – Section 13 1)

(2) Furnish you, at your request, additional assistance beyond our standard support (See Item 6 above)

(3) Provide you with access to advertising and marketing materials we may develop (Franchise Agreement –Section 4 and 11 and Appendix 8) (See Item 6 above and Item 11 below)

Provide you with access during the term of the Franchise Agreement to our online Company Operating Guidelines as available and updated The Company Online Operating Guidelines will contain mandatory and suggested specifications, standards, and operating procedures, which we prescribe from time to time for BOCONCEPT® Franchised Businesses, as well as information relative to other obligations you have in the operation of the Franchised Business Currently there are the following subjects covered in the PowerBook (Operations Manual)
-BoConcept webpage
-BoConcept intranet
-BoConcept Universe
-Basket Size Check List
-Traffic Counter
-Media Portal
-Staff management
-Products
-Marketing & visuals
-Logistic & inventory
-Administration & IT
-Finance & key figures
-Store routines
We will provide you the opportunity to a supervised view of the Operations Manual (BoConcept Manual) before buying the franchise The Company Operations Manual or Operating Guidelines may be modified from time to time to reflect changes in the specifications, standards, operating procedures and other obligations in operating BOCONCEPT® Franchised Businesses (Franchise Agreement –Section 3 1 7 and Appendix 2)

Local Advertising and Promotion You must spend at least a total of eight percent (8%) of your Annual Gross Sales (revenues) for all National Advertising, Regional and Local advertising and promotion of the Franchised Business and the Marks, each year We may review your books and records from time to time to determine your expenditures for such advertising and promotion If we determine that you have not spent the requisite amount, we may require you to pay such unexpended amounts to us directly

You also agree to list and advertise the Franchised Business in the principal regular (white pages) and classified (yellow pages) telephone directories distributed within your Territory, as are specified by us utilizing our standard forms of listing and advertisements You shall at your expense arrange for the telephone numbers of the Franchised Business to be owned by us but to be billed to you

Before you use them, samples of all local advertising, promotion and public relations materials not prepared or previously approved by us must be submitted to us for approval, which will not be unreasonably withheld You may not use any advertising, promotion or public relations materials that we have disapproved Provided that a majority of the BOCONCEPT® locations in our ad-coverage area agree to participate in the program, you shall participate in and contribute your share to additional advertising and promotional programs in your ad-coverage area The cost of the program shall be allocated among the locations in such area and each location's share shall be in proportion to its sales during the preceding twelve (12)-month period, but the aggregate of such additional contribution during any twelve-month period shall not exceed two percent (2%) of your Gross Sales during said twelve (12)-month period "Ad-coverage area" shall be defined as the area covered by the advertising medium (television, radio or other media) as recognized in the industry At the time a program is submitted, we will submit a list of all operating locations within the ad-coverage area There are currently no advertising councils or local or regional advertising cooperatives

Websites (as defined below) are deemed "advertising" under the Franchise Agreement and are strictly prohibited The term "Website" means an interactive electronic document, contained in a network of computers linked by communications software that you operate or authorize others to operate and that refers to the Franchised Business, the Marks, us and/or the System The term Website includes but is not limited to the Internet and World Wide Web home pages, as well as domains, social media accounts and similar mediums Franchisees are not allowed to establish any homepage, website, domain or similar medium for sale of BoConcept Products or any other purpose However, the Franchisee is entitled to create profiles on social media such as Facebook, Twitter, Instagram, etc , for the purpose of marketing the Products within Franchisee's Territory, provided that all such accounts are solely owned and administered by BoConcept and all content and revisions are preapproved in writing by BoConcept and all content, administration, access and passwords are established and controlled only by BoConcept in accordance with Section 11 5 of the franchise Agreement

Training Program Before the start of your Franchised Business, we will provide initial training on the operation of a BOCONCEPT® Franchised Business to you and your manager You will complete New Franchisee Introductory training week prior to your store opening Although there are no additional fees for this training, you are responsible for all travel and living expenses, which you and any of your employees incur in connection with training You and your manager must complete the training program to our satisfaction If you do not complete the training program to our satisfaction, we can terminate your franchise agreement We encourage you to begin training before incurring any costs or expenses related to the planned opening of the Franchise Business We will not be liable to return any franchise fee or pay any costs or expenses you incur if we terminate your franchise agreement because you do not pass the training program You will participate fully in training as well as continuing franchise/industry seminars conducted in the U S and in Denmark/Europe as determined by us We expect that most of the training will be conducted for you and your employees at your store location or another BoConcept store, however training may also occasionally occur at our facility in Denmark or in our facility in New Jersey We plan to be flexible in scheduling training to accommodate our personnel, you and your personnel There currently are no fixed (i e , monthly or bimonthly) training schedules The training program will be outlined by the Franchisors' U S Retail organization using instructors with experience in each subject taught and includes subjects such as

Sales and Product Information, and
Software Systems (Axapta), and
Visual Merchandising, and
Marketing, and
Logistics and Supply Chain, and
Customer Service

The hours of training (both classroom and on-the-job) as well as the location may differ for each franchise (based upon the background and experience of each franchisee) and accordingly there is no table regarding training topics/subjects, hours of classroom and on-the-job training and location

In addition to the above training, we provide you pre-opening and opening on-the-job supervision and assistance at your store premises as needed, near the time of the opening of your store

Ongoing Training You must participate, if we require, in up to two weeks per calendar year in refresher training in the operations and marketing of the Franchised Business The refresher training may or may not take place at an annual convention or business meeting of franchisees, which we can require you to attend at your expense each calendar year

TRAINING PROGRAM.

Subject taught	Hours of classroom or online training	Hours of on the job training	Location
New franchise introductory training-operation of a franchised business	Tailored to the background and experience of individual franchisees	Tailored to the background and experience of individual franchisees	Either at corporate offices or at franchisee's location
Sales training	15-20	5-10	Corporate offices and franchisee's location
Interior decoration	25-30	5-12	Corporate offices and franchisee's location
Product training	8-12	5-10	Corporate offices and franchisee's location
Onboarding of Sales Associates first 3 months	n/a	10-18	Online and Franchisee's location
AXAPTA	0	32	Franchisee's location
Visual merchandising/styling	0	16 hours per year	Franchisee's location
Marketing	4-6	2-4	Corporate offices and franchisee's location
Continuing franchise industry seminars Including BoConcept Retail Academy	Varies based upon subject matter	Varies based upon subject matter	In the US or in Denmark/Europe

Computer System You must keep books and business records according to our formats To facilitate your reporting to us and other communications, you must maintain certain systems in operating the Franchised Business We may require from time to time that you use specific computer hardware and software, at your expense You will utilize the accounting program known as AXAPTA Axapta is a live program which you obtain from us and to be used in stores and our offices to manage our inventory, sales and deliveries Axapta is a live system updated on a daily basis There is a onetime initial entrance fee for AXAPTA of $2,023 00, and an AXAPTA User license of $7,689 00 that are both payable to us prior to store opening There is also a maintenance fee of $133 00 per month per user

These annual fees (plus other annual fees i e , Mystery Shopping, samples, In-Store TV etc ,) are payable to us monthly beginning on the 15th day of the first calendar month after your store opens and by the 15th day of each month thereafter Average store typically has 3 users All store sales must be recorded and reported on the AXAPTA system You are not required to purchase any hardware from us The specific hardware and software minimum requirements are Cisco router from Denmark to get access to Axapta (ordered by IT-servicedesk), Switch 16 or 32 port, standard pc with DVD-RW burner for back-up, MS Office 2003 STD, LCD flatscreen panel monitors, Office fax, copy, printer-HP PCL compatible & Postscript compatible with two papertrays (Whitepaper/confirmations paper), Printer for accessories labels and labels for warehouse location bar codes Zebra TLP 2844-Z (Buy online or find retailer on www zebra.com, •Traffic counter, Labels for accessories = Direct 2100 (102mm, 32 x 25mm) - Zebra Item number 800512-105 and Labels for warehouse locations = Direct 2100, premium topcoated direct thermal paper label with permanent adhesive, 102 x 38mm, inner diam 25mm, outer diam 102mm , 960 labels/roll, 12 rolls/box, Norton or McAfee

Antivirus/Security suite-Keyboard & Mouse, and X number of netcables RJ45 (CAT 5) for everything stated above Cash computer for one-1 receipt printers (Should be Epson TM-T88II, TM-T88III, TM-T88IV) One of the following drivers has to be used EPSON TM-T88III Partial cut, EPSON TM-T88III Receipt 3, EPSON TM-T88II Partial cut, EPSON TM-T88IV Receipt, 1 Cash Drawers with connection to Epson Receipt printer, LCD flatscreen panel, Standard PC in mini cabinet with keyboard and mouse, 1 Barcode scanner supporting EAN13,, MS Office 2003 STD if using priceIT, Antivirus/Security suite, Counter printer-HP PCL compatible or Postscript compatible-two papertrays (whitepaper/confirmation paper), 1 netcable RJ45 (CAT 5) for PC and 1 netcable RJ45 (CAT 5) for printer

Telephone requirements are 1 cable per phone, Normal phone=Normal phonecable, IP-phone=Netcable RJ45 (CAT 5), 1 cable per card-terminal-If card-terminal requires phone-connection=Normal phonecable-If card-terminal requires network-connection=Netcable RJ45 (CAT 5)-No cable required for wireless card-terminal

Additional specifications can be obtained from our accounting department at (201) 433-4461 We may have independent access to the information and data you maintain, and there are no contractual limitations on our right to access the information and data We may change the accounting system software at any time at our sole discretion and you shall be responsible for all transfer and initial set-up costs We are not obligated to repair the hardware or software and have no obligation to provide maintenance, repairs, upgrades or updates We recommend you obtain a maintenance contract with a reputable organization for our computer hardware and software You may be required to upgrade or update any computer hardware or software program during the term of the Franchise Agreement, at your expense There are no contractual limitations on the frequency or costs associated with this obligation

Construction of the Location You must promptly after obtaining possession of the site for the Franchised Business (i) submit for approval by us a site survey and any modifications to our basic plans and specifications (not for construction) for a typical Franchised Business (including requirements for dimensions, exterior design, materials, interior design and layout, equipment, fixtures, furniture, signs and decorating) required for the development of the Franchised Business at the site leased or purchased, provided that you may modify our basic plans and specifications only to the extent required to comply with all applicable laws, building codes and permit requirements and with prior notification to and approval by us (such approval shall not be construed as a guarantee or representation concerning the likelihood of success of such location), (ii) obtain all required zoning changes, building, utility, health, sanitation and sign permits and licenses and any other required permits and licenses, (iii) purchase or lease equipment, fixtures, furniture and signs provided herein, (iv) complete the construction and/or remodeling, equipment, furniture and sign installation and decorating of the Franchised Business in full and strict compliance with plans and specifications previously approved by us and all applicable ordinances, building codes and permit requirements, (v) obtain all customary contractors' sworn statements and partial and final lien waivers for construction, remodeling and installation services and materials, (vi) purchase in accordance with our specifications and requirements an opening inventory of products and supplies required for the Franchised Business (however we shall not be liable for your choices of inventory purchases), (vii) establish filing, accounting and inventory control systems conforming to the requirements presented by us, and (viii) otherwise complete development of and have the Franchised Business ready to open and commence business in accordance with the terms of the Franchise Agreement

Conduct the Franchised Business According to System Standards-BoConcept Manual You must conduct the Franchised Business offering only such products as we authorize from time to time In the development and operation of the Franchised Business you must follow our specifications, standards, methods and operating procedures (the "System Standards") You must develop and operate the Franchised Business in accordance with each and every System Standard, as periodically modified or supplemented by us, including without limitation the BoConcept Manual, Appendix 2 System Standards may govern all aspects of the development and operation of the Franchised Business, including without limitation, the following (1) performance, quality and other relevant characteristics of the services and products offered by the Franchised Business, (2) use of the Marks and protection of confidential information, (3) types of authorized equipment, supplies and products, (4) designated and approved suppliers, (5) minimum hours of operation, (6) participation in market research and testing and product and service development programs prescribed by us, (7) qualifications, training, appearance and attitude of the Franchised Business' employees, (8) use and retention of standard forms, (9) use of standard formats, (10) use of computer software/AXAPTA, (11) adoption of technological developments or advances, (12) suppliers of inventory(13) warranty work for customers, and (14) the addition or deletion of new products and/or services You shall bear all costs and expenses pertaining to the development, operation, and maintenance of the Franchised Business and your compliance with the System Standards as periodically modified or supplemented by us

Operate in Compliance with Law and Company Operating Guidelines You must operate the Franchised Business in compliance with applicable laws and governmental regulations and the withholding and payment of all taxes You must obtain at your expense, and keep in force, and permits, licenses or other consents required for the leasing, construction or operation of your Franchised Business In addition, you shall operate your Franchised Business in accordance with guidelines currently accessed in the BOCONCEPT PowerBook and BOCONCEPT Intranet ("Company Operating Guidelines" and also sometimes "BoConcept Manual"), which may be amended from time to time as a result of experience, changes in the law or changes in the marketplace You must conform to such amendments, and make all reasonable expenditures necessitated by the amendments, within the time periods reasonably established by us The Company Operating Guidelines are intended to further the purposes of the Franchise Agreement and is specifically incorporated into the Franchise Agreement such that they shall constitute provisions of the Franchise Agreement as if fully set forth therein You shall not copy any part of the Company Operating Guidelines, permit any part of it to be copied, allow any portion to be used by anyone other than you, or disclose it or allow access to anyone not having a need to know the contents for purposes of operating the Franchised Business without our permission You shall refrain from conducting any business or selling any services or products other than those approved by us You must use your best efforts to promote and enhance the business of the Franchised Business for the full term of the Franchise Agreement We may operate for the benefit of franchisees that are in compliance with the franchise system a system of fines, which you would pay for violations of some policies of the Company Operating Guidelines For example, if your employees do not wear the proper attire, then you would pay a fine There is currently no system of fines and if one is adopted, it would be described and updated in the Company Operating Guidelines We reserve the right to utilize the electronic funds transfer system to implement the operations fine system when implemented

Item 12. TERRITORY

Non-Exclusive Territory You receive a franchise for a specific location in a Territory, as defined in Appendix 3 to your Franchise Agreement and which shall be designated, measured and defined by either zip codes, population size, actual legal boundaries and/or a map attached as an additional Exhibit to your Agreement, which would be in effect at the time you sign and during the term of your Franchise Agreement The form of measurement Franchisor shall utilize for your Territory will depend upon each particular geographic location and its population, demographics and proximity to existing franchises, Franchisor company outlets or customers You are prohibited from selling products or services by the Internet or by mail order or catalog We will not, so long as the Franchise Agreement is in force and effect and you are not in default under any of the terms, enfranchise or operate any other BOCONCEPT® full store location within your Territory However, we can conduct direct marketing and sale of the Products (or grant third parties the right to conduct direct marketing and sale of the Products) to commercial customers as well as consumers within your Territory, including but not limited to marketing and sale of the Products via inter-net shops and web-based market places operated by a third party (Section 5 10 and 5 11 of Franchise Agreement)

If you want to relocate, you must notify us in writing prior to the relocation We reserve the right to refuse to approve a proposed relocation if we believe that the proposed relocation is for any reason not acceptable to us Although we have not developed specific criteria to determine whether to approve a new location proposed by you, our judgment may generally be based on factors such as the proximity to existing or proposed locations owned by other franchisees or us, the suitability of the proposed facilities, compliance with our then current franchise location requirements, the competitiveness within the market or other factors

You will not receive an exclusive territory You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control

Development Plan You have the right and obligation to open additional stores within your Territory pursuant to your development Plan (see clauses 5 10 thru 5 15 of Franchise Agreement and Appendix 4) As part of this Agreement, we and you shall prepare and agree to a Development Plan, set out in Appendix 4, which shall contain your expansion plans If your Development Plan is not strictly and timely complied with, this is a material breach of your Franchise Agreement and (in addition to all other remedies available under your Agreement, including termination cf clause 21), you shall be deemed to have forfeited your exclusive right to operate stores in the Territory specified in clause 5 10, and consequently we may enter into franchise agreements with other franchisees regarding the opening of Brand Stores in the Territory In addition to this Agreement, if you or a company within the same group as you as Franchisee, cf Appendix 9, has entered into other franchise agreements with us regarding the same territory as the Territory, failure to comply with Development Plan of one or more of such franchise agreements shall be deemed to constitute failure to comply with the Development Plan of all such franchise agreements In such event you (and the relevant company/companies with-in the same group) will be deemed to have forfeited your exclusive rights to open Brand Stores within the Territory in respect of each such franchise agreement, and BoConcept may thus operate or grant any third party the right to operate Brand Stores within the Territory We may also enfranchise or operate any other BOCONCEPT® location anywhere else, outside your Territory without offering you a right of first refusal You do not have a right of first refusal over any locations outside of your Territory We may sell products to other retailers without your permission, however not within your Territory

We are allowed to operate and enfranchise anywhere any business under different trademarks (including in your Territory) However, neither we nor any of our affiliates, have any current plans to operate or conduct a business similar to that being offered in this Franchise Disclosure Document We shall be allowed to conduct business using the marks or System on the Internet or by any other channel of distribution (including in your Territory) We have established one or more homepages on which our products are presented and described You shall have the right and agree to be mentioned on such homepage(s) by name, address, telephone number, e-mail address and opening hours

Our Option to Purchase your store and/or stores As a franchisee you will sign a separate Call Option Agreement, whereby you grant us (or our affiliate) the option (but not the obligation) to purchase your company (entity) that owns all of your store assets at any time whether or not you are in default This may include more than one store Upon our exercise of this Call/purchase Option the amount we will pay for all of your ownership entity (owing all your store's assets) will be valued upon formula specified in the Call Option Agreement

Subject to the terms in the above paragraph, we grant you the conditional exclusive right as specifically described above within the Territory on the conditions specified in your franchise agreement If you fail to satisfy any material term or provision of your franchise agreement, we have the right but not the obligation to (i) terminate your franchise agreement or (ii) eliminate the conditional exclusivity of your right to operate BOCONCEPT® store within the Territory during the franchise agreement's remaining term, in which case we or our affiliates or another franchisee may operate, or allow one or more franchisees to operate, a BOCONCEPT® store within the Territory Except as described above, your conditional territorial exclusivity will not depend on achievement of a certain sales volume, market penetration or other contingency Except for material breach of your franchise agreement, there are no other current foreseeable circumstances that would allow us to modify your Territorial rights

Item 13. **TRADEMARKS**

BOCONCEPT® Service Marks The principal trademarks to be licensed to you are "BOCONCEPT®" The rights to the U S trademark are owned by our affiliate BoConcept A/S and we are authorized to license the name The trademark has been registered on the principal register of the United States Patent and Trademark Office on December 25, 2007 as number 3360070 and all filings and affidavits are up to date By having a Principal Register federal registration for BOCONCEPT®, we have certain presumptive legal rights granted by a registration There are no currently effective material determinations of the U S Patent and Trademark Office, Trademark Trial Appeal Board, the trademark administrator of any state or any court There is no pending infringement, opposition or cancellation action, nor any pending material litigation involving the principal trademark There are no agreements currently in effect which significantly limit our right to use or license the use of the principal trademark in any manner material to the franchise

Use of Service Mark You must use the Marks as the sole identification of the Franchised Business, provided that you must identify yourself as the independent owner of the Franchised Business in the manner we prescribe You may not use any Mark as part of any corporate or trade name, or with any prefix, suffix, or other modifying words, terms, designs or symbols, or in any modified from, nor may you use any Mark in connection with the sale of any unauthorized service or product or in any other manner not expressly authorized in writing by us You must prominently display the Marks on or in connection with, signs, posters, displays, service contracts, stationery, and other forms we designate You shall not use our name or mark nor shall you utilize any alternative medium of advertising such as a web-site or internet whatsoever We reserve the right to utilize and license any such alternative source of advertising or medium You must, in the manner we prescribe, give such notices of trademark and service mark registrations and copyrights as we specify and to obtain such fictitious or assumed name registrations as may be required under applicable law All bank accounts, licenses, permits or other similar documents shall contain the actual name of the person or entity owning the Franchised Business and may contain "d/b/a BOCONCEPT®"

Infringements You must immediately notify us of any apparent infringement of or challenge to your use of any Mark or claim by any person of any rights in any Mark, and you may not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim We and our affiliates will have sole discretion to take such action as we deem appropriate and the right to exclusively control any litigation or U S Patent and Trademark Office or other proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark We shall take all necessary actions deemed solely by us that are necessary to maintain and protect the BOCONCEPT®" name and mark You agree to execute any and all instruments and documents, render such assistance and do such acts and things as may, in the opinion of our or our affiliates' counsel, be necessary or advisable to protect and maintain our interests in any such litigation or U S Patent and Trademark Office or other proceeding or to otherwise protect and maintain our interests in the Marks

If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue use of any Mark, and/or use one or more additional or substitute trade or service marks, you agree to comply with our instructions within a reasonable time after notice from us, and our sole obligation in any such event will be to reimburse you for your out-of-pocket costs of complying with this obligation We will indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding in which your use of any Mark, pursuant to and in compliance with the Franchise Agreement, is held to constitute trademark infringement, unfair competition or dilution, and for all costs reasonably incurred by you in the defense of any such claim brought against you or in any such proceeding in which you are named as a party, provided that you have timely notified us of such claim or proceeding and have otherwise complied with the Franchise Agreement We, in our discretion, will be entitled to defend any proceeding arising out of your use of any Mark pursuant to this Franchise Agreement, and, if we undertake the defense of such proceeding, we have no obligation to indemnify or reimburse you for any fees or disbursements of counsel you retain We do not know of either superior prior rights or infringing uses that could materially affect your use of our principal trademark

Item 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or registered copyrights are material to the franchise and no patent applications material to this franchise have been made or are pending We and our affiliates claim copyright protection of our Company Operating Guidelines and related materials although these materials have not been registered with the United States Registrar of Copyrights The Company Operating Guidelines and related materials are considered proprietary and confidential and are considered the property of us and our affiliates and may be used by you only as provided in the Franchise Agreement You may not use our confidential information in any unauthorized manner and must take reasonable steps to prevent its disclosure to others You will be entitled to use of the copyrighted and certain proprietary materials during the term of the franchise There are no infringing uses known to us or our affiliate, which would affect your use of the proprietary and/or copyrighted materials There are no agreements in effect that significantly limit our rights to use or license the use of the copyrighted or proprietary materials There is no provision in the Franchise Agreement specifically obligating us to protect your rights to use of the proprietary or copyrighted materials, but we will respond to this information as we deem appropriate

Item 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF FRANCHISE BUSINESS

We recommend, but do not require, that you participate personally in the direct operation of the Franchised Business If you do not personally supervise the operation of the Franchised Business, then you must employ a manager to assist you or your managing shareholder or partner in operating the Franchised Business All managers must complete the initial training program to our satisfaction and sign a confidentiality and non-competition agreement in the form we prescribe The manager need not have an ownership interest in the entity owning the franchise Each individual who owns any interest in the franchise entity and their spouse must sign an agreement assuming and agreeing personally to discharge all obligations of the Franchisee under the Franchise Agreement Section 5 and Guaranty (the Personal Guaranty)

Item 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require that you offer and sell only those goods, which we have provided and sell to you We have the right to add additional authorized goods There are no specific limitations in the Franchise Agreement on this right See Section 14 and Appendix 8 and Items 8, 9 and 12 There are no restrictions regarding customers to whom you may sell goods as long as within your Territory and not VIA internet or other alternative means of communication Franchisor is allowed to recommend minimum and maximum prices for goods sold by you and currently does so

Item 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section in Agreement	Summary
a Length of the franchise term	Section 21 1	5 years
b Renewal or extension of the term	Section 23	If you have substantially complied with the Franchise Agreement, you can renew for one additional 5-year term

c Requirements for you to renew or extend	Section 23	You must timely send written notice of intent to renew, sign new franchise agreement with materially different terms and conditions than their original agreement and refurbish or remodel the premises, and replace equipment to be in compliance with standards
d Termination by you	Section 21 4 and 21 6	If we breach a material provision of the Franchise Agreement & do not cure within 14 calendar days after your notice to us, you may terminate the Agreement
e Termination by us without cause (Not Applicable)	Section 21 2	We can terminate on 3 months prior notice if you engage in any of several listed activities
f Termination by us with cause	Section 21 4 and 215	We can terminate only if you commit any one of several listed violations
g "Cause" defined - defaults which can be cured	Sections 21 5	If you breach a material provision of the Franchise Agreement & do not cure within 14 calendar days after our notice to you, we may terminate the Agreement
h "Cause" defined - noncurable defaults		
i Your obligations on termination/non-renewal	Section 25	Pay all amounts owed, return the Software Program & return or destroy all other materials, stop using Marks, System & confidential information, de-identify yourself from us, cancel assumed names, return to us any BOCONCEPT® signs, provide us with information about all customers, stop using e-mail and internet addresses, websites, domain names & search engine identifiers,
j Assignment of Franchise Agreement by us	Section 18 1	No restriction on our right to assign
k "Transfer" by you - definition	Section 18 2-18 4	Includes any type of transfer of the Franchise Agreement or assets or any ownership change Must offer assignment to Franchisor or 3rd party approved by Franchisor before assigning to 3rd party
l Our approval of transfer by you	Section	You shall obtain our prior approval of all transfers but will not unreasonably withhold approval
m Conditions for our approval of transfer	Sections 18 2, 18 3, and 18 4	After 3 years, if Transferee qualifies, all amounts due are paid in full, you are not in default, transferee complies with training requirement, transferee has received required disclosure documents, then current form of Franchise Agreement signed, transferee assumes remaining obligations under your agreements, transfer fee paid, assets have been refurbished, remodeled or replaced, lessor consent to lease assignment, general releases signed, guaranty of performance may be required, and right of first refusal declined by us (also see r)
n Our right of first refusal to acquire your business	Section 18 4	We can match any offer for your business, except broker's fees are excluded Cash may be substituted for any form of payment proposed
o Our option to purchase your business	Section 21 3, on your death or permanent disability and anytime per our Call Option Agreement	Option to purchase your entity that owns all store assets (at any time regardless of your default) and may or may not include all stores you own

p Your death or disability	Section 21 3	(See o)
q Non-competition covenants during the term of the franchise	Section 19	No involvement in any business offering products similar or in direct competition with those offered us or an organization franchising a similar business, without our written permission
r Non-competition covenants after the franchise is terminated or expires	Section 19 2	No involvement in any business offering products similar or in direct competition with those offered us or an organization franchising a similar business, for 12 months after expiration or termination of your agreement
s Modification of the Agreement	Sections 27 3 and 33	Modification by written agreement signed by you and us The Company Operating Guidelines can be revised and modified
t Integration/Merger clause	Section 27 2	Only the terms of the Franchise Agreement and any other related written agreements are binding (subject to applicable state law) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable Notwithstanding the foregoing, nothing in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document
u Dispute resolution by arbitration or mediation	Section 26	Except for certain claims, all disputes must be arbitrated in the city where our parent company's headquarters is located when the proceedings are conducted (Copenhagen Denmark), unless required by your state
v Choice of forum	Sections 5 5 and 26	Subject to applicable Danish law, arbitration must be in Copenhagen, Denmark, unless required by your state
w Choice of law	Section 26	Subject to applicable Danish law, Danish law applies, unless required by your state

Item 18. **PUBLIC FIGURES** We do not currently use any public figure to promote our franchise

(Remainder of this page intentionally blank)

Item 19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is reasonable basis and written substantiation for the information, and if the information is included in the disclosure document Financial performance information that differs from that included in Item 19 may be given only if (1) a franchisor provides the actual records of an existing outlet you are considering buying, or (2) a franchisor supplements the information provided in this Item 1, for example, by providing information about possible performance at a particular location or under particular circumstances

As of January 2018, there were eleven (11) franchised BoConcept stores that had operated for previous the twenty-four (24) calendar months, from January 1, 2016 through December 31, 2017 There was also one (1) company owned store operating during calendar years 2016 and 2017 (not included in the table below) During 2016 there were thirteen (13) franchised stores and 2017 fourteen (14) franchised stores For the eleven (11) franchised stores operating during calendar years 2016 and 2017, the table below identifies the following Sales Average (Gross Sales before discounts), Hit Rate (percentage of persons entering store that purchase), Traffic (number of persons entering store-tracked by traffic counters at each entrance), and Basket Size (average order amount for each year-calculated by dividing total number of orders by total gross sales for each year) The Highest, Lowest and Median values for each category are also provided

	2017	Percent of the 11 stores that achieved or surpassed	2016	Percent of the 11 stores that achieved or surpassed
Sales Average	$2,342,443	45%	$2,085,082	36%
Sales High	$3,490,773		$3,114,772	
Sales Low	$1,473,901		$1,374,805	
Sales MEDIAN	$2,301,801		$1,943,457	
Traffic Average	18,309	55%	20,116	36%
Traffic High	37,354		44,454	
Traffic Low	1,318		1,998	
Traffic MEDIAN	21,895		18,981	
Hit Rate Average	5 8%	18%	5.1%	27%
Hit Rate High	20 8%		14 2%	
Hit Rate Low	2 5%		1.3%	
Hit Rate MEDIAN	3 6%		2 6%	
Basket Size Average	$3,181.40	27%	$3,565.06	27%
Basket Size High	$5,885 27		$6,929 27	
Basket Size Low	$2,082 69		$2,309 73	
Basket Size MEDIAN	$2,783 54		$2,903 98	
Year over year same store sales % increase	12%		11%	

All data was collected from each franchised outlet's point-of-sale (POS) software and is aggregated in the 'BoConcept Universe' online database Written substantiation for the financial performance representation will be made available to prospective franchisees upon request

Some franchises have sold these amounts. Your individual results may differ. There is no assurance that you will sell as much.

Other than the preceding financial performance representation, we do not make any financial performance representations We do not authorize our employees or representatives to make any such representations either orally or in writing However, if you are purchasing an existing outlet, we may provide you with the records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to us by contacting Mark Arensberg PO Box 7646, Overland Park, Kansas 66207, (913)-648-3220, the Federal Trade Commission, and appropriate state regulatory agencies

20. (US) OUTLETS AND FRANCHISE INFORMATION

Table 1-SYSTEM WIDE OUTLET SUMMARY FOR YEARS 2015, 2016, 2017

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2015 2016 2017	23 21 17	21 17 12	-2 -4 -5
Company Owned	2015 2016 2017	2 1 1	1 1 1	-1 1 1
Total Outlets	2015 2016 2017	25 22 18	22 18 13	-3 -4 -5

Table 2-TRANSFERS OF FRANCHISED OUTLETS FROM FRANCHISEES TO NEW OWNERS OTHER THAN THE FRANCHISOR (For Years 2015, 2016 and 2017)

Column 1 State	Column 2 YEAR	Column 3 Number of Transfers
CA	2015 2016 2017	0 0 1
FL	2015 2016 2017	0 1 0
Penn	2015 2016 2017	0 1 0
WA	2015 2016 2017	0 0 1
Total	2015 2016 2017	0 2 2

Table 3-STATUS OF FRANCHISE OUTLETS FOR YEARS 2015, 2016 and 2017

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Terminations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations-Other Reasons	Col 9 Outlets at End of Year
Alabama	2015 2016	1 1	0 0	0 0	0 0	0 0	0 1	1 0

	2017	0	0	0	0	0	0	0
California	2015	4	0	0	0	0	1	3
	2016	3	1	0	0	0	0	4
	2017	4	0	0	0	0	0	4
Florida	2015	3	0	0	0	0	1	2
	2016	2	0	0	0	0	1	1
	2017	1	0	0	0	0	0	1
Georgia	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
Illinois	2015	1	0	1	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
Mass	2015	1	0	0	0	0	0	1
	2016	0	0	0	0	0	0	1
	2017	0	0	0	0	0	0	1
New Jersey	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
New York	2015	6	0	0	0	0	1	5
	2016	5	0	0	1	0	0	4
	2017	4	1	0	4	0	1	1
Penn	2015	1	1	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
Michigan	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	1	0
	2017	0	0	0	0	0	0	0
Texas	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	1	0
	2017	0	0	0	0	0	0	0
Washington State	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Total	2015	23	1	0	0	0	3	21
	2016	21	1	0	0	0	5	17
	2017	17	0	0	0	0	5	12

Table 4-STATUS OF COMPANY OWNED OUTLETS FOR YEARS 2015, 2016 and 2017

	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Reacquired from Franchisees	Col 6 Outlets Closed	Col 7 Outlets Sold to Franchisees	Col 8 Outlets at End of Year
NY	2015	1	0	0	1	0	0
	2016	0	0	0	0	0	0
	2017	0	1	0	0	0	1
VA	2015	1	0	0	1	0	0
	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
DC	2015	1	0	0	0	0	1

	2016	1	0	0	0	1	0
	2017	0	0	0	0	0	0
Total	2015	3	0	0	2	0	1
	2016	1	0	0	0	1	0
	2017	0	1	0	0	0	1

Table 5-PROJECTED OPENINGS AS OF January 1, 2018

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlet in the Next Fiscal Year	Column 4 Projected New Company owned Outlets in the Current Fiscal year
CA	0	1	0
FL	0	1	0
Total	0	2	0

The names and contact information for each franchised outlet are provided in Exhibit E, which also includes contact information for any franchisees terminated, not renewed or voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year There are no franchisees who have not communicated with us within 10 weeks of the disclosure document issuance date Except as specified herein, no other franchisees ceased doing business or were cancelled, terminated or not renewed during fiscal 2017 or through April 15, 2019 or failed to communicate with us within 10 weeks of the application date If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system In some instances, current and franchisees sign provisions restricting their ability to speak openly about their experience with BoConcept You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you

All information in Item 20 specified as for 2017 is for fiscal year end 2017 (April 30, 2017 and updated through April 15, 2019), and none of the information in any of Tables 1-5 has changed through April 15, 2019 There are no **trademark-specific franchisee organizations** associated with the franchise system being offered in this Franchise Disclosure Document

21. FINANCIAL STATEMENTS Attached to this Disclosure Document as Exhibit A are our audited financial statements dated as of April 30, 2016, April 30, 2017 and April 30, 2018 and Unaudited but verified-internal Income Statement and Balance Sheet updated through March 31, 2019 THE UPDATED VERIFIED FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM

22 CONTRACTS The Franchise Agreement is attached to this Disclosure Document as Exhibit B which includes a Security Agreement and Personal Guaranty

23. RECEIPT-The last page of the Disclosure Document is a detachable document acknowledging receipt of the Disclosure Document

Exhibit A Audited financial Statements from 4-30-16 through 4-30-18 and Unaudited-internal Income Statement and Balance Sheet updated as of March 31, 2019, (attached)

Exhibit B	Franchise Agreement (attached)-with Appendices 2, 3, 4, 7, 8, 10*
Exhibit C	List of State Administrators (attached)
Exhibit D	Letter of Intent (attached is applicable)
Exhibit E	Listing and contact information of current franchisees (attached)
Exhibit F	State addendums to Franchise Disclosure Document and/or Franchise Agreement
Exhibit G	Separate Security Agreement
Exhibit H	Call Option Agreement

*APPENDICES TO FRANCHISE AGREEMENT

Appendix 1	Franchisee Organizational Documents (supplied by Franchisee)
Appendix 2	MANUAL-Table of Contents
Appendix 3	TERRITORY
Appendix 4	DEVELOPMENT PLAN
Appendix 5	Three-year BUDGET (supplied by Franchisee)
Appendix 6	Not Applicable to US and Canada Franchisees
Appendix 7	Requirements for Franchisee's use of SOCIAL MEDIA
Appendix 8	SUPPLY AGREEMENT
Appendix 9	Group Structure chart of Franchisee-Company (supplied by Franchisee)
Appendix 10	Anti-corruption Policy and Guidelines
Appendix 11	Individual Terms (if applicable)

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EXHIBIT "A"

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM

STATE OF Kansas)
) SS
COUNTY OF Johnson)

Mark W Arensberg, of lawful age, being first duly sworn, upon my oath, state

I am the duly authorized Secretary of BoConcept Franchise, Inc , I have read the attached income statement and balance sheet of BoConcept Franchise, Inc , as of March 31, 2019, understand its contents, and the information contained therein appears true and correct to the best of my knowledge, information, and belief

Mark W Arensberg

Subscribed and sworn to before me this 15 day of April, 2019

Notary Public

My appointment expires 4 25 2020

NOTARY PUBLIC STATE OF KANSAS MARY T WATKINS My Appt. Exp. 4/25/2020

EXHIBIT "A"

BoConcept Franchise Inc.

Income Statement

Account number	Account name	Amount YTD 5/1/2018-3/31/2019
3900	**SALES**	
4950	**Total Sales**	**0 00**
4999	**COST OF SALES**	
5950	**Total Cost of Sales**	**0 00**
5955	**Gross profit**	**0 00**
5998	**OPERATING EXPENSES**	
5999	**Marketing & Sales Expense**	
6111	Airfare - Business Development	48,454 13
6121	Lodging - Business Development	33 533 18
6131	Meals & Enter - EE - Business Develo	7,085 83
6136	Meals & Enter - Non EE - Business De	2,800 32
6141	Company Auto Leasing - Business De	5,460 70
6151	Auto Allowance - Business Developme	3,816 68
6158	Company Auto Exp - Business Develc	590 84
6161	Other Retail Exp - Business Developr	6,544 03
6171	Bus Develop-DK Contribution	-809,600 00
6181	Auto Travel Exp - Business Developm	14,320 36
6200	Franchise/Mktg/Sales/Bus Dev	17,950 00
6202	Franchise Shows/Expositions	8,925 00
6206	Franchise Advertising-Print	4,245 00
6208	Franchise Advertising-Digital	32,450 00
6361	Salary - Business Development	273,770 23
6368	Bonus - Business Development	12,800 00
6374	Health & Dental Ins - Business Develc	68,684 71
6377	Payroll Tax Exp - Business Developm	23,504 33
6379	Pension Plan Exp - Business Develop	4,314 78
6398	**Total Marketing & Sales Expenses**	**-240,349.88**
6399	**Facilities Expense**	
6460	Telephone Expense	7 423 09
6465	Internet Connection	3,936 81
6498	**Total Facilities Expenses**	**11,359 90**
6499	**Other General & Administrative Exp**	
6520	Legal Fees	151,893 38
6600	Office Expense	703 75
6700	Dues & Subscriptions	4,090 00
6710	Education & Training	1 495 00
6720	Postage Expense	173 75
6810	Taxes-General	50 00
6998	**Total Other General & Adm Exp**	**158,405 88**
6999	**TOTAL OPERATING EXPENSES**	**-70,584 10**
7000	**Net Income From Operations**	
7050	**Other Income (Expense)**	
8700	Total Other (Income) Expense	0.00
8900	**Net (Income) Loss Before Taxes**	**-70,584 10**
9000	Tax on Profit/Loss for Year	3,250.00
9900	**Net (Income) Loss**	**-67,334 10**

Balance Sheet

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Account number	Account name	Amount 5/1/2018 3/31/2019
899	**Assets**	
900	**Current Assets**	
1000	Cash-Checking	4,940 48
1275	Prepaid Expenses	6,996 30
1425	Other AR due from BC USA	127,618.24
1490	**Total Current Assets**	**139,555 02**
1495	**Fixed Assets**	
1690	**Total Fixed Assets**	**0 00**
1695	**Other Assets**	
1895	**Total Other Assets**	**0.00**
1900	**Total Assets**	**139,555 02**
1950	**Liabilities & Stockholders Equity**	
1955	**Current Liabilites**	
2000	Accounts Payable-Trade	-17,298.73
2195	**Total Current Liabilites**	**-17,298 73**
2196	**Other Current Liabilities**	
2600	Accrued Liabilities	-45,328 21
2690	**Total Other Current Liabilities**	**-45,328 21**
2695	**Long Term Liabilites**	
2949	**Total Long Term Liabilities**	**0 00**
2950	**Total Liabilities**	**-62,626 94**
2995	**Stockholderes Equity**	
3000	Common Stock	-1,000 00
3100	Paid in Capital	-378,724 00
3200	Retained Earnings	370,130 02
3250	Retained Earnings-Curr P&L	-67,334 10
3390	**Total Stockholders Equity**	**-76,928 08**
3395	**Total Liabilities & Stockh Equity**	**-139,555 02**

BoConcept Franchise, Inc.
(A wholly-owned subsidiary of
BoConcept North America, Inc.)

Financial Statements

Years Ended April 30, 2018 and 2017

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Independent Auditor's Report

Board of Trustees
BoConcept Franchise, Inc

Report on the Financial Statements

We have audited the accompanying financial statements of BoConcept Franchise, Inc , (the "Company"), which comprise the balance sheets as of April 30, 2018 and 2017, the related statements of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BoConcept Franchise, Inc , as of April 30, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Sax LLP

Clifton, New Jersey
December 3, 2018

BoConcept Franchise, Inc.
(A wholly owned subsidiary of
BoConcept North America, Inc.)

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Balance Sheets

	April 30, 2018	April 30, 2017
ASSETS		
CURRENT ASSETS		
Cash	$ 1,214	$ 1,093
Prepaid expenses	13,044	105
Due from related party	212,565	107,157
Total current assets	226,823	108,355
TOTAL ASSETS	**$ 226,823**	**$ 108,355**
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Accounts payable and accrued expenses	$ 217,279	$ 17,795
Total liabilities	217,279	17,795
STOCKHOLDERS' EQUITY		
Common stock	1,000	1,000
Additional paid-in capital	384,467	378,724
Accumulated (deficit)	(375,923)	(289,164)
Net stockholders' equity	9,544	90,560
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 226,823**	**$ 108,355**

See Independent Auditor's Report and Notes to Financial Statements

BoConcept Franchise, Inc.
(A wholly owned subsidiary of
BoConcept North America, Inc.)

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Statements of Operations

	Years Ended April 30,	
	2018	**2017**
REVENUES		
Franchise revenues	$ -	$ 3,000
Commission income - related party	-	136,936
Support fee	1,483,600	-
	1,483,600	139,936
GENERAL AND ADMINISTRATIVE EXPENSES	1,569,362	152,256
Net operating (loss)	(85,762)	(12,320)
INTEREST INCOME	5,546	2,707
(Loss) before provision for income taxes	(80,216)	(9,613)
PROVISION FOR INCOME TAXES	6,543	1,144
Net (loss)	**$ (86,759)**	**$ (10,757)**

See Independent Auditor's Report and Notes to Financial Statements

BoConcept Franchise, Inc.
(A wholly owned subsidiary of
BoConcept North America, Inc.)

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Statements of Changes in Stockholders' Equity

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
BALANCES, *as of May 1, 2016*	$ 1,000	$ 378,380	$ (278,407)	$ 100,973
Additional paid-in capital	-	344	-	344
Net (loss)	-	-	(10,757)	(10,757)
BALANCES, *as of April 30, 2017*	**1,000**	**378,724**	**(289,164)**	**90,560**
Additional paid-in capital	-	5,743	-	5,743
Net (loss)	-	-	(86,759)	(86,759)
BALANCES, *as of April 30, 2018*	**$ 1,000**	**$ 384,467**	**$ (375,923)**	**$ 9,544**

See Independent Auditor's Report and Notes to Financial Statements

BoConcept Franchise, Inc.
(A wholly owned subsidiary of
BoConcept North America, Inc)

Statements of Cash Flows

	Years Ended April 30, 2018	2017
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Net (loss)	$ (86,759)	$ (10,757)
Adjustments to reconcile net (loss) to net cash provided by (used for) operating activities		
(Increase) decrease in assets		
Restricted cash	-	3,002
Prepaid expenses	(12,939)	(55)
(Decrease) in liabilities		
Accounts payable and accrued expenses	199,484	(7,549)
Customer deposits	-	(3,002)
	99,786	**(18,361)**
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
Advances from related party	314,500	98,400
Repayments to related party	(419,908)	(80,143)
	(105,408)	**18,257**
CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES		
Additional paid-in capital	**5,743**	**344**
Net increase in cash	121	240
CASH, *beginning of year*	1,093	853
CASH, *end of year*	**$ 1,214**	**$ 1,093**

See Independent Auditor's Report and Notes to Financial Statements

Note 1 - Description of Business

a *Organization of the Company*

BoConcept Franchise, Inc , (the "Company") was incorporated pursuant to laws of the state of Kansas on January 6, 2004 The Company is a wholly-owned subsidiary of BoConcept North America, Inc , which in turn is a wholly-owned subsidiary of Layout Holdco A/S (the "Ultimate Parent")

b *Nature of Operations*

The Company is in the business of franchising retail outlets which sell contemporary furniture and accessories under the "BoConcept" brand names and service marks using certain inventory procedures, techniques, business forms, business policies, and a body of knowledge pertaining to the establishment and operation of the franchised business The Company's fiscal year ends April 30

c *Liquidity and Risk*

The Company, on a recurring basis, has reported profits at levels approximating breakeven or slight losses and is heavily dependent on commission income, for years ending April 30, 2017 and prior and support fees for the year ending April 30, 2018, earned from BoConcept USA, Inc , an affiliate under common ownership, and the ability of BoConcept USA, Inc , to repay the $212,565 owed to the Company in order to satisfy its obligations due to third parties The Company has obtained a letter of support from its Ultimate Parent agreeing to provide the Company with the necessary financial support for a period of not less than one year from the date of the financial statements issuance of December 3, 2018

The Company has prepared these financial statements on a going concern basis, however, there can be no assurances that future business plans of the Ultimate Parent and the resulting financial support would not materially change In the absence of the intercompany revenues, as well as the financial support from the Ultimate Parent, there can be no assurance that the Company will be able to continue as a going concern

Note 2 - Summary of Significant Accounting Policies

a *Revenue Recognition*

The Company franchises store locations to operate under its trade name, BoConcept A franchise includes, but is not necessarily limited to, territorial rights, management training, and a license to use specified trade names and trademarks Initial franchise fees are recorded as revenue when substantially all significant services have been provided or when the franchise commences operations, whichever is earlier The Company does not receive any royalties from continuing franchisee operations

Note 2 - Summary of Significant Accounting Policies - Continued

b *Commission and Support Income - Related Party*

Beginning May 1, 2017, the Company is to no longer receive commission income for services provided to BoConcept USA, Inc In replacement of the commission income, the Company will receive a monthly support fee of $105,300 from BoConcept USA, Inc During the year ended April 30, 2018, the Company additionally received a one-time support fee of $220,000 from BoConcept USA, Inc , related to additional payroll obligations

During the year ended April 30, 2017, the Company received commission income for administrative fees earned for services provided to BoConcept USA, Inc The fee was 0 10% of the Ultimate Parent's sales to franchisees in the region serviced by the Company

As of April 30, 2018 and 2017, the Company had a receivable due from BoConcept USA, Inc , of $212,565 and $107,157, respectively

c *Cash Equivalents*

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents The Company does not have any cash equivalents as of April 30, 2018 and 2017, respectively

d *Restricted Cash*

Restricted cash represents a deposit received from a potential franchisee kept in a separate escrow account under the terms of the related franchise impound agreement The Company is not holding any restricted cash as of April 30, 2018 and 2017, respectively

e *Income Taxes*

The Company files a consolidated income tax return with BoConcept North America, Inc , its direct parent company In accordance with the inter-corporate tax allocation policy, the Company pays to or receives from the parent company amounts equivalent to federal, state, and local income tax charges or credits based on separate taxable income or loss using the statutory rates, if applicable

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Company and recognize a tax liability if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management evaluated the Company's tax positions and the Company has recorded an additional liability of $5,743 and $344 for the years ending April 30, 2018 and 2017, respectively, which has been assumed by the parent as an adjustment to the financial statements to comply with the provisions of this guidance

Note 2 - Summary of Significant Accounting Policies - Continued

f *Recent Accounting Pronouncements*

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) This standard outlines a single comprehensive model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance including industry-specific guidance The core principle of the revenue model is that revenue is recognized when a customer obtains control of a good or service A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service Transfer of control is not the same as transfer of risks and rewards as it is considered in current guidance The Company will also need to apply new guidance to determine whether revenue should be recognized over time or at a point in time

This standard will be effective for annual reporting periods beginning after December 15, 2018, using either of two methods (a) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU 2014-09, or (b) retrospective with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined in ASU 2014-09 The Company has not yet selected a transition method and is currently evaluating the impact of the pending adoption of ASU 2014-09 on the financial statements

g *Subsequent Events*

The Company has evaluated subsequent events for potential recognition or disclosure through December 3, 2018, the date the financial statements were available to be issued

Note 3 - Commitments and Contingencies

When an individual franchise is sold, the Company agrees to provide certain services to the franchisee Generally, these services include assistance in site selection, training personnel, implementation of an accounting system, and design of a quality control program Generally, these services are provided prior to the store opening

Note 4 - Related Party Transactions

The Company utilizes certain general and administrative services whose costs are absorbed by an affiliated company Accordingly, there is no cost recognized by the Company for these general and administrative expenses which include, but are not limited to, office rent and utilities, administrative payroll, and other general and administrative expenses

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Direction that moves you forward

December 3, 2018

BoConcept Franchise Inc
142A Lefante Way
Bayonne, NJ 07002

Sax LLP consents to the use in the Franchise Disclosure Document issued by BoConcept Franchise, Inc ("Franchisor") on 12/01/2018, as it may be amended, of our report dated December 3, 2018, relating to the financial statements of Franchisor for the period ending April 30, 2018

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BoConcept Franchise, Inc.
(A wholly-owned subsidiary of
BoConcept North America, Inc)

Financial Statements

Years Ended April 30, 2017 and 2016

BoConcept Franchise, Inc.
(A wholly-owned subsidiary of BoConcept North America, Inc.)

Financial Statements

Years Ended April 30, 2017 and 2016

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Independent Auditor's Report

Board of Trustees
BoConcept Franchise, Inc

Report on the Financial Statements

We have audited the accompanying financial statements of BoConcept Franchise, Inc , (the "Company"), which comprise the balance sheet as of April 30, 2017, the related statements of operations, changes in stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit We conducted our audit in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BoConcept Franchise, Inc as of April 30, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

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Board of Trustees
BoConcept Franchise, Inc
Page 2

Other Matters

Report on 2016 Financial Statements

The financial statements of BoConcept Franchise, Inc , as of and for the year ended April 30, 2016 were audited by other auditors, whose report, dated May 25, 2016, expressed an unmodified opinion

Sax LLP

Clifton, New Jersey
August 29, 2017

BoConcept Franchise, Inc.
(A wholly owned subsidiary of BoConcept North America, Inc)

Balance Sheets

	April 30, 2017	April 30, 2016
ASSETS		
CURRENT ASSETS		
Cash	$ 1,093	$ 853
Restricted cash	-	3,002
Prepaid expenses	105	50
Due from related party	107,157	125,414
Total current assets	108,355	129,319
TOTAL ASSETS	**$ 108,355**	**$ 129,319**
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Accounts payable and accrued expenses	$ 17,795	$ 25,344
Customer deposit	-	3,002
Total liabilities	17,795	28,346
STOCKHOLDERS' EQUITY		
Common stock	1,000	1,000
Additional paid-in capital	378,724	378,380
Accumulated (deficit)	(289,164)	(278,407)
Net stockholders' equity	90,560	100,973
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 108,355**	**$ 129,319**

See Independent Auditor's Report and Notes to Financial Statements

BoConcept Franchise, Inc.
(A wholly owned subsidiary of BoConcept North America, Inc.)

Statements of Operations

	Years Ended April 30, 2017	Years Ended April 30, 2016
REVENUES		
Franchise revenues	$ 3,000	$ -
Commission income - related party	136,936	122,179
	139,936	122,179
GENERAL AND ADMINISTRATIVE EXPENSES	152,256	148,201
Net operating (loss)	(12,320)	(26,022)
INTEREST INCOME	2,707	3,744
(Loss) before provision for income taxes	(9,613)	(22,278)
PROVISION FOR INCOME TAXES	1,144	1,132
Net (loss)	**$ (10,757)**	**$ (23,410)**

See Independent Auditor's Report and Notes to Financial Statements

BoConcept Franchise, Inc.
(A wholly owned subsidiary of BoConcept North America, Inc.)

Statements of Changes in Stockholders' Equity

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
BALANCES, *as of May 1, 2015*	$ 1,000	$ 378,048	$ (254,997)	$ 124,051
Additional paid-in capital	-	332	-	332
Net (loss)	-	-	(23,410)	(23,410)
BALANCES, *as of April 30, 2016*	**1,000**	**378,380**	**(278,407)**	**100,973**
Additional paid-in capital	-	344	-	344
Net (loss)	-	-	(10,757)	(10,757)
BALANCES, *as of April 30, 2017*	**$ 1,000**	**$ 378,724**	**$ (289,164)**	**$ 90,560**

See Independent Auditor's Report and Notes to Financial Statements

BoConcept Franchise, Inc.
(A wholly owned subsidiary of BoConcept North America, Inc.)

Statements of Cash Flows

	Years Ended April 30, 2017	2016
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Net (loss)	$ (10,757)	$ (23,410)
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities		
(Increase) decrease in assets		
Restricted cash	3,002	(2)
Prepaid expenses	(55)	3
(Decrease) in liabilities		
Accounts payable and accrued expenses	(7,549)	(8,378)
Customer deposits	(3,002)	-
	(18,361)	**(31,787)**
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
Advances from related party	98,400	128,500
Repayments to related party	(80,143)	(97,626)
	18,257	**30,874**
CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES		
Additional paid-in capital	**344**	**332**
Net increase (decrease) in cash	240	(581)
CASH, *beginning of year*	853	1,434
CASH, *end of year*	**$ 1,093**	**$ 853**

See Independent Auditor's Report and Notes to Financial Statements

BoConcept Franchise, Inc.
(A wholly owned subsidiary of BoConcept North America, Inc.)

Notes to Financial Statements

Years Ended April 30, 2017 and 2016

Note 1 - Description of Business

a *Organization of the Company*

BoConcept Franchise, Inc (the "Company") was incorporated pursuant to laws of the state of Kansas on January 6, 2004 The Company is a wholly owned subsidiary of BoConcept North America, Inc , which in turn is a wholly owned subsidiary of Layout Holdco A/S (the "Ultimate Parent")

b *Nature of Operations*

The Company is in the business of franchising retail outlets which sell contemporary furniture and accessories under the "BoConcept" brand names and service marks using certain inventory procedures, techniques, business forms, business policies, and a body of knowledge pertaining to the establishment and operation of the franchised business The Company's fiscal year ends April 30

c *Liquidity and Risk*

The Company, on a recurring basis, has reported profits at levels approximating breakeven or slight losses and is heavily dependent on commission income earned from BoConcept USA, Inc , an affiliate under common ownership, and the ability of BoConcept USA, Inc to repay the $107,157 owed to the Company in order to satisfy its obligations due to third parties The Company has obtained a letter of support from its Ultimate Parent agreeing to provide the Company with the necessary financial support for a period of not less than one year from the date of the financial statements issuance of August 29, 2017

The Company has prepared these financial statements on a going concern basis, however, there can be no assurances that future business plans of the Ultimate Parent and the resulting financial support would not materially change In the absence of the intercompany revenues, as well as the financial support from the Ultimate Parent, there can be no assurance that the Company will be able to continue as a going concern

Note 2 - Summary of Significant Accounting Policies

a *Revenue Recognition*

The Company franchises store locations to operate under its trade name, BoConcept A franchise includes, but is not necessarily limited to, territorial rights, management training, and a license to use specified trade names and trademarks Initial franchise fees are recorded as revenue when substantially all significant services have been provided or when the franchise commences operations, whichever is earlier The Company does not receive any royalties from continuing franchisee operations

BoConcept Franchise, Inc.
(A wholly owned subsidiary of
BoConcept North America, Inc.)

Notes to Financial Statements

Years Ended April 30, 2017 and 2016

Note 2 - Summary of Significant Accounting Policies - Continued

b *Commission Income - Related Party*

The Company receives commission income for administrative fees earned for services provided to BoConcept USA, Inc The fee is 0 10% and 0 06%, respectively, for the years ended April 30, 2017 and 2016 of the Ultimate Parent's sales to franchisees in the region serviced by the Company As of April 30, 2017 and 2016, the Company has a receivable due from BoConcept USA, Inc of $107,157 and $125,414, respectively

c *Cash Equivalents*

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents

d *Restricted Cash*

Restricted cash represents a deposit received from a potential franchisee kept in a separate escrow account under the terms of the related franchise impound agreement

e *Income Taxes*

The Company files a consolidated income tax return with BoConcept North America, Inc , its direct parent company In accordance with the inter-corporate tax allocation policy, the Company pays to or receives from the parent company amounts equivalent to federal, state, and local income tax charges or credits based on separate taxable income or loss using the statutory rates, if applicable

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Company and recognize a tax liability if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities Management evaluated the Company's tax positions and the Company has recorded an additional liability of $344 and $332 for the years ending April 30, 2017 and 2016, respectively, which has been assumed by the parent as an adjustment to the financial statements to comply with the provisions of this guidance

f *Recent Accounting Pronouncements*

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) This standard outlines a single comprehensive model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance including industry-specific guidance The core principle of the revenue model is that revenue is recognized when a customer obtains control of a good or service A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service Transfer of control is not the same as transfer of risks and rewards, as it is considered in current guidance The Company will also need to apply new guidance to determine whether revenue should be recognized over time or at a point in time

Note 2 - Summary of Significant Accounting Policies - Continued

f Recent Accounting Pronouncements - Continued

This standard will be effective for annual reporting periods beginning after December 15, 2018, using either of two methods (a) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU 2014-09, or (b) retrospective with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined in ASU 2014-09 The Company has not yet selected a transition method and is currently evaluating the impact of the pending adoption of ASU 2014-09 on the financial statements

g Subsequent Events

The Company has evaluated subsequent events for potential recognition or disclosure through August 29, 2017, the date the financial statements were available to be issued

Note 3 - Commitments and Contingencies

When an individual franchise is sold, the Company agrees to provide certain services to the franchisee Generally these services include assistance in site selection, training personnel, implementation of an accounting system, and design of a quality control program Generally these services are provided prior to the store opening

Note 4 - Related Party Transactions

The Company utilizes certain general and administrative services whose costs are absorbed by an affiliated company Accordingly, there is no cost recognized by the Company for these general and administrative expenses which include, but are not limited to, office rent and utilities, administrative payroll, and other general and administrative expenses

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Direction that moves you forward

January 30, 2018

BoConcept Franchise Inc
142 Lefante Way
Bayonne, NJ 07002

Sax LLP consents to the use in the Franchise Disclosure Document issued by BoConcept Franchise, Inc ("Franchisor") on January 30, 2018, as it may be amended, of our report dated August 29, 2017, relating to the financial statements of Franchisor for the period ending April 30, 2017

Sax LLP

ANDERSEN | PARTNERS

Our ref 303194 JAS
Michael Roschmann Skovgaard, Attorney

EXHIBIT "B"

FRANCHISE AGREEMENT

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Our ref 303194-JAS, version 25 A

FRANCHISE AGREEMENT

Between

BoConcept Franchise, Inc
142 A Lefante Way
Bayonne, NJ 07002
USA
EIN [•]
(hereinafter referred to as the "Franchisor" and "BoConcept")

and

[INSERT NAME]
[INSERT ADDRESS]
[INSERT POSTAL CODE, TOWN]
[INSERT COUNTRY]
Reg no [INSERT REG NO]
(hereinafter referred to as the "Franchisee")

the following Franchise Agreement has been entered into to be effective as of [INSERT DATE] (the "Effective Date")

1 Recitals and acknowledgements

1 1 BoConcept A/S (cf clause 2 1 1), has invested considerable resources in the development and acquisition of knowledge and know-how on the proper operation of BoConcept retail stores in relation to distribution and sale of Products and operation of the BoConcept concept as described in the BoConcept Manual, including but not limited to the BoConcept Power Book and other tools, developed and updated by BoConcept A/S, and for which BoConcept A/S has worked up a steadily growing demand and clientele based on the good reputation and goodwill enjoyed by the name BoConcept and the Trademark

1 2 The Franchisor has by BoConcept A/S, the owner of the Trademark BoConcept, been granted the exclusive, irrevocable right to grant licences in respect of the Concept and Trademark, which is registered as a trademark in the Territory

1 3 BoConcept is a successful business model with a well-developed concept and brand with retail stores operating in many countries The methods for distribution, sale, establishment and operation of retail stores as well as sales promotion and marketing activities used together with or in connection with sale of furniture, accessories and other effects for the fitting up of private homes under the Trademark are trade secrets belonging entirely to BoConcept A/S

1 4 The Concept is based on certain key provisions including (1) the offering of a wide range of high quality, lifestyle products at affordable prices, (2) a strong brand and business characteristic, (3) a professional sales and marketing program delivered by well-trained staff, (4) well-situated and well-fitted premises and (5) personal customer advice provided with a high level of service

1 5 It is the aim of both Parties in entering into this Agreement to maintain and develop the reputation, market position, profile and earning potential of the BoConcept brand

1 6 The Franchisee hereby acknowledges that

1 6 1 the Franchisee received this Agreement and the Franchise Disclosure Document prior to the Franchisee's first personal meeting with the Franchisor and at least 14 Calendar Days prior to the signing of this Agreement,

1 6 2 the Franchisee has read and understands this Agreement,

1 6 3 the Franchisee has had the time and opportunity to obtain the advice and assistance of independent attorneys, accountants and other professional advisors prior to the conclusion of this Agreement,

1 6 4 all the Franchisee's questions regarding the franchised business have been answered to the Franchisee's satisfaction prior to the conclusion of this Agreement,

1 6 5 the Franchisee has conducted an independent investigation of the business contemplated by this Agreement and recognized that, like any other business, the nature of the franchised business may evolve and change over time, that an investment in a franchise business involves business risks and that the success of the venture is largely dependent upon the Franchisee's business abilities and efforts,

1 6 6 The Franchisor has made no oral, written or visual representations, warranties or projections of actual or potential sales, costs, earnings, income, gross or net profits or success of the business venture contemplated by this Agreement, except in Item 19 of the Franchise Disclosure Document,

1 6 7 the Franchisee has not received or relied on any representations about the franchised business by the Franchisor and its officers, directors, employees or agents that are contrary to the statements made in the Franchisor's franchise disclosure document or to the terms herein, and

1 6 8 The Franchisor reserves the right, without accountability to the Franchisee, to receive and retain commissions, rebates, allowances and other similar amounts received by BoConcept from any supplier who has been approved by the Franchisor from time to time in connection with the supply of goods, fixtures, furnishings, equipment, signs, supplies, and other products or services for the franchised business,

2 Definitions

2 1 In this Agreement the below terms and phrases shall have the following meaning

2 1 1 **BoConcept A/S** means a company incorporated under the laws of Denmark, CVR no 89 86 66 18, whose registered office is situated at Fabriksvej 4, 6870 Ølgod, Denmark BoConcept A/S is the owner of the Trademark BoConcept and the Concept and the owner of the Franchisor, BoConcept Franchise, Inc BoConcept A/S is an affiliate of the Franchisor

2 1 2 **BoConcept Manual** means the manual prepared by BoConcept A/S, which includes a description of the Concept and the material available at any time for the use of the Parties including but not limited to the BoConcept Power Book The BoConcept Manual is important for the Concept

and the running of the Brand Store and may be amended without notice by the Franchisor from time to time

2 1 3 **Brand Store** means a physical store operated under this Agreement (1) by using the Concept and (2) under the BoConcept name, brand and trademark in accordance with this Agreement and the BoConcept Manual as well as BoConcept's directions and instructions

2 1 4 **Calendar** All references to dates and/or periods of time shall be according to the Gregorian Calendar

2 1 5 **Calendar Day** means all days of each week, month and year (including all Saturdays, Sundays and holidays) Unless otherwise specified, all references herein to "days" shall mean Calendar Days

2 1 6 **Concept** is specified in clause 3

2 1 7 **Confidential Information** means the considerable confidential information and know-how regarding the Concept and BoConcept A/S's systems and methods of business, cf clause 20

2 1 8 **Effective Date** means the date set out at page 3 of this Agreement, which is the date on which this Agreement becomes enforceable by the Parties

2 1 9 **Franchise Agreement** or the **Agreement** means this Franchise Agreement and related appendices between the Franchisor on the one side and the Franchisee on the other side and the BoConcept Manual

2 1 10 **Franchisee** is the legal entity specified on page 3 of this Agreement, cf Appendix 1

2 1 11 **Franchisor** means the franchisor under this Agreement, BoConcept Franchise, Inc , a company incorporated under the laws of the State of Kansas, USA, and whose registered office is situated at 142 A LeFante Way, Bayonne NJ 07002

2 1 12 **IT Application** means the IT equipment specified in clause 9

2 1 13 **Owner** means the natural person(s) ultimately owning the Franchisee either directly or through one or more holding companies

2 1 14 **Party** means the Franchisor and/or the Franchisee, and the **Parties** means the Franchisor and the Franchisee collectively

2 1 15 **Place of Business** is specified in clause 4 1

2 1 16 **Products** are specified in clause 14

2 1 17 **Right of Operation** means the rights obtained by the Franchisee based on this Agreement, in particular those set out at clause 4

2 1 18 **Shop Fixtures** mean the furnishings and fittings designated by BoConcept at any time in accordance with the BoConcept Manual

2 1 19 **Term** is specified in clause 21 1

2 1 20 **Territory** is specified in Appendix 3

2 1 21 **Trademark** means the trademark associated with the name BoConcept, which is registered as a trademark in the Territory

3. The Concept

3 1 The Concept includes (but is not limited to) the following

3 1 1 The name "BoConcept" used on its own or in connection with other names as a brand, trademark, company name or in any other way as an identifying characteristic of a business

3 1 2 Selection and provision of products, accessories and spare parts included in the BoConcept Manual

3 1 3 Training programmes and courses provided before the opening of the Brand Store as well as continuing further training thereafter

3 1 4 The BoConcept Manual, business descriptions, instructions and guidelines, product descriptions, sales tools, training material, IT Application and descriptions regarding business organisation and Shop Fixtures prescribed by the Franchisor at any time

3 1 5 Brochures, signs, advertisements, exhibition equipment, logos, slogans, recommended price lists and other sales and marketing materials

3 1 6 Interior and exterior design and decoration (including Shop Fixtures) of the Brand Store

3 2 The Concept is described in more detail in the BoConcept Manual issued by BoConcept A/S, which is a tool for the Franchisor in its efforts to ensure that the Brand Stores are run as well as possible and in line with the Concept The Concept and the BoConcept Manual are developed continually by BoConcept A/S and may be amended by BoConcept from time to time

3 2 1 The BoConcept Manual is available in electronic format via the intranet system developed by BoConcept A/S The content of the BoConcept Manual is listed in the attached table of contents, cf Appendix 2

3 2 2 The Franchisee shall be provided with a password for the intranet system, enabling access to the full BoConcept Manual

3 2 3 The Franchisor shall ensure that the Franchisee will continually receive information about changes to and updates of the BoConcept Manual, electronically via e-mail, via an intranet page or in paper format It is then the obligation of the Franchisee continually to keep himself itself informed of changes to the BoConcept Manual and to ensure that it is observed by everybody associated with the Brand Store

3 3 The Franchisee acknowledges that all rights of ownership and of disposal, etc , regarding the Concept and the rights attached thereto or derived there from, including intellectual property rights, as well as any goodwill attached to the BoConcept brand and the Concept, shall at all times solely belong to the Franchisor and/or BoConcept A/S Thus, the Franchisee shall not be entitled in any way to dispose of the Concept etc to any third party, and the Franchisee may and is solely entitled to use the Concept within the framework of the Agreement and only for as long as the Agreement is effective The Franchisee further accepts that any improvement or development related to the Concept and the rights attached thereto or derived there from, including intellectual property rights, and developed by the Franchisee shall be disclosed, provided and assigned free of charge to the Franchisor, which may in turn pass it on to other franchisees

3 4 The Franchisee agrees to cooperate with the Franchisor and assist the Franchisor in protecting and defending BoConcept's intellectual property rights and undertakes to promptly notify the Franchisor in writing of any infringements, claims or actions by others in violation of its intellectual property rights, provided always that BoConcept has the exclusive right to determine whether any actions shall be taken on account of such infringement, claim or action The Franchisee shall not take any action on account of any such infringement, claim or action without the prior written consent of the Franchisor

4. The Franchisee's Right of Operation

4 1 Within the framework of the Agreement and for as long as it is effective, the Franchisor hereby grants the Franchisee a right and a duty (Right of Operation) to run the Brand Store at the premises situated at [INSERT ADDRESS] (the Place of Business) on the below terms, including

a The right and the duty to run, at the Place of Business, a Brand Store in accordance with the Concept,
b The right and duty to use the Trademark, signs, advertising names and other business characteristics related to the operation of a Brand Store according to the Concept and the BoConcept Manual,
c The right to use the Franchisor' secret know-how in relation to the operation of a Brand Store,
d The right and duty to equip the Brand Store according to the BoConcept Manual, and
e The right and duty, as part of the running of the Brand Store, to use Shop Fixtures, installations, etc described in the BoConcept Manual

4 2 The Franchisee acknowledges and understands that a key element of the Concept and BoConcept brand development is the consistent operation and management of all Brand Stores in line with the Concept In line with this understanding, the Franchisee expressly warrants and agrees to operate its franchise business in line with the Concept, including strictly and timely adherence to all of the following key obligations

a The Franchisee or Franchisee's employees shall attend events, exhibitions, etc , as instructed and prescribed by the Franchisor,

b The Franchisee is obliged free of charge to provide the Franchisor with any information the Franchisor may request regarding the Franchisee or the Brand Stores,

c The Franchisee shall use its best endeavours to ensure and maintain the good image and reputation of the Franchisor and thus shall remedy any errors and/or shortages made to customers and redeliver defective products, handle warranty claims or alternatively arrange for a refund of the purchase amount to the customer in accordance with the stipulations contained in the BoConcept Manual or elsewhere communicated in this respect,

d Subject to any overriding requirements of official directions, orders or regulations the Franchisee shall only use the building and room organisation, design, operating equipment, fittings, trademarks and other business characteristics and other types of marketing material in connection with the Franchisee's BoConcept business as prescribed by the Franchisor,

e The Franchisee shall offer for sale in the Brand Store only such Products, accessories and other goods stipulated in writing by BoConcept,

f The Franchisee shall only sell the Products from the Brand Store,

g The Franchisee shall run the Brand Store in accordance with the system of BoConcept and strictly observe the Franchisor's instructions and principles as they are presented, e g in the BoConcept Manual,

h The Franchisee shall use the IT Application software prescribed by the Franchisor and be free to use any IT hardware, which is fully compatible and capable of running the IT Application software prescribed by the Franchisor in connection with the Franchisee's BoConcept business,

i The Franchisee and the Franchisee's employees shall attend any training, courses or marketing activities organised by the Franchisor as may be required at the sole discretion of the Franchisor, cf clause 12 3,

j The Franchisee pays all suppliers for deliveries in accordance with the agreed terms of payment,

k The Franchisee does not in any way change, replace, cover up or remove displays or labels on/from the Products

l The Franchisee and any company within its group of companies shall comply with the anti-corruption policy and guidelines attached in Appendix 10

4 3 The Franchisee shall make every effort to establish, maintain and increase the Brand Store's turnover and shall ensure at all times that sufficient order volumes and stocks are available to meet the demand from the customers

4 4 The Right of Operation shall entitle and obligate the Franchisee to use the Concept provided that the Franchisee exercises the Right of Operation in good faith and in accordance with the Concept in every respect In case of doubts regarding the Franchisee's obligations under the Agreement or the Concept, the Franchisee shall contact the Franchisor to request more detailed instructions and the Franchisor's interpretation or clarification shall be final

4 5 The Franchisee acknowledges that the protection and development of the BoConcept brand and reputation is of key importance to BoConcept Therefore the Franchisee agrees to (1) inform the Franchisor about any written complaints received about the Franchisee's business activities from any interested party whatsoever, (2) provide, without request, the Franchisor with copies of the written complaints, articles, legal papers, etc and (3) keep the Franchisor informed about the progress of any such complaints Ordinary customer complaints received by the Brand Store shall be exempt from this rule unless the customer has instructed its lawyer to attend to the matter

4 6 The language of communication between the Parties shall be the English language On its own account the Franchisee can translate all the Franchisor's material, including the BoConcept Manual and marketing material, etc into the languages spoken within the Territory covered by this Agreement The Franchisee shall review all the Franchisor's material, including the BoConcept Manual, and propose adaptation hereof to local conditions existing in the Territory covered by this Agreement The Franchisee may, however, only make such adaptations and deviations from the Concept if the Franchisor has previously approved them in writing The Franchisee must speak and write English fluently In the event of any conflict between the text of this Franchise Agreement or any other documents generated by the Franchisor which are translated by the Franchisee into the language or languages of the Territory and the English version thereof, the English version shall prevail

5 The legal position of the Franchisee. Guarantee and security

5 1 The Franchisee shall not use or register the word "BoConcept" or any Product names or any similar words, designs, symbols, marks or variations whatsoever as part of any corporate name or domain or registry whatsoever

5 2 The Franchisee shall operate its BoConcept business as an independent entity, legally and financially separate and distinct from the Franchisor The Franchisee is an independent contractor and shall never represent itself otherwise to any third party

5 3 Nothing in this Agreement shall grant the Franchisee the right to act as an agent or on behalf of or in any other way bind the Franchisor legally and/or financially

5 4 The Franchisor cannot be held liable or jointly and/or severally liable for the Franchisee's exercising of the Right of Operation or be obliged to contribute financially thereto unless otherwise specified in this Agreement

5 5 The Franchisee and all individual Owners also hereby grants BoConcept a (first position) Security Interest in any and all leases or subleases of the franchised business, shares and/or ownership interests in any legal entity owning any of the assets of the Brand Store, current and after acquired inventory, goods, products, furniture, fixtures, equipment, personal property, supplies, accounts and any proceeds thereof (including without limitation insurance proceeds) owned by or in the Franchisee's possession for the franchised business, ownership interest in the Franchise, and personal assets of all individual Owners and spouses and guarantors, all as security for any and all current and future amounts owed to BoConcept and its affiliates and to further secure all obligations under the Call Option Agreement These Security Interests shall be fully enforceable without signing any other separate documents The Franchisee shall make prompt payment of all amounts due to BoConcept and its affiliates and all other suppliers, vendors, lessors/landlords, utilities, insurers and tax authorities of the Brand Store Unless otherwise approved in writing by BoConcept, the Franchisee shall pay all invoices from BoConcept and affiliates within [•] Calendar Days of the invoice date and the Franchisee shall not for any reason whatsoever, including any alleged non-performance of BoConcept, sett-off against or withhold

payment of any amount due to BoConcept All past amounts due to BoConcept shall bear interest, compounded from the date due until fully paid, at the maximum rate allowable by applicable law, plus an additional late fee may be charged for every notification or demand for payment for any past due amount The Franchisee has [•] Calendar Days from the date of any BoConcept invoice to deliver to BoConcept a written dispute of any invoice and thereafter any BoConcept invoice shall be deemed final The interest and late fees shall not constitute BoConcept's' agreement to accept payments after they are due or any waiver of any remedies whatsoever and BoConcept shall also be entitled to with-hold any further deliveries of inventory, supplies, and Products to the Franchisee once any invoices are past due

5 6 In security of the Franchisee's obligations under this Agreement the Franchisee shall no later than 14 Days after the Effective Date pay a deposit of EUR [INSERT AMOUNT] to the Franchisor The Franchisor shall hold said sum as a security deposit After the opening of the Brand Store, the Franchisor shall be entitled to require that the security deposit is adjusted once a year in January so that it corresponds to an amount equal to ten (10) per cent of the value of the estimated yearly purchase of Products for that calendar year

Should the Franchisee so wish, the security deposit may be substituted by an irrevocable bank guarantee in the same amount as the security deposit in favour of the Franchisor The bank guarantee shall be from a first class bank, which shall be approved by the Franchisor, and shall be payable on first demand

If, for whatever reason, the Franchisee does not make timely payment of any outstanding amount, which is owed to BoConcept under this Agreement, then the Franchisor shall, at its sole discretion, be entitled to withdraw the outstanding amount from the security deposit or alternatively execute the bank guarantee In such event, the Franchisee shall be obliged to top up the security deposit, alternatively the bank guarantee, to bring the amount up to the level prior to the Franchisor's withdrawal/execution If the Franchisee fails to adjust the security deposit, or alternatively the bank guarantee, within 14 Days after having received written instructions from the Franchisor to that effect, the Franchisee shall be in material default of its obligations under this Agreement

5 7 In exercising the Right of Operation, the Franchisee must ensure compliance with all current, applicable legislation The Franchisee shall to the best of his ability inform the Franchisor in writing of any material change in relevant law or legislation, which may affect the Franchisor

5 8 The Franchisee must also act in the utmost good faith towards the Franchisor and any other franchisees of BoConcept at all times

5 9 This Agreement shall only entitle the Franchisee to run a Brand Store in the Place of Business The Right of Operation shall only be exercised from the Place of Business, the Products shall only be sold from the Brand Store at the Place of Business, and the Franchisee shall not be entitled to run any other business from the Place of Business, storerooms or offices, exhibition rooms, etc belonging to the Place of Business, regardless of whether such business is incompatible or competes with the Concept or not, unless the Franchisor has granted its prior consent in writing to such business

5 10 Subject to clauses 5 12-5 14 below, this Agreement grants the Franchisee an exclusive right to open and run additional Brand Stores within the Territory This implies that BoConcept may not operate or grant any third party a right to operate Brand Stores within the Territory As a consequence of the Franchisee's limited exclusivity as described above, BoConcept shall be entitled to conduct direct marketing and sale of the Products (or grant third parties the right to conduct direct marketing and sale of the Products) to commercial customers as well as consumers within the Territory, including but not limited to marketing and sale of the Products via internet shops and web-based market places operated by a third party

In the event of the Franchisee's material breach of this Agreement, including breach of the Development Plan, which is not remedied within fourteen (14) days from dispatch of notice by BoConcept, the Franchisee will be deemed to have forfeited its exclusive right to open Brand Stores within the Territory For the avoidance of doubt, it is emphasised that in the event of the Franchisee's material breach of this Agreement, BoConcept may instead or in addition apply any other remedy available under this Agreement, including termination for cause, cf clause 21 4

5 11 If, in addition to this Agreement, the Franchisee or a company within the same group as the Franchisee, cf Appendix 9, has entered into other

franchise agreements with BoConcept regarding the same territory as the Territory, failure to comply with a development plan of one or more of such franchise agreements shall be deemed to constitute failure to comply with the development plan of all such franchise agreements In such event the Franchisee (and the relevant company/companies within the same group) will be deemed to have forfeited its/their exclusive rights to open Brand Stores within the Territory in respect of each such franchise agreement, and BoConcept may thus operate or grant any third party the right to operate Brand Stores within the Territory

5 12 As part of this Agreement, the Franchisor and the Franchisee shall prepare and agree to a Development Plan, set out in Appendix 4, which shall contain the Franchisee's expansion plans

5 13 If the Development Plan is not strictly and timely complied with, the Franchisee shall be deemed to have forfeited its exclusive right in the Territory, and consequently BoConcept may enter into franchise agreements with other franchisees regarding the opening of Brand Stores in the Territory

5 14 In the situation where one or more Brand Stores are assigned pursuant to clause 18, the Development Plan must be adjusted Any adjustment of the Development Plan as well as any adjustment in the definition of the Territory as a consequence of the assignment pursuant to clause 18, must be approved in writing by the Franchisor before the assignment can be executed

The Franchisee shall in any case be obliged to obtain the Franchisor's prior consent in writing before opening additional Brand Stores within the Territory It will be considered a material breach of this Agreement, which shall justify termination of the Agreement and any other agreements between the Franchisee and the Franchisor, if the Franchisor's consent has not been obtained in advance

For the opening of every additional Brand Store a new franchise agreement shall be entered into between the Franchisee and the Franchisor on the basis of the standard terms and conditions utilized by BoConcept at that time

5 15 The Franchisee shall use its best endeavours whenever possible to carry out the Right of Operation himself in the Brand Store as manager If the

Franchisee cannot be present in person at the Brand Store during normal opening hours because the Franchisee is either operating a different Brand Store or because the Franchisee is a legal entity, the Franchisee shall appoint a skilled Brand Store manager to operate the Brand Store If the Franchisor finds that the Brand Store manager is not sufficiently skilled to operate the Brand Store, the Franchisee will be obligated to ensure that the Brand Store manager at the Franchisee's expense undergoes relevant education upon demand of the Franchisor The Brand Store manager shall comply with the conditions specified in the BoConcept Manual No other person than the Franchisee or the Brand Store manager appointed in accordance with this clause shall be in charge of the day-to-day management of the Brand Store

6 Entrance fee

6 1 At the time a Brand Store is opened, the Franchisee shall pay a total entrance fee of USD [INSERT AMOUNT] covering the necessary initial assistance from the Franchisor as well as access to the Concept

6 2 At the opening day of any additional Brand Store in compliance with the Development Plan or in any other way approved in writing by the Franchisor, the Franchisee shall pay a fee like the fee specified in clause 6 1 to BoConcept

7. The Place of Business

7 1 The Franchisee shall have a right and a duty to operate a Brand Store in accordance with the Concept at the Place of Business The Franchisee shall ensure that the Place of Business is always kept clean and properly maintained

7 2 Any change in address of the Place of Business shall be subject to the Franchisor's prior consent in writing Any change effected without such consent shall constitute a material breach of this Franchise Agreement

7 3 Any lease agreement in relation to the Place of Business shall be submitted to the Franchisor for prior written approval and the Franchisee shall not execute the lease agreement until such approval has been provided in writing All leases shall allow the lease to be assigned to the Franchisor or its designee on the same terms The Franchisor's approval

of any location and lease does not constitute any representations or warranties of the viability or success of the brand Store or the location Upon signing the Franchisee shall provide the Franchisor with a complete copy of the lease agreement including all appendices

Once approved by the Franchisor, no amendments shall be made to the lease agreement either before or after execution, unless also prior approved in writing by the Franchisor (unless such obligations are imposed on the Franchisee as a result of an amendment of the law)

7 4 The Franchisee shall not assign the lease or premises without the Franchisor's prior written consent

7 5 The Franchisee shall make sure that the lease agreement does not expire as long as this Franchise Agreement is in force

8 Shop Fixtures and updates

8 1 The Franchisee shall provide the Brand Store with operating equipment, exhibition facilities, lighting and other Shop Fixtures in accordance with the BoConcept Manual and arrange for painting, decoration and furnishing of the premises as stated in the BoConcept Manual The Franchisee shall pay the costs in relation to the above

8 2 Upon request, the Franchisor shall make national or global stylists available for designing the Place of Business in line with the BoConcept Manual Payment in advance from the Franchisee for the provision of such services may be required by the Franchisor

8 3 The Franchisor shall designate suppliers from whom the Franchisee shall buy all needed Shop Fixtures to the Brand Store

8 4 The Franchisor may at any time

8 4 1 upon prior notice of three (3) months demand that the Franchisee makes minor changes to the Shop Fixtures, logo, trademarks and other business characteristics (Minor Changes) Minor Changes shall include replacement of parts, at a cost per part not exceeding USD 1,500 The Franchisee's costs of Minor Changes shall not be required to exceed a maximum amount of USD 10,000 per calendar year

8 4 2 upon prior notice of eighteen (18) months demand that the Franchisee carry through major changes with reference to changes in the Concept (Major Changes) Major Changes shall include replacement and purchase of parts etc , at a cost per part exceeding USD 1,500 The Franchisee's costs of Major Changes shall not be required to exceed a maximum amount of USD 20,000 per calendar year

Parts shall be interpreted as a reference to any separate unit, e g a new front, front sign, counter or rack

8 5 The Products shall also be updated in the Brand Store as described in the BoConcept Manual once a year before BoConcept A/S releases the yearly catalogue

8 6 The Franchisee shall in all the above cases pay the costs of alteration and any new purchases, etc

8 7 The Franchisee shall, at its own cost, fully comply with any legislation, regulation or notices from public authorities requiring changes to the fittings, outlay, setup, etc of the Brand Store e g in order to bring these in line with planning or health and safety regulations

9. IT Application and telecommunication

9 1 The Franchisee shall use and at its own cost purchase all IT software as prescribed by the Franchisor and as described in the BoConcept Manual for the operation of the Brand Store (the "IT Application") The Franchisor may from time to time specify upgrades and new products to the Franchisee which, upon receipt of a notice to that effect by the Franchisee, shall form part of the IT Application The Franchisee shall use its best endeavours to purchase and/or secure such updates at the earliest reasonable opportunity following receipt of such notice If the Franchisee is utilizing IT Hardware which is incompatible with the IT Application, the Franchisor shall be entitled to demand from the Franchisee that the Franchisee's IT Hardware is made compatible immediately

9 2 The Franchisee shall pay all subscription charges, licence fees and consumption charges, etc relating to the IT equipment

9 3 The Franchisor shall designate an IT partner from whom the Franchisee shall purchase the IT Application and any similar or additional IT products

9 4 The Franchisee shall be obliged to establish business procedures and safety routines with a view to ensuring that the IT Application is not used illegally, is dependable and that the loss of data is prevented

9 5 The Franchisee shall arrange for maintenance and correcting of defects in co-operation with the super user of the Territory designated by the Franchisor The Franchisee shall pay a maintenance and support fee for this in accordance with the BoConcept Manual

9 6 The Franchisor accepts no responsibility for financial losses occurring as a consequence of defects in the performance of the IT Application, including the loss of function or data

9 7 The Franchisee shall in its own name establish telephone and fax numbers, which the Franchisee shall be obliged to use in connection with marketing and sales

10 Minimum turnover

10 1 The Franchisee's gross turnover from the operation of the Brand Store must, on the basis of an evaluation based on the 3-year budget prepared at the time of signing of the Agreement, cf Appendix 5, be equal to or exceed at least the following minimum amounts

10 1 1 During the period from the Effective Date until the 31st of December of that year, the gross turnover must amount to at least USD [INSERT AMOUNT]

10 1 2 During the first full calendar year after the Effective Date, the gross turnover must amount to at least USD [INSERT AMOUNT]

10 1 3 During the second full calendar year after the Effective Date, the gross turnover must amount to at least USD [INSERT AMOUNT]

10 2 The relevant minimum gross turnover for each subsequent year shall be established by the Franchisor, at its sole discretion, after discussion with

the Franchisee before the start of each calendar year and by the 30th of November of the year preceding the relevant calendar year at the latest

Regardless of the above mentioned clause, however, the Franchisor can only with the consent of the Franchisee, establish the amount of the annual minimum gross turnover pursuant to this clause at a level exceeding the realized gross turnover of the previous calendar year with an addition of [INSERT RATE] percent

10 3 If the minimum amount of gross turnover fixed for an operating period or calendar year is not achieved, the Franchisor shall be entitled to terminate the Franchise Agreement at six (6) months' written notice to the Franchisee

10 4 The gross turnover means all income generated by the Franchisee's BoConcept business including the sale of Products, regardless of the manner of payment or method of consideration (e g transfer of goods as employee benefits)

10 5 When the gross turnover is calculated cf clause 10 4, the following amounts shall be deducted

10 5 1 VAT (value added or sales tax) or its equivalent on the Franchisee's sale of Products

10 5 2 Cash refunds to customers in connection with customer complaints

11 Marketing

11 1 The Franchisor retains overall control of all national and local marketing and the Franchisor shall be in charge of the implementation of national and local marketing The Franchisee shall pay the costs of all national and local marketing within the Territory in accordance with clause 6 1 of the Supply Agreement attached as Appendix 8

11 2 The Franchisor has designed and shall continue to design marketing material, including material for use in newspaper advertisements, radio and TV commercials, Internet commercials, direct mail letters, fairs and exhibitions, etc in accordance with the BoConcept Manual, and shall place such material at the disposal of the Franchisee to a fair and reasonable extent It shall subsequently be the Franchisee that makes a decision on

choice of media and the extent of local marketing, always provided that the Franchisee shall

- Use the marketing material and only such marketing material prepared and/or preapproved in writing by the Franchisor for local marketing and make sure that the local marketing strictly complies with the standards of the marketing material provided In particular any such local marketing must ensure that the name "BoConcept" appears appropriately,

- Participate in such marketing initiatives, national or local, which may be decided by the Franchisor,

- Make sure that the local marketing complies with all relevant local law, and the BoConcept communication platform, and

- Accept that the Franchisor may prohibit local marketing initiatives, regardless of whether they might be legal and in accordance with the Concept, in the event that the Franchisor, in its sole discretion, decides that this is in the best interests of the Franchisor

11 3 Any business cards, stationery, order confirmations, offers, purchase agreements, invoices, receipts, business presentations, etc used by the Franchisee must be prepared in accordance with the Concept, marketing materials and the BoConcept Manual and shall be produced at the Franchisee's own costs

11 4 The Franchisor has established one or more homepages on which the BoConcept products are presented and described The Franchisee shall have a right (and irrevocably consents) to be mentioned on such homepage(s) by name, address, telephone number, e-mail address and opening hours The Franchisor is currently developing an e-trade system for use in connection with the marketing and sale of the Products When the system has been completed, the Franchisee shall be entitled and obliged against payment to use the e-trade system on the conditions established by the Franchisor

11 5 The Franchisee shall <u>not</u> establish any homepage, website, domain or similar medium for sale of BoConcept products or any other purpose However, the Franchisee is entitled to create profiles on social media

such as Facebook, Twitter, Instagram, etc , for the purpose of marketing the Products within Franchisee's Territory, provided that the Franchisee adhere to the requirements in Appendix 7

11 6 The Franchisee shall disclose any new marketing ideas, e g for new trademarks, slogans, designs, etc , to the Franchisor The Franchisor shall then be free to disclose such ideas to the rest of the franchise network and/or incorporate them into the Concept should it so wish and no fee shall be payable to the Franchisee in respect of these ideas The Franchisee shall not implement any such new ideas without the Franchisor's prior consent in writing

11 7 On demand, the Franchisee is to the extent possible under local law and legislation obliged to provide the Franchisor with information about the Franchisee's customers and prospective customers, including but not limited to name, address, email address etc free of charge The Franchisor shall be entitled to use such information in every manner the Franchisor deems fit, including but not limited to marketing, customer surveys etc

12 Staff, training and support

12 1 The Franchisee shall employ and dismiss its own staff and shall be responsible for all rights and obligations resulting from its status as an employer The Franchisee shall be responsible for ensuring that the Concept and the BoConcept Manual are observed by the employees The Franchisee shall make sure that the employees are treated in accordance with the BoConcept Manual

12 2 In this connection, the Franchisee shall at any time ensure the following

12 2 1 That all employees are qualified and comply with the Concept standards and the obligations appearing from e g the BoConcept Manual If it turns out that one or more of the employees do not – in the opinion of the Franchisor – comply with such requirements, the Franchisee shall within a period of two (2) months arrange for supplementary training/education, etc as prescribed by the Franchisor

12 2 2 That the staff employed in the store – including the Franchisee himself/herself or, if the Franchisee is a legal entity, its director(s) – shall at any time have the required personal and professional qualifications, and

that they have gone through the compulsory basic and further training described in the BoConcept Manual

12 2 3 That appropriate numbers of appropriately trained staff are available at all relevant times to ensure that the high level of sales and customer service required by the Concept are maintained

12 2 4 That the conditions and facilities provided for employees comply with all relevant domestic legislative rules and regulations as well as with international treaties and conventions to which the Territory and/or the country of the Territory is a contracting state

12 2 5 That the Brand Store is managed competently by the Franchisee himself or a store manager as per clause 5 14

12 2 6 That all employees are suitably dressed and in particular that any dress codes, etc set out in BoConcept Manual are observed

12 2 7 That all key employees with access to confidential information sign a contract of employment, including the appropriate usual clauses, including confidentiality clauses, non-competition clauses, non-solicitation clauses and non-enticement clauses, which are in compliance with all applicable laws in the Territory

12 3 The Franchisee and its staff are obliged to attend the training programme fixed by the Franchisor in the BoConcept Manual which is provided by the Franchisor itself or in co-operation with others The Franchisee shall pay the costs in connection with the courses, including salary for the Franchisee's staff, transport costs, costs of hotel accommodation and meals The training programme can take place locally and/or at the headquarters of the Franchisor In both cases the Franchisee shall pay the costs incurred in that connection

13. Advice and co-operation

13 1 BoConcept will make a Retail Account Manager ("RAM") available to the Franchisee The RAM will provide support and advice, e g regarding sales, marketing, product training, store evaluation, in line with the BoConcept Manual As a main rule, the RAM will visit the Franchisee once a year On the basis of the visit, a store assessment report, cf the BoConcept Manual, will be prepared

13 2 The Franchisor shall supervise the Franchisee's exercising of the Right of Operation with a view to

13 2 1 Ensuring that the Right of Operation is exercised responsibly and in accordance with the Agreement and the BoConcept Manual,

13 2 2 Supporting the Franchisee's business development and the Franchisee's business position, including assisting the Franchisee in its planning and organisation of business activities, and

13 2 3 Establishing and maintaining efficient and constructive co-operation between the Franchisee and the Franchisor

13 3 The Franchisor shall via letter, e-mail or Intranet, issue newsletters as required regarding issues which are relevant to the Concept and the Right of Operation

13 4 At least once a year, the Franchisor will hold an international strategy meeting, called BoConcept Inspiration Camp ("BIC") at its headquarters or at a location designated by the Franchisor In addition, the Franchisor will hold two to four national meetings each year Either the Franchisee or the Store Manager shall attend all such meetings but they may also both attend the national meetings, the Franchisee being responsible for all costs incurred

In order to ensure absolute compliance with competition law the Franchisor will organize and conduct all meetings of the franchisees in such a manner that prices, territories, customer allocation, business terms etc will not be subject for discussion

In addition, individual meetings shall be held as agreed by the Franchisor and the Franchisee in order to secure a future good working relationship

13 5 The Franchisor shall be entitled to deny access to the meetings mentioned in clause 13 4, if

13 5 1 The agreement has been terminated by either Party,

13 5 2 The Franchisee in the Franchisor's sole opinion is in material breach, or

13 5 3 If the Franchisee's attendance in the Franchisor's sole opinion at a meeting would be inappropriate for any reason

14. Products

14 1 The Franchisor shall decide on the development and selection of the products and accessories to be part of the product range and which may and must be offered at the Brand Stores (the Products) The Products shall be stated in the BoConcept Manual (which may be amended from time to time)

14 2 The Franchisee shall buy the Products in compliance with the Supply Agreement between BoConcept and the Franchisee, cf Appendix 8

14 3 The Products are solely designed and constructed for residential use in private homes In the event that the Franchisee in spite of this chooses to sell the Products for commercial use by commercial customers, including but not limited to restaurants, bars, cafes, hotels, motels and the like, the Franchisee shall not claim any remedies for breach towards BoConcept if the commercial customers subsequently complain of defects in the Products The Franchisee's sale of the Products to property developers, professional landlords and the like, who apply the Products for residential use to furnish rental properties rented out as private homes, shall not lead to the Franchisee's loss of remedies granted under this Agreement towards the Franchisor

14 4 The first sentence of clause 14 3 shall not apply for the Franchisee's sale of the Products,

14 4 1 if the Franchisor has approved the Products for commercial use by commercial customers, and listed the Products in the BoConcept Manual as being fit for commercial use,

14 4 2 if the Franchisee's sale of the Products for commercial use is conducted in compliance with any guidelines, requirements and/or conditions specified in the BoConcept Manual, and

14 4 3 if the Products are sold only to a kind of commercial customer (e g hotels, restaurants, bars, office facilities etc), which has been approved by the Franchisor and listed in the BoConcept Manual

14 5 The Franchisor may recommend retail prices for the Products, but the Franchisee is free to determine the retail prices for the Products

14 6 The Franchisee and/or if the Franchisee is a company, its director(s) and the natural persons ultimately owning the Franchisee shall not be entitled to be involved in other commercial activities than the operation of the BoConcept business, including in particular, but not limited to, selling and/or marketing of other products and/or services than the Products, regardless of whether such products compete with the Products or not, without the prior written consent of the Franchisor The Franchisee may only sell Products supplied by BoConcept, other franchisees or by suppliers appointed by the Franchisor In case the Franchisee or the natural person ultimately owning the Franchisee performs actions in contravention of this stipulation, this is regarded as a material breach of this Agreement

15 Accounts and reporting

15 1 The Franchisee shall

15 1 1 For each quarter provide to the Franchisor a P/L report as defined in the BoConcept Manual Such P/L report must be received by the Franchisor no later than twenty (20) Calendar Days following the end of each calendar quarter (i e by the 20th day of each of January, April, August and November of each year)

15 1 2 No later than at the signing of the Agreement and subsequently each year no later than two (2) months before the beginning of a new accounting year forward its budget for the coming accounting year to the Franchisor,

15 1 3 No later than six (6) months after the end of each accounting year forward accounts audited or prepared by a firm of independent accountants for the previous accounting year to the Franchisor, and

15 1 4 Provide the Franchisor with such additional financial information as may be requested by the Franchisor concerning of the operation of the Franchisee's BoConcept business

15 2 All accounts and reports required pursuant to clause 15 1 shall be submitted to the Franchisor in English

15 3 The Franchisee hereby irrevocably grants the Franchisor the right to access and inspect all books of accounts relevant or connected to the Franchisee's BoConcept business and warrants that it shall, to this end, use all reasonable endeavours to secure co-operation by the Franchisee's accountants with the Franchisor

16 Insurance

16 1 The Franchisee shall take out and maintain all necessary insurance policies, including fire and flood insurance, the normal business liability, business injury and consequential loss insurance policies, together with any other insurance which may be demanded by the Franchisor

16 2 Before operation of the Brand Store is initiated and at any other time when BoConcept so demands, the Franchisee shall forward to the Franchisor documentary evidence that the insurance policies stated under clause 16 1 have been taken out and maintained

16 3 The Franchisee shall arrange for the insurance company to notify the Franchisor if the insurance policies are terminated

17 Exercise of the Right of Operation by a Corporate Franchisee

17 1 If the Franchisee is a corporate body or legal entity ("Company"), the Franchisee shall

17 1 1 Inform and provide the Franchisor documentation of the identity (including full legal name, home address, and ownership percentage and voting percentage for control) of all owner(s) of the Company (including all individual owners of any legal entities that are owners of such Company), at the Effective Date and any subsequent transfer of ownership interests or voting rights As of today's date, the Company is part of the group set out in the group structure chart attached in Appendix 9

17 1 2 Ensure that the natural person(s) ultimately owning and/or controlling the majority of the ownership interests or voting rights in the Company is/are registered in the relevant trade register as the management of the Company,

17 1 3 Acknowledge and agree that any subscription for new shares, cancellation of shares, transfer of rights, including as a gift and/or legacy, of the ownership interests or of voting rights in the Franchisee Company or in any company owning all or part of such rights and/or interests, without the Franchisor's prior consent in writing, shall entitle the Franchisor to terminate the Agreement without notice, and

17 1 4 Acknowledge and agree that any alteration in the persons holding office as directors in the Franchisee Company without BoConcept's prior consent in writing shall entitle the Franchisor to terminate the Agreement without notice

18 Assignment or sale of rights and obligations

18 1 The Franchisor shall at any time be entitled to assign in whole or in part its rights and obligations and other interests under this Franchise Agreement to a third party designated by the Franchisor The Franchisee acknowledges and agrees that by virtue of the grant of the right to license the Concept and Trademark (cf clause 1 2), the Franchisor's affiliate BoConcept A/S may assist Franchisor in performing some of its rights, obligations and other interests under this Agreement

18 2 When the Agreement has been in force for at least three (3) years, and provided that the Agreement has not been terminated by one of the Parties before that, the Franchisee shall be entitled to assign its rights and obligations under this Agreement to a third party, which has been pre-approved in writing by the Franchisor, provided that the potential buyer complies with the Franchisor's minimum conditions applicable at any time, including but not limited to

18 2 1 Education,

18 2 2 Industry knowledge,

18 2 3 Financial condition, and

18 2 4 Management experience

18 3 It shall furthermore be a condition for the Franchisee's assignment of its rights and obligations under this Agreement that the Franchisee is not in any substantial breach of the Agreement at the time of the proposed

assignment ("substantial" to be decided at the Franchisor's sole discretion), and that the potential buyer signs an agreement, which confirms that the potential buyer personally accepts the terms and conditions of this Franchise Agreement as well as all personally guarantees and securities The Franchisor's consent to a proposed assignment shall not be unreasonably withheld

18 4 Before the assignment to a potential buyer, cf clauses 18 2 and 18 3 may be executed, the Franchisee shall offer to assign its rights and obligations under this Agreement to the Franchisor or to a third party appointed by and approved by the Franchisor on the same terms and conditions as are offered to a potential buyer The offer to the Franchisor shall be made in writing with a copy of the specific offer from the potential buyer and with a time stipulated for acceptance of 30 Calendar Days In the event that the Franchisor has not accepted the offer within 30 Calendar Days, the Franchisee shall be entitled to assign its rights and obligations under this Agreement to the potential buyer on the same terms and conditions as offered to the Franchisoror to the third party appointed by the Franchisor If these terms of assignment are changed during negotiations between the Franchisee and the potential buyer, the Franchisee shall again make an offer to the Franchisor first according to the above procedure before the assignment may be executed

18 5 By invoking its rights under clause 18 the Franchisee will be deemed to have forfeited its exclusive right provided under clause 5 10 and Appendix 3 Further, the Franchisee will be deemed to have accepted that the Franchisor and/or third parties appointed by the Franchisor operates Brand Stores within the Territory

18 6 Except for clauses 18 2 and 18 3 the Franchisee shall not assign any rights or obligations under this Agreement to a third party or pledge to do so without the prior written consent of the Franchisor

18 7 In the event of assignment according to the clauses 18 2, 18 3 or 18 4, the Franchisee shall pay an amount of USD 25,000 to the Franchisor to cover the Franchisor's costs of making the transaction and providing training

19. Competition

19 1 During the term of the Agreement, the Franchisee, or if the Franchisee is a corporate entity, all its director(s) and owner(s), shall not be entitled directly or indirectly to run, be employed in or have any interests whatsoever in any business competing with the Right of Operation or the Concept

19 2 As the Franchisee as part of the exercising of the Right of Operation will receive from the Franchisor considerable know-how and confidential information regarding the Concept and the Franchisor's systems and methods of business (the "Confidential Information") and as the Confidential Information was imparted for the specific purpose of promoting and operating the Franchisee's BoConcept business, the Franchisee, and if the Franchisee is a legal entity its director(s) and owner(s) shall for a period of 12 months from the expiry or termination of the Agreement, regardless of the reason, not directly or indirectly run, be employed with or have any interests in a business competing with the Concept or the Franchisor

19 3 Violation of clause 19 1 and/or clause 19 2 shall lead to payment of an agreed penalty of USD 150,000 per violation If the violation includes maintaining a condition in violation of the non-competition clause, this shall be considered one violation for each period of 14 Calendar Days during which the violation takes place Payment of the agreed penalty shall neither justify a continuation of the violation nor terminate the non-competition clause Further, payment of the agreed penalty shall not prevent the Franchisor from claiming damages for breach of this or any other clause of the Agreement to the extent possible under Danish law and/or applicable law of the Territory The Franchisor may also obtain an injunction to restrain the violation of the clause

20 Confidentiality

20 1 The Franchisee or if the Franchisee is a corporate entity, its director(s) and the person(s) ultimately owning the Franchisee shall during the term of the Franchise Agreement and after the expiry or termination of the Franchise Agreement regardless of the reason keep confidential all know-how and knowledge related to the Concept, the Franchisor's system, the customer files, and any other information received and learned according to this Franchise Agreement and the Franchisee's operation as a franchisee of the Franchisor

20 2 The Franchisee shall, subject to applicable mandatory employment and labour law in the Territory, make sure that its employees sign a non-disclosure clause or agreement with the Franchisee, according to which the employee during his/her employment with the Franchisee and after the expiry or termination of such employment regardless of the reason shall keep confidential all know-how and knowledge related to the Concept, the Franchisor's system, the customer files, and any other information received and learned during the employment by the employee about the Right of Operation under this Franchise Agreement and the Franchisee's operation as a franchisee of the Franchisor

20 3 In the event of any violation of clause 20 1 or 20 2 by the Franchisee or if the Franchisee is a corporate entity, by its director(s)'s and/or the person(s) ultimately owning directly or through a legal entity the Franchisee, the Franchisee shall pay an agreed penalty of USD 50,000 The agreed penalty shall be paid for each independent breach of the clause If the violation includes maintaining a condition in violation of the confidentiality clause, this shall be considered one violation for each period of 14 Calendar Days during which the violation takes place Payment of the agreed penalty shall neither justify a continuation of the violation nor terminate the confidentiality clause Further, payment of the agreed penalty shall not prevent the Franchisor from claiming damages for breach of this or any other clause of the Agreement to the extent possible under Danish law and/or applicable law of the Territory BoConcept may also obtain an injunction to restrain the violation of the clause

20 4 The Franchisee hereby irrevocably grants the Franchisor the right to pass on any information regarding the Franchisee and the Franchisee's BoConcept business whatsoever to whom it may be considered necessary by the Franchisor, including other franchisees Such passing on of information shall not be contrary to the Franchisor's obligations under this Franchise Agreement

21. Term, expiry and termination

21 1 The term of the Franchise Agreement shall be five (5) years from the Effective Date (the "Term") The Franchise Agreement shall be non-terminable in the Term, unless the Franchise Agreement is terminated prematurely pursuant to clauses in this Agreement, e g clauses 10 3 and 21 2 - 21 6

21 2 Regardless of clause 21 1, the Franchisor shall be able to terminate the Franchise Agreement at three (3) months' notice in the event of the Franchisee engaging in activities which in the sole opinion of the Franchisor are likely to damage the reputation and goodwill associated with the Franchisor and or the BoConcept brand or which are contradictory to a duty of good faith on the part of the Franchisee towards the Franchisor also although such activities cannot be characterised as material breach of the Agreement Examples hereof are

- suspicion of the Franchisee's involvement in serious crime,
- unacceptable behaviour incompatible with the Concept, including violence, threats, etc ,
- expression and/or publication of discriminatory and/or racist statements,
- employing workers younger than the required minimum age,
- failure to provide workers with a workplace that meets applicable health and safety standards

21 3 If the Franchisee, or if the Franchisee is a company the director and/or Owner, dies, is permanently incapacitated or unable to work and the Franchisee respectively the director and/or Owner therefore becomes unable to meet its obligations under the Agreement, the Franchisor and the Franchisee respectively director and/or Owner shall together discuss the consequences hereof If the Parties can agree upon the terms, the Franchisor shall assist and support the Franchisee respectively director and/or Owner in a transitional period, including by letting a manager exercise the Right of Operation on behalf of the Franchisee If the incapacity lasts for a period longer than three (3) months, the Franchisor shall be entitled, but not obliged, to take on the Right of Operation and manage the Brand Store until BoConcept is able to dispose of it at the Franchisee's expense and risk If a new Franchisee is not found within a year after the Franchisor's takeover of the operation, the Franchisor shall be entitled to take over the Right of Operation and the Brand Store, including the inventory and the lease agreement regarding the Brand Store If the Parties are unable to reach an agreement regarding the purchase price of the Brand Store, the market value of the Brand Store shall be determined by an independent auditor appointed by FSR – Danske Revisorer (*In English Danish Auditors*) who must be a state-authorized public accountant The market value of the Brand Store must be determined based on generally accepted valuation principles The valuation must take due account of any loss of ability to pursue the Brand

Store's activities in connection with the circumstances triggering the need for valuation The valuation expert may require on demand that interim financial statements for the Brand Store are provided

21 3 1 The costs of the valuation, cf clause 21 3, shall be divided equally between the Parties The Parties shall provide, on the valuation expert's demand, adequate security for their share of the costs

21 3 2 The valuation of the valuation expert, cf clause 21 3, is final and binding upon the Parties and may thus not be submitted for arbitration or brought before the courts

21 4 In case of one Party's material breach, the other Party shall be entitled to terminate the Agreement without further notice if the breach has not been remedied within fourteen (14) Calendar Days after the Party in breach has received notice of the breach

21 5 Material breach on the part of the Franchisee shall among other things include (list is not exhaustive)

21 5 1 Non-payment of monies owed by the Franchisee to BoConcept or the landlord of the Place of Business,

21 5 2 Failure to use the prescribed IT Application,

21 5 3 Violation of BoConcept's intellectual property rights,

21 5 4 Actions likely to damage the goodwill and reputation associated with the BoConcept brand, the Franchisor or Concept deviating behaviour, including marketing which does not comply with the instructions from the Franchisor,

21 5 5 Actions inconsistent with a duty of good faith towards the Franchisor or any other franchisees of BoConcept,

21 5 6 Participation in competing activities contrary to the Agreement,

21 5 7 Sale of products other than the Products contrary to the Agreement,

21 5 8 Failure to provide the Franchisor with financial information and reports in a timely fashion pursuant to the relevant clause of this Franchise

Agreement and/or reporting or issue of deliberately incorrect or misleading financial information to the Franchisor,

21 5 9 Generation of repeated or serious complaints from customers regarding the quality of service offered by the Franchisee,

21 5 10 The Franchisee's suspension of payments, bankruptcy, compulsory winding-up or insolvency,

21 5 11 The Franchisee's persistent failure to comply with the Franchisor's written instructions, and

21 5 12 Failure to timely and strictly comply with the Development Plan

21 6 Material breach on the part of BoConcept shall among other things include

21 6 1 The Franchisor's failure to respect the Franchisee's exclusive right in the Territory specified in this Agreement as long as the Franchisee complies with the Development Plan prepared by the Parties,

21 6 2 Failure to provide support and advice as specified in this Agreement,

21 6 3 Failure to hand over know-how, marketing material, etc in such a manner that it prevents the Franchisee from running the store as a Brand Store

21 7 At any suspicion of breach or irregularities on the part of the Franchisee, the Franchisor shall be entitled without previous warning to inspect and check the premises, the Franchisee's stocks, IT equipment, and any other material regarding the Franchisee's Right of Operation and the Franchisee shall permit access to enable such inspection

21 8 In the event that the Franchisee in addition to this Agreement has entered into other franchise agreements with the Franchisor, material breach of one (or more) of such agreements shall be deemed to constitute a material breach of all the franchise agreements to the effect that the Franchisor shall be entitled to exercise remedies for breach, including revocation of the Franchisee's exclusivity, cf clause 5 10, and termination for cause, on the basis thereof in respect of each franchise agreement

21 9 Termination of the Franchise Agreement shall only be effective if it is issued in writing

22 Agreed penalty

22 1 In its sole discretion the Franchisor may demand that the Franchisee pays an agreed penalty in the event of the Franchisee receiving written notice of two (2) breaches of the same clause of the Franchise Agreement within any twelve (12) month period and the Franchisee failing to demonstrate, within seven (7) Calendar Days of receipt of the Franchisor's notice to the Franchisor's satisfaction that the Franchisee is blameless in respect of such breaches

If, however, the breaches can be remedied, the agreed penalty may only be demanded, if the remedial action has not been completed within a period of 30 Calendar Days after the notice has been issued by the Franchisor

22 2 The agreed penalty shall be USD 10,000 per breach In case of an ongoing breach, every calendar month commenced in which the breach is continuing to occur shall be considered a new independent breach in relation to the calculation of the agreed penalty Payment of the agreed penalty shall not affect or reduce the Franchisor's right to claim damages pursuant to the general rules of Danish law, and payment of the agreed penalty shall not entitle the Franchisee to continue the wrongful conduct A demand to pay an agreed penalty shall furthermore not prevent the Franchisor from terminating the Agreement due to breach of contract pursuant to clause 21

22 3 No failure or delay on the part of the Franchisor in exercising any right or remedy provided under this Agreement or by law shall constitute a waiver of that (or any other) right or remedy, nor preclude or restrict its further exercise No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that (or any other) right or remedy

23. Renewal

23 1 No later than six (6) months before the end of the Term, the Franchisee shall be entitled to request by delivery of written notice to the Franchisor

that the Agreement is renewed for an additional period of five (5) years from the expiry of the Term

23 2 Provided that the Franchisee has not committed any material breach of this Agreement during the Term or any other agreement with the Franchisor and the following conditions for renewal are met the Franchisor shall not unreasonably decline the Franchisee's request to have the Agreement renewed for an additional period of time pursuant to clause 23 1

23 2 1 The Franchisee shall sign a new franchise agreement on the terms and conditions utilized by the Franchisor at that time, however, no new entrance fee shall be paid

23 2 2 A new Development Plan is discussed, agreed upon and signed between the Parties no later than 60 Calendar Days before the date where an additional period pursuant to clause 23 starts The Development Plan for the new term shall be determined with observance of all relevant market conditions and on the same principles as the Development Plan regarding the Term was determined

23 2 3 In the event that the Franchisee has not signed the new franchise agreement within 30 Calendar Days from receipt by registered mail or overnight service with proof of delivery, the Franchisee will forfeit the right to renew the Agreement

23 2 4 No later than 60 Calendar Days before the date where an additional period pursuant to clause 23 starts, a complete renovation of the Brand Store must be carried out in accordance with the Franchisor's instructions Among other things, the Franchisee shall renovate, modernise, renew and replace the fixtures, signs, fittings and equipment to the extent necessary to bring the Brand Store up to the standards stipulated by the Franchisor at the time

23 3 The Agreement can only be renewed once pursuant to clause 23 However, the contract may be re-negotiated between the Parties after expiry of the renewal period, but the Franchisor is not obliged to enter into a new contract or to renew the existing franchise contract On-going but non-concluded negotiations regarding a possible continued relationship between the Parties shall not create any rights or obligations for or on any of the Parties beyond the expiry of the Renewal Period

24 Force Majeure

24 1 It shall not be considered a breach of this Franchise Agreement if failure to perform an obligation is solely attributable to an event which is beyond the reasonable control of the Party concerned, including fire, trade dispute, embargo, legislative measure, acts of war, civil commotion or similar events but only if the Party concerned could not have foreseen the event at the time of assumption of the obligation As long as such an event effectively prevents the Party from performing the obligation concerned, the duty to do so shall be suspended until the obstacle no longer exists

24 2 The provision of clause 24 1 shall at no time exempt the Franchisee from or suspend its obligations to effect punctual payment of any amount which the Franchisee owed to BoConcept at the time when the obstacle set in

25 Legal effects of expiry or termination of the Agreement

25 1 On expiry or termination of the Agreement, regardless of the reason, all the Franchisee's rights, including but not limited to the Right of Operation, shall terminate and the Franchisee shall immediately

25 1 1 Stop exercising the Right of Operation and terminate any use of the Concept, including any use of the name and logo "BoConcept" in any respect The Franchisee shall thus not be entitled to use any operating furnishings, etc after expiry or termination of the Agreement,

25 1 2 Clean and vacate the premises and make these available to the Franchisor if the premises have been assigned to the Franchisor or a third party appointed by the Franchisor together with any other asset belonging to the Franchisor in complete, functional and well-maintained condition,

25 1 3 Return the BoConcept Manual, both originals and copies, and any other material received from the Franchisor without taking any copies,

25 1 4 Give the Franchisor unimpeded access to stocks, operating materials, furnishings, telecommunication, the IT Application and all data which is or should have been stored thereon,

25 1 5 Make payment of any outstanding amounts to the Franchısor and/or suppliers of the Products, ıncluding the landlord,

25 1 6 The Franchisee is to the extent possible under local law and legislation obliged to provide the Franchisor with information about the Franchisee's customers and prospective customers, including but not limited to name, address etc free of charge,

25 1 7 Stop using any e-mail address made available by the Franchisor for the duration of the Agreement

25 2 Unless otherwise agreed in writing with the Franchisor, the Franchisee shall be obliged to make sure that the Franchisee's employees have, to the extent possible, been given notice and been laid off no later than as at the date of expiry or termination

25 3 The "BoConcept" name shall not be used in connection with any clearance sale

25 4 All sums owed to BoConcept shall be paid or returned in full line with the above clauses and without abatement set-off or deduction The Franchisee shall have no right to withhold any goods or payment based on any allegation that BoConcept may be in breach of any clause of this Franchise Agreement or may owe any sums to the Franchisee

25 5 From fourteen (14) Calendar Days before the expiry of the Agreement, the Franchisor shall be entitled to inform the media and the Franchisee's associates, customers and prospective customers about the imminent expiry and in this connection the Franchisor shall be able to give information about a possible new Franchisee who may in future exercise the Right of Operation

26. Notices

26 1 Any notice required to be given under this Agreement must be in writing and as regards the Franchisor addressed to

BoConcept Franchising, Inc
142 A LeFante Way
Bayonne, NJ 07002 (attn President)
USA

and

BoConcept A/S
Fabriksvej 4
6870 Ølgod
Denmark
Attn [INSERT NAME], [INSERT EMAIL ADDRESS]

and to the following as regards the Franchisee

[INSERT NAME]
[INSERT ADDRESS]
[INSERT POSTAL CODE, TOWN]
[INSERT COUNTRY]
Attn [INSERT NAME],
[INSERT EMAIL ADDRESS - **OBS NOT BOCONCEPT EMAIL**]

unless the individual Party gives written notification of another addressee

26 2 Any notice required to be given under this Agreement shall be in writing and regarded as having been duly given with immediate effect, if delivered or sent by registered and stamped mail or overnight service with proof of delivery and/or sent by email to the addressee specified in clause 26 1 (alternatively the addressee later designated) or if receipt thereof is otherwise acknowledged Either Party is responsible for ensuring that the other Party at all times is provided with information of the correct addressee and the receiving Party bears the risk of non-receipt of a notification, if such notification has been sent to the designated addressee

27 Governing law and settlement of disputes

27 1 Any dispute between the Franchisor and the Franchisee arising out of or in connection with this Agreement, including but not limited to any disputes regarding the existence, validity, expiry and/or termination of the Agreement, and disputes concerning the interpretation and the legal effects of the Agreement, shall as far as possible be settled by negotiation and mediation If an amicable solution has not been found within three (3) months from the time when one Party has presented the dispute in

writing to the other Party, the dispute shall be settled by arbitration administered by the Danish Institute of Arbitration in accordance with the rules of arbitration procedure adopted by the Danish Institute of Arbitration and in force at the time when such proceedings are commenced

The arbitral tribunal shall be composed of one (1) arbitrator appointed by the Danish Institute of Arbitration, if the subject matter, which shall mean the pecuniary claim or the value of the non-pecuniary claim specified in the statement of claim, amounts to less than USD [INSERT AMOUNT] In all other cases the arbitral tribunal shall be composed of three (3) arbitrators and each Party is entitled to appoint one (1) arbitrator and the chairman is to be appointed by the Danish Institute of Arbitration The place of arbitration shall be Copenhagen, the language to be used in the arbitral proceedings shall be English, and the arbitral tribunal's decisions and awards shall be confidential The arbitral award shall be final and conclusive and binding on the Parties

The arbitral tribunal will be solely and exclusively competent for all claims, irrespective of their nature (contractual, tort or based on written law) in relation to or arising out of this Franchise Agreement, especially in relation to or arising out of the circumstances of its negotiation, its conclusion, its execution or non-execution, its termination, and all subsequent disputes

The arbitral tribunal, and not any court, will have exclusive authority to decide arbitrability including questions of the arbitration's provision's formation, scope, validity or conscionability The arbitral tribunal, and not any court, will have exclusive authority to resolve any dispute over the enforceability of all or any part of the "Governing law and settlement of disputes" section including the enforceability of the arbitration, choice of law and forum selection clauses

This arbitration clause does, however, not prevent BoConcept from protecting its intellectual property rights and/or its rights under this Agreement by seeking injunction orders or other interim measures available under the law of the Territory from the local courts

27 2 This Franchise Agreement shall be interpreted in accordance with and be governed by the laws of Denmark

28 Changes and/or adjustments

28 1 Changes to this Franchise Agreement shall only apply if the change is issued in writing and signed by both Parties and only if it is expressly stated that this is a change to the Franchise Agreement

28 2 All the clauses of this Agreement are distinct and severable If any provision of this Agreement (or part of any provision) is found by any court or other authority of competent jurisdiction to be invalid, void, unenforceable or illegal, the other provisions shall remain in force

28 3 If any clause or part thereof shall be held invalid, void, unenforceable or illegal, the Parties shall negotiate in good faith a modification of the intent of such clause Where the Parties are unable to agree the necessary correction and amendment as aforesaid the same shall be referred to a senior specialist lawyer appointed at the request of either Party by the Chairman of the Danish Arbitration Institute and the said lawyer shall act as expert but shall receive written submissions from each Party and shall give reasons in writing for his decision which shall be final and binding upon the Parties including as to how his fees shall be borne between them

28 4 Whilst the restrictions contained in this Agreement are considered reasonable by the Parties in all the circumstances for the protection of BoConcept and the Franchisee and of the public in relation to the operation of Franchisee's BoConcept business, if any part of such restrictions may be adjudged void, but would be valid if any part thereof were deleted or if the period or area of restrictions were reduced, the said restrictions shall apply with such modifications that may be necessary to make them valid and effective

29 Adjustments of amounts

29 1 The amounts mentioned in this Agreement, e g in clauses 8 4 and 22 2, shall be adjusted in accordance with the percentage development in the Danish net price index for January based on the Danish net price index for January [INSERT YEAR] This adjustment shall be effected for the first time on [INSERT DATE] based on the development in the Danish net price index from January [INSERT YEAR] to January [INSERT YEAR] The next adjustment shall then be effected as at [INSERT DATE], etc

30. Individual terms

30 1 Individual terms to this Agreement are listed in Appendix 11

31. Language of the Agreement

31 1 the Franchisor and the Franchisee agree that this Agreement is written in English, which is the binding version The Franchisee expressly acknowledges that he is familiar enough with the English language and that he fully understands any and all provisions of this Agreement

32. Appendices

32 1	Appendix 1	Documentation of the foundation and existence of the Franchisee
32 2	Appendix 2	Table of Contents of the BoConcept Manual
32 3	Appendix 3	Specification of Territory
32 4	Appendix 4	Development Plan
32 5	Appendix 5	3-year budget
32 6	Appendix 6	NOT APPLICABLE TO US FRANCHISEES
32 7	Appendix 7	Requirements for the Franchisee's use of social media
32 8	Appendix 8	Supply Agreement
32 9	Appendix 9	Group structure chart of the Company
32 10	Appendix 10	Anti-corruption Policy and Guidelines
32 11	Appendix 11	Individual Terms

33 Copies

33 1 This Agreement shall be signed in two original copies, of which either Party shall receive one copy

For the **Franchisor** For the **Franchisee**

______________, on ______________ ______________, on ______________

______________________________ ______________________________

[INSERT NAME] [INSERT NAME]

[INSERT Name] [INSERT Name]

[Name] undertakes as [Director/Owner] to be personally liable under and bound by the restrictions stipulated in clause 14 6 regarding participation in other commercial activities than the operation of the BoConcept business, etc **This obligation is governed by the laws of Denmark and any disputes shall be settled by arbitration in accordance with clause 27.** At the time of signing [INSERT NAME] has been provided with a copy of this Agreement

____

[Name of Director/Owner, address, nationality, date of birth, social security number,]

Moreover [Name] undertakes as [Director/Owner] to be personally liable under and bound by the restrictions and agreed penalty stipulated in clause 19 regarding participation in activities competing with the Concept or the Franchisor, etc **This obligation is governed by the laws of Denmark and any disputes shall be settled by arbitration in accordance with clause 27** At the time of signing [INSERT NAME] has been provided with a copy of this Agreement

____

[Name of Director/Owner, address, nationality, date of birth, social security number,]

Further, [Name] undertakes to keep confidential all confidential information stipulated under clause 20 and to be personally bound by and liable under this clause, this includes payment of agreed penalty **This obligation is governed by the laws of Denmark and any disputes shall be settled by arbitration in accordance with clause 27.** At the time of signing [INSERT NAME] has been provided with a copy of this Agreement

____

[Name of Director/Owner, address, nationality, date of birth, social security number,]

[Name] unconditionally accepts to be personally liable under the Franchise Agreement as a joint and several guarantor on first demand for the Franchisee's performance of this Agreement in every respect, including timely payment of all current and future amounts owed to the Franchisor, including but not limited to debt arising out of deliveries under the Supply Agreement, contract penalties, accrued interest and any other costs or fees to the Franchisor [Name] will immediately on first demand pay to the Franchisor or any person or company to whom the Franchisor chooses to transfer the rights and obligations under the Franchise Agreement all monies so payable **This obligation is governed by the laws of Denmark and any disputes shall be settled by arbitration in accordance with clause 27.** At the time of signing [INSERT NAME] has been provided with a copy of this Agreement

____

[Name of Director/Owner, address, nationality, date of birth, social security number,]

Appendix 1:

Documentation of the foundation and existence of the Franchisee

To the BoConcept Franchise, Inc , Franchise Agreement
Issuance Date April 15, 2019

To be supplied by Franchisee

Appendix 2
BoConcept Manual:

The BoConcept webpage — **www boconcept com**

- **The catalogue**
- **Annual report (BoConcept A/S)**
- **Global compact report**

The BoConcept Intranet — **www intranet boconcept com**

- **Webshop (internal use)**

BoConcept Universe — **www universe boconcept com**

BoConcept University
- **E-learning**
- **Mystery Shopping**
- **Power Book**
- **Recruitment support**
- **BCU Training calendar**

BoConcept Contracts Tools
- **Discount structure**
- **Payment terms**

BoConcept Customer Service
- **Assembly instructions**
- **Fabric and leather guide**
- **Care and maintenance**
- **Claim and compensation policy**

Instore Stylist and Interior Decoration Tools
- **Instore Styling training**
- **Campaign styling**
- **Hot Inspiration**
- **Accessories collection iPaper**
- **Styling Manual**
- **Showroom Guide**
- **Discontinued list**
- **Store concept manual**
- **Warehouse guide**
- **Price sign module**

Marketing
- **Communication platform**
- **Website**
- **International campaigns**
- **Standard poster assortment**
- **A media portal with all out photos**
- **A Design manual for Ads and outdoor billboards**
- **Merchandise**
- **Press releases**
- **Newsletters**
- **SoMe (social media)**

Tools
- **Claim handling**
- **Axapta/IT manuals**
- **Price books**
- **Traffic Counter**
- **Media Portal**
- **Home Creator**
- **MSBI (Microsoft Business Intelligence)**
- **Opening process**

Our ref 303194 JAS
Michael Roschmann Skovgaard, Attorney

APPENDIX 3 – SPECIFICATION OF TERRITORY

With effect from the Effective Date

BoConcept Franchise, Inc
142 A Lefante Way
Bayonne, NJ 07002
USA
Company registration no [•]
(hereinafter referred to as "Franchisor")

and

[INSERT NAME]
[INSERT ADDRESS]
[INSERT POSTAL CODE, TOWN]
[INSERT COUNTRY]
Reg no [INSERT REG NO]
(hereinafter referred to as the "Franchisee")

(jointly referred to as the "Parties")

have concluded this Appendix 3 (the "Appendix") regarding the specification of the Territory under the Franchise Agreement concerning the operation of a Brand Store located at [INSERT ADDRESS]

1 Definitions

1 1 Terms and phrases indicated by initial capital shall have the meaning set out in the clause 2 of the Franchise Agreement, unless otherwise explicitly stated in this Appendix

2 The Territory

2 1 The Territory under the Franchise Agreement comprises [INSERT DESCRIPTION]

Date

For **BoConcept Franchise, Inc**

[INSERT NAME]

Date

For the **Franchisee**

[INSERT NAME]

Appendix 4 to Franchise Agreement

Our ref 303194 JAS
Michael Roschmann Skovgaard,
Attorney

APPENDIX 4 – DEVELOPMENT PLAN

With effect from the Effective Date

BoConcept Franchise, Inc
142 A Lefante Way
Bayonne, NJ 07002
USA
Company registration no [•]
(hereinafter referred to as the "Franchisor")

and

[INSERT NAME]
[INSERT ADDRESS]
[INSERT POSTAL CODE, TOWN]
[INSERT COUNTRY]
Reg no [INSERT REG NO]
(hereinafter referred to as the "Franchisee")

(jointly referred to as the "Parties")

have entered into this Appendix 4 (hereinafter the "Appendix") regarding the Development Plan under the Franchise Agreement concerning the operation of a Brand Store located at [INSERT ADDRESS]

1. Definitions

1 1 Terms and phrases indicated by initial capital shall have the meaning set out in the Clause 2 of the Franchise Agreement, unless otherwise explicitly stated in this Appendix

2 The Development Plan

2 1 The Parties have agreed upon the following Development Plan

Store	**Location**	**Time**
(indicates store number)	(indicates the Place of Business in the Territory)	(indicates the date on which the Brand Store must be opened for customers)
Store 1		
Store 2		
Etc		

Date

For **BoConcept Franchise, Inc**

[INSERT NAME]

Date

For the **Franchisee**

[INSERT NAME]

Appendix 7 to Franchise Agreement

Our ref 303194 JAS
Michael Roschmann Skovgaard,
Attorney

APPENDIX 7 – REQUIREMENTS FOR THE FRANCHISEE'S USE OF SOCIAL MEDIA MARKETING

If the Franchisee requests permission to create profiles/accounts on social media, including but not limited to Facebook, Twitter, Instagram, etc or similar mediums, for the purpose of marketing the Products solely within Franchisee's Territory, all of the below rules shall apply in addition to the Franchise Agreement and the BoConcept Manual

1 The profiles/accounts which the Franchisee may create on social media for the purpose of marketing the Products shall at all times be the sole property of the Franchisor, and the Franchisee is thus not entitled to delete, remove any followers or in any manner deactivate or otherwise change the profiles/accounts in any manner whatsoever

If the Franchisee markets the Products through a profile/account created by the Franchisee prior to the Franchisee entering into the Franchise Agreement with the Franchisor, the profile/account will be regarded as created for the purpose of marketing the Products and such profile/account and all content must be reviewed and approved in writing by the Franchisor before any Products are marketed and/or the name BoConcept appears therein

If the Franchisee markets the Products through a profile/account, which was created prior to the Franchisee entering into the Franchise Agreement with the Franchisor, the ownership of the profile/account shall be transferred by Franchisee to the Franchisor, upon signing the Franchise Agreement

2 Upon the earlier of signing the Franchise Agreement, or creation of any such profile/account, the Franchisee shall assign all such the profiles/accounts to the Franchisor and surrender all information and control required to access the profiles/accounts

The Franchisee shall only create the profiles/accounts in such a manner that they shall be automatically assigned to the Franchisor upon termination of the Franchise Agreement, upon the Franchisor's unilateral notice to each profile/account-source

3. The Franchisee shall not create any profiles/accounts on social media or other media in such a manner that are not automatically assignable to the Franchisor upon notice from the Franchisor

4 Any marketing on social media or similar mediums by the Franchisee shall be in compliance with the Franchise Agreement and the BoConcept Manual

5. Material breach of one or more of any of the above provisions shall be deemed a material breach of the Franchise Agreement and the BoConcept Manual

Franchisor	**Franchisee**
For BoConcept Franchise, Inc	For [INSERT NAME/TITLE]
______________, on ______________	______________, on ______________
______________________________	______________________________
[INSERT_NAME/TITLE]	[INSERT_NAME/TITLE]

Kolding Copenhagen
Odense
Hamburg

APPENDIX 8 - SUPPLY AGREEMENT

ANDERSEN | PARTNERS

Our ref 303194-JAS
Michael Roschmann Skovgaard Attorney

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SUPPLY AGREEMENT

With effect from the Effective Date

BoConcept Franchise, Inc
142 A Lefante Way
Bayonne, NJ 07002
USA
(hereinafter referred to as the "Franchisor" and "BoConcept")

and

[INSERT NAME]
[INSERT ADDRESS]
[INSERT POSTAL CODE, TOWN]
[INSERT COUNTRY]
Reg no [INSERT REG NO]
(hereinafter referred to as the "Franchisee")

(Jointly referred to as the "Parties" and individually as a "Party")

have entered into this supply agreement (the "Supply Agreement")

1 Background

1 1 The Franchisee and BoConcept has entered into a franchise agreement (the "Franchise Agreement") concerning the use of BoConcept A/S' concept (the "Concept")

1 2 BoConcept supplies to the Franchisee the Products marketed under the "BoConcept" trademark under the Concept comprehended by the Franchise Agreement

1 3 The Parties have consequently entered into this Supply Agreement concerning delivery of the Products marketed under the Trademark This Supply Agreement forms part of the Franchise Agreement In the

event of inconsistency or discrepancy between the Franchise Agreement and this Supply Agreement, this Supply Agreement shall take precedence

1 4 Unless otherwise agreed in writing, BoConcept shall make all supplies, cf clause 1 2, on the terms and conditions specified in this Supply Agreement, notwithstanding any opposing or deviating provisions in the order or acceptance of the Franchisee

2. Definitions

2 1 Terms and phrases in this Supply Agreement indicated by initial capital shall have the meaning set out in clause 2 of the Franchise Agreement, unless otherwise explicitly stated in this Supply Agreement

2 2 **Defective Products** shall mean Products, which have been produced with a defect, which causes damage to other goods or personal injury or death

2 3 **Non-Conforming Products** shall mean Products, which are not of the quantity, quality and description required by the Parties' agreement

3 Products

3 1 The products comprehended by this Supply Agreement are the product range offered for sale by BoConcept at any time These products are presented in the annual BoConcept A/S main catalogue

3 2 The Franchisee shall buy the Products directly from BoConcept in line with this Supply Agreement

3 3 BoConcept's performance shall solely comprise the parts and goods specified in the order confirmation

4. Prices

4 1 The price list applicable at any time for the products comprised by this Supply Agreement has been included in the BoConcept Manual

4 2 BoConcept intends to adjust product prices once a year in connection with the publication of the main catalogue However, BoConcept is at

any time, with three (3) months' prior notice, entitled to make price adjustments and consequently amend the current price list

5 Terms of payment

5 1 The Franchisee shall be invoiced in [INSERT CURRENCY] in connection with the products being loaded on a truck or another means of transport at the factory where the products are produced

5 2 The invoice amount shall be payable 30 Calendar Days after the invoice date, cf clause 8 1

5 3 Notwithstanding clause 5 1-5 2 of this Supply Agreement, the Franchisee shall pay the opening order in connection with the opening of the Brand Store, including e g costs of display, shop fixtures, business cards, bags, etc in advance The Franchisee's payment of the opening order shall be made no later than one (1) week prior to BoConcept' shipment of the goods

5 4 Default interest of [INSERT RATE] per cent per commenced month shall be charged on the invoice amount after the due date

5 5 The Franchisee shall pay all costs and fees related to payment transfers

5 6 In the event that the Franchisee does not pay overdue invoices within seven (7) days after the due date, cf clause 5 2, BoConcept shall be entitled to withhold or demand prepayment of any further supplies to the Franchisee

6 Marketing contribution, etc.

6 1 In compliance with clause 11 of the Franchise Agreement, the Franchisee shall pay for participation in the local and national marketing efforts within the Territory As a result hereof the Franchisee shall be under an obligation to pay to BoConcept a contribution to the national marketing pool of [INSERT RATE]% of [Insert e g realised turnover, etc , of which the marketing contribution is to be calculated] The contribution is to be paid [INSERT DATE] In case the contribution to the national marketing pool is insufficient to cover the costs of the national

marketing, BoConcept is at any time, with six (6) months' prior notice, entitled to increase the contribution

6 2 Appendix A of this Supply Agreement contains a calculation example exemplifying the price structure for the Franchisee in compliance with the Franchise Agreement and this Supply Agreement

7. Retention of title

7 1 The Products shall remain the property of BoConcept until payment has been made in full to the extent that such retention of title is valid according to applicable law

8. Delivery

8 1 Delivery shall be [INSERT], cf Incoterms 2010

8 2 The Franchisee shall check the Products for defects upon delivery, cf clause 8 1

8 3 If the Franchisee fails to pick up the Products or arrange for transportation at the time of delivery, cf clauses 8 1 and 9, BoConcept is entitled to store and insure the Products on the Franchisee's account

8 4 The Franchisee's failure to take delivery despite BoConcept's written request to do so within fourteen (14) days shall entitle BoConcept to sell the Products under the best possible conditions on the Franchisee's account

9 Time of delivery

9 1 All delivery dates and times of delivery specified or notified by BoConcept have been estimated to the best of BoConcept's judgment and shall not be binding upon BoConcept unless it has been explicitly agreed and specified that a fixed time of delivery has been agreed for the delivery

9 2 If a fixed time of delivery has been explicitly agreed, BoConcept is entitled to postpone or extend the time of delivery by fourteen (14) working days BoConcept is entitled to extend or postpone the time of de-

livery several times, cf also the provisions in the BoConcept Manual concerning Claim and compensation policy

9 3 The Franchisee is not entitled to claim any other remedies for breach relating to the delay than specified in the Claim and compensation policy clause of the BoConcept Manual applicable at any time and is thus prevented from claiming damages from BoConcept BoConcept shall thus in no circumstances be liable for operating loss, loss of time, loss of profit or any other direct or indirect loss

10 Non-Conforming Products

10 1 Complaints regarding non-conformities in the Products shall be made to BoConcept in writing in Danish, English, Spanish, French or German stating which of the Products are non-conforming and the nature of the non-conformity

10 2 In addition, complaints must meet the guidelines and directions specified in the BoConcept Manual, including claims deadlines etc , cf especially the Claim and compensation policy specified in the BoConcept Manual

10 3 Complaints regarding Non-Conforming Products shall be made within 14 calendar days after the Franchisee has discovered or ought to have discovered the non-conformity, and not later than 24 months from delivery of the Products, as claims on account of the non-conformity can otherwise not be made The factor deciding whether the deadline for complaints has been observed is the time of receipt of the complaint at BoConcept's place of business

10 4 A general reference is made to the provisions and guidelines etc in the "Claims and compensation policy" section of the BoConcept Manual

11. Returns

11 1 Products shall only be returned according to agreement with BoConcept

11 2 Returns shall be credited according to the Franchisee's purchase price Returns shall be accompanied by a return note referring to the agreement on return and be appropriately packaged and marked

11 3 Returns shall as far as possible be returned by the delivering carrier at the Franchisee's risk

12 Liability and exclusion of liability for Non-Conforming Products

12 1 Provided that the agreed terms of payment are complied with, that the Products purchased are stored, used and maintained correctly, BoConcept will for a period of two (2) years counted from the date of delivery, at BoConcept's option make replacement supplies or repair such parts of the Products purchased as have verifiable non-conformities causing the Non-Conforming Products to be unmarketable The non-conforming parts shall be returned to BoConcept if BoConcept should so wish

12 2 The Franchisee cannot rely on any other remedy based on a non-conformity than those specified in clause 12 1 The Franchisee shall thus not be entitled to cancel the purchase order, claim a proportional reduction or compensation for any kind of loss or cost which may be caused by a non-conformity

12 3 The Franchisee is not entitled to claim any other remedies for breach relating to the delay than those specified in this clause 12 and is thus prevented from claiming damages from BoConcept BoConcept shall thus in no circumstances be liable for operating loss, loss of time, loss of profit or any other direct or indirect loss

12 4 In the event that third party sets up a claim against the Franchisee, the Franchisee shall be under an obligation to inform BoConcept here- of The Franchisee shall also accept to be a co-defendant in the same court as the one in which an action is brought against BoConcept by a third party

12 5 The Franchisee shall indemnify BoConcept in any respect to the extent that BoConcept is held liable to third party for such damage and such loss for which BoConcept is not liable to the Franchisee under clause 12 of this Supply Agreement

13. Product Liability

13 1 BoConcept and any of its affiliates shall only be liable for personal injury or damage to property caused by a Defective Product delivered by BoConcept if and to the extent that this follows from mandatory law on product liability

14. Termination

14 1 This Supply Agreement shall expire at the same time as the Franchise Agreement irrespective of cause This Supply Agreement may solely be terminated by simultaneous termination of the Franchise Agreement and with the notice periods specified therein

14 2 In case of the Franchisee's material breach of this Supply Agreement, the Franchisor shall be entitled to terminate the Franchise Agreement concluded by the Parties with immediate effect, and thus also this Supply Agreement, cf clause 14 1

14 3 In case of BoConcept's material breach of this Supply Agreement, the Franchisee shall not be entitled to terminate the Franchise Agreement concluded by the Parties, unless the Franchise Agreement specifically provides the Franchisee with the authority to do so

15 Force majeure

15 1 A Party shall not be liable to pay damages for non-performance of its obligations if the Party can prove that this is due to conditions beyond the Party's control and that the Party neither at the time of conclusion of the Supply Agreement, at the time of placing of an order or subsequently could be expected to have considered such conditions or have avoided or overcome them or their consequences

15 2 Force majeure events shall include e g war, civil war, riots, public restrictions, import and export prohibitions as well as other public intervention, natural disasters, strikes and lock outs, malicious damage, theft, failing energy supply, breakdown of communication lines, confiscation of funds or other similar extraordinary events beyond the reasonable control of the Party

To be initialed ______________________

15 3 The Party's obligations shall be suspended until the time at which the Party concerned is able to fulfil its obligations again

16 Assignment or sale of rights and obligations

16 1 The Franchisor shall at any time be entitled to assign in whole or in part its rights and obligations and other interests under this Franchise Supply Agreement to a third party designated by the Franchisor The Franchisee acknowledges and agrees that BoConcept at any time may have BoConcept A/S performing any of its rights, obligations and other interests under this Supply Agreement

17 Arbitration

17 1 Since this Supply Agreement is an integrated part of the Parties' Franchise Agreement, clause 27 of the Franchise Agreement regarding governing law and settlement of disputes shall be applicable to this Supply Agreement, with the exception that rights and obligations of the Franchisor shall be understood as rights and obligations of BoConcept

18 Appendices

18 1 Appendix A Example of price structure

For **BoConcept Franchise, Inc** | For the **Franchisee**

______________, on ______________ | ______________, on ______________

[INSERT_NAME] | [INSERT_NAME]

APPENDIX 10
ANTI-CORRUPTION POLICY AND GUIDELINES

Background

The Franchisee has entered into a franchise agreement (the "**Franchise Agreement**") with BoConcept A/S concerning the use of BoConcept A/S's concept (the "**Concept**")

This Appendix 10 (the "**Appendix**") forms an integral part of the Franchise Agreement and contains the anti-corruption policy and guidelines used and adopted by the BoConcept Group As part of entering into the Franchise Agreement and by signing this Appendix, the Franchisee acknowledges and accepts to adopt and adhere to the anti-corruption policy and the guidelines contained in this Appendix Moreover, the Franchisee shall ensure that all companies within its group of companies also adopt and adhere to the anti-corruption policy and the guidelines contained in this Appendix

Scope of activities

This policy and guidelines (this "**Policy**") applies to all employees and board members in each company in the BoConcept group of companies in which BoConcept Holding A/S is a majority owner (jointly referred to as "**BoConcept**" or the "**Company**") [1] It also serves as guiding principles for persons engaged by the companies in which BoConcept is a minority owner

Background

BoConcept sets and observes the highest standards of ethical and business conduct and is committed to combatting all forms of corruption BoConcept's zero tolerance policy towards bribery and corruption is one of the fundamental principles set out in our Code of Conduct/Business Ethics

Bribery and corruption distort competition, lead to increase in costs for goods and services and destroy public confidence in companies and the economy as a whole Any suspicion of bribery may lead to costly enforcement investigations against both BoConcept and its employees, have a detrimental effect on BoCon-

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[1] I e this Policy applies to all BoConcept's business sectors and group functions in all markets and jurisdictions where BoConcept conducts business

cept's good reputation and brand, and may result in criminal sanctions for the Company and the individuals concerned Persons found guilty of bribery offences risk imprisonment and fines, as well as damages and trade prohibition In certain countries, BoConcept may also be excluded from participating in public procurement procedures

The purpose of this Policy is to provide support and guidance to all employees in their efforts to prevent bribery and corruption However, no guidelines can be all-inclusive and each individual bears the responsibility for complying with applicable laws and rules There is no substitute for personal integrity and sound judgment In this context, a useful guide when faced with a given situation may be to consider whether the contemplated conduct would cause embarrassment to or reflect negatively on BoConcept if the conduct became public knowledge

Legislation, ethical rules, etc

BoConcept complies at all times with all relevant laws and rules in the markets in which the Company conducts business BoConcept is a member of the UN Global Compact and – to the extent they do not contradict this Policy – adheres to the anti-corruption principles and guidelines set out by industry associations in which BoConcept is a member

Risk assessment

BoConcept regularly identifies and analyses the risk of bribery and corruption within the Company and in the sectors and markets in which BoConcept conducts operations This risk assessment constitutes the basis for our decisions concerning effective and appropriate measures to combat bribery and corrupt behavior

Accounting and auditing

BoConcept complies with generally accepted accounting principles The annual report and the accounts are always subject to a statutory audit or review The risk of corruption is reduced where correct accounting is the subject of a recurrent and independent audit All accounts must correctly reflect transactions, allocations and other business events All employees must comply with internal guidelines governing accounting and financial reporting

Guidelines concerning benefits

This Policy does not prevent employees who, within the scope of BoConcept's business relations, accept or give benefits in order to maintain and promote good business relations with customers, agents, distributors, suppliers and other business partners However, the aforesaid is subject to the precondition that the benefit is moderate, accepted or given openly, i e is reported to the recipient's or giver's immediate manager and otherwise is in accordance with this Policy

Generally, BoConcept allows employees to accept or give

- Meals in the ordinary course of business,
- Marks of respect in conjunction with special occasions, red-letter days, illness, etc ,
- Samples or marketing materials of nominal value in connection with company visits and alike,
- Specific sporting or cultural events provided that the value of the benefit is moderate and is offered in conjunction with site visits or other professionally motivated meetings and, to the extent given by a BoConcept employee, provided that such invitation is not personal, and
- Gifts provided in the context of sponsorship activities and for charitable purposes, provided that they are carefully and diligently documented

Employees must proceed with caution where a benefit is offered

- On a regular basis,
- Is of more than moderate value or of a value that is disproportionate in relation to the purpose of the benefit,
- Could be utilised for private purposes,
- Is directed to a particular category of persons,
- In coincidence with business negotiations between the parties,
- In conjunction with a pending public procurement procedure, or
- The giver's manager is unaware of the offered benefit

BoConcept does not permit employees to accept or give

- Money, securities or money loans,
- Individually paid out and non-disclosed purchase discounts, commissions, bonuses or kickbacks,
- Pleasure trips or holidays,
- Work for the recipient for private purposes,
- Sponsorship to political parties or candidates in public elections,

- Other benefits which, due to the value thereof or any other relevant circumstances, typically will unduly influence the recipient's performance of his or her duties, or
- Gifts to Public Officials

It is strictly forbidden to give, offer or promise any form of benefit, either directly or indirectly, to any Public Official in order to unduly influence the exercise of public authority, in the context of public procurement, to keep any other form of business or business transaction or which may otherwise entail an improper gain By "**Public Official**" means any officer or employee of any national or local government or any department, agency, or instrumentality of any such government or of a public international organization, or any person acting in an official capacity for or on behalf of any such person, or any political party or party official, or any candidate for political office It is important to note that the term Public Official is very broad and it includes officers or employees of a government-owned or controlled entity, for example, a company that is owned or controlled by the government (i e , the government has the right to make important decisions for the company)

Reporting of benefits

BoConcept's employees must report any benefits provided to third parties together with the receipt or other form of supporting documentation containing information regarding the recipient, the recipient's company and purpose Any employee who is uncertain whether he or she is entitled to provide a benefit should contact their immediate manager or group function Human Resources

Employees who receive a benefit or an offer concerning a benefit which he or she suspects is in violation of this Policy must immediately return the benefit to the giver and report the incident to their immediate manager

Training

Training concerning this Policy is part of the introduction programme for all new employees of BoConcept Managers at all levels shall ensure that employees read and receive training in how they should comply with this Policy

Responsibility for this Policy, advice and notification

The board of BoConcept has the overall responsibility for the implementation, compliance with and review of this Policy

Group function Human Resources has the overall responsibility for implementing this Policy and for initiating regular updates hereof Managers at all levels are responsible for ensuring compliance with this Policy in the day-to-day operations

BoConcept employees are at all times entitled to approach their immediate manager or group function Human Resources for advice in respect of this Policy or to provide information concerning suspected impropriety For this purpose, BoConcept employees are also encouraged to use the whistle-blower function

Protection against harassment

BoConcept protects employees who refuse to accept or provide bribes or who notify any suspicion of impropriety from reprisals, even if such notification proves to be mistaken Any person who refuses to participate in any form of bribery or corruption or who notifies impropriety will never run the risk of dismissal, disciplinary action or other unfair treatment as a result of such refusal or notification

Any person who feels that they have been unfairly treated is urged to contact group function Human Resources or the whistle-blower function

Franchisees, agents, distributors, suppliers and other business partners

BoConcept provides information concerning its zero tolerance of bribery and corruption to all franchisees, agents, distributors, suppliers and other business partners (jointly, "**Business Partners**") BoConcept expects that their Business Partners do not engage in the giving or receiving of bribes and other undue advantages when representing or otherwise working for BoConcept

BoConcept does not act as an intermediary in respect of money or other benefits which may be used in order to unduly influence the exercise of public authority, in the context of public procurement or otherwise to gain an undue advantage from any third party Compensation to Business Partners is based on reasonable compensation for services performed on objective grounds Payment in cash or to a bank in any country other than where the business partner conducts operations or is registered will only be made if there are specific commercial grounds for doing so

When required, BoConcept examines the integrity of its Business Partners BoConcept will only enter into agreements on terms and conditions which provide that its Business Partners shall not provide undue advantages and shall be entitled to terminate agreements in the event it is demonstrated that the party in question has used bribes or other forms of corrupt practices in the course of their operations

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We, the undersigned Mayalina Inc , (the "**Franchisee**") hereby confirm that we and all companies within our group of companies will adopt and adhere to the anti-corruption policy and the guidelines contained in this Appendix

Date

For the Franchisee

____

____

[redacted]

[Insert Name/Title]

EXHIBIT C TO THE DISCLOSURE DOCUMENT
AGENTS FOR SERVICE OF PROCESS/ STATE ADMINISTRATORS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for service of process and franchising disclosure/registration laws We may not yet be registered to sell franchises in any or all of these states

If a state is not listed, BoConcept Franchise, Inc has not appointed an agent for service of process in that state in connection with the requirements of franchise laws There may be states in addition to those listed above in which BoConcept Franchise, Inc has appointed an agent for service of process

There may also be additional agents appointed in some of the states listed

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
CALIFORNIA	Department of Business Oversight, Los Angeles 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7505	Attorney General's Office 110 West A Street, Suite 1100 San Diego, CA 92101 (619) 645-2050
	Sacramento 1515 K Street, Suite 200 Sacramento, CA 95814-4052 (916) 445-7205	Dept of Business Oversight-Los Angeles 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7505
	San Francisco 71 Stevenson Street, Suite 2100 San Francisco, CA 94105 - ph (415) 972-8559	
CONNECTICUT	Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 or (860) 240-8232	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103 (860) 240-8299 or (860) 240-8232
DISTRICT OF COLUMBIA	Superintendent of Corporations, Dept of Consumer and Regulatory Affairs, Business and Professional Licensing Adm Corporations Div , Mail-PO Box 92300, Washington, DC 20090	(Not Applicable)
	Overnight- 1100 4th Street, SW 2nd Floor, Washington, DC 20024 - ph (202) 442-4400	
FLORIDA	NRAI Services, Inc 515 East Park Avenue Tallahassee, FL 32301	Senior Consumer Complaint Analyst Dept of Agriculture and Consumer Serv
	Secretary of State P O Box 6327 Tallahassee, FL 32314 (850) 245-6953	Terry Lee Rhodes Building 2005 Apalachee Pkwy Tallahassee, FL 32399 (850) 488-2221

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
GEORGIA	Corporations Division Suite 313 West Tower 2 Martin Luther King Jr Dr Atlanta, GA 30334-1530 (404) 656-2817	Office of Consumer Affairs No 2 - Martin Luther King Dr Plaza Level, East Tower Atlanta, GA 30334 (404) 656-3790
ILLINOIS	Illinois Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Securities Department 421 E Capitol Ave , 2nd Floor Springfield, IL 62701 (217) 782-2256
INDIANA	Secretary of State Administrative Offices 201 State House Indianapolis, IN 46204 (317) 232-6681	Indiana Office of Attorney General Consumer Protection Division 302 West Washington Street, IGCS 5th Floor Indianapolis, IN 46204 (317) 232-6330
IOWA	Iowa Secretary of State 1007 East Grand Avenue Room 105, State Capitol Des Moines, IA 50319 (515)-281-8993	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 (515) 281-4441
MARYLAND	Maryland Securities Commissioner 200 St Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Office of Attorney General-Securities Div 200 St Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Commerce Corporations and Securities Bureau 525 W Ottawa 670 Law Building Lansing, MI 48913 (517) 373-7117	Franchise Administrator-Consumer Protection Antitrust and Franchise Unit Dept of Attorney General PO Box 30213 Lansing, MI 48909 (517) 373-7117
MINNESOTA	Minnesota Commissioner of Commerce 85 7th Place East, Suite 500 St Paul, MN 55101-2198 (651) 296-6328	Department of Commerce Registration Division 133 East 7th Street St Paul MN 55101 (651) 296-6328
NEW JERSEY	National Registered Agents, Inc of NJ 100 Canal Pointe Blvd , Suite 212 Princeton, NJ 08540	(Not Applicable)

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
NEW YORK	New York Secretary of State 99 Washington Avenue Albany, NY 12231 (518) 473-2492	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st floor New York, New York, 10005 (212) 416-8285
NORTH CAROLINA	(Not Applicable)	North Carolina Department of the Secretary of State P O Box 29622 Raleigh, NC 27626 (919) 807-2000
NORTH DAKOTA	North Dakota Securities Department Fifth Floor 600 East Boulevard Bismarck, ND 58505	Franchise Examiner North Dakota Securities Department 600 East Boulevard, 5th Floor Bismarck, ND 58505 (701) 328-4712
OHIO	(Not Applicable)	Attorney General's Office Consumer Protection Section 25th Floor, State Office Tower 30 E Broad Street - 14th Floor Columbus, OH 43215 (614) 466-8831
OKLAHOMA	(Not Applicable)	Oklahoma Department of Securities Suite 860, First National Center 120 N Robinson Oklahoma City, OK 73102 (405) 280-7700
PENNSYLVANIA	National Registered Agents, Inc State of Pennsylvania, County of Dauphin 600 North Second Street, Suite 401 Harrisburg, PA 17101	(Not Applicable)
OREGON	Director of Oregon Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	Dept of Consumer & Bus Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310 (503) 378-4387

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
RHODE ISLAND	Dir of Rhode Island Dept of Business Regulation, Securities 233 Richmond Street, Suite 232 Providence, RI 02903 (401) 222-3048	Associate Director and Superintendent of Securities, Division of Securities 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 222-3048
SOUTH DAKOTA	Director of South Dakota Division of Securities 445 E Capitol Ave Pierre, SD 57501 (605) 773-4823	Franchise Administrator Division of Securities 445 E Capitol Ave Pierre, SD 57501 (605) 773-4013
TEXAS	National Registered Agents, Inc 16055 Space Center Blvd Ste235 Houston, TX 77062	Secretary of State Statutory Document Section P O Box 12887 Austin, TX 78711 (512) 475-1769
UTAH	(Not Applicable)	Consumer Protection Division 160 East Three 300 South P O Box 45804 Salt Lake City, UT 84111 (801) 530-6601
VIRGINIA	Clerk of the State Corporation Commission 1300 E Main Street, 1st Floor Richmond, VA 23219 (804) 371-9672	State Corporation Commission Division of Securities and Retail Franchising 1300 E Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051
WASHINGTON	Director of Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760	Administrator Dept of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760
WISCONSIN	Wisconsin Commissioner of Securities P O Box 1768 345 W Washington Avenue, 4th Floor Madison, WI 53703 (608) 261-9555	Department of Agriculture Trade and Consumer Protection PO Box 8911 Madison, WI 53708-8911 (800) 422-7128

BoConcept Franchise, Inc.
142A LeFante Way
Bayonne, New Jersey
(201) 433-4461

EXHIBIT "D"

Date ________ [Insert Date]

LETTER OF INTENT

This Letter of Intent ("LOI") is entered into to be effective _______, 201_, [Insert Date] by and between BoConcept Franchise, Inc , a Kansas corporation, ("Franchisor" and "BoConcept") and ____, [Insert Name & Address], ("Purchaser")

By signing this Agreement, the above-referenced parties are hereby evidencing their intent to execute a franchise agreement ("Franchise Agreement") and other related documents subject to the general terms and conditions stated as follows

Upon payment of the USD $3,000 00 deposit, (the "Deposit"), to Franchisor (based on one initial store), and mutual agreements herein and other valuable consideration, Purchasers evidence their intention to become a BoConcept® Franchisee subject to Purchaser and their legal counsel reviewing and approving Franchisor's Franchise and related Agreements, (collectively "Franchise Offering Documents) and Franchisor approving Purchaser as a franchisee and signing the Franchise and related Agreements

If Purchaser enters into the Franchise Agreement with Franchisor, then the Deposit will be credited towards the Franchise Fee for the first store location If for any reason Purchaser and Franchisor do not sign the Franchise Agreement within ninety (90) calendar days from the date of this LOI (or any mutually agreed written extension), then Franchisor shall retain the Deposit and this LOI shall automatically terminate In the event both Purchaser and Franchisor do not timely execute the Franchise Agreement, then Purchaser shall continue to be bound by the terms of the Confidentiality Agreement between Purchaser and Franchisor Purchaser shall also immediately return all of Franchisor's confidential information (defined in the Confidentiality Agreement) to Franchisor and Franchisor shall also immediately return to Purchaser or destroy all of Purchaser's information marked/designated as confidential by Purchaser and (except for confidentiality), any further liabilities or obligations that either party might have to the other shall forever cease

Purchaser/Franchisee ____
All parties involved with Purchaser including any and all minority owners and other investors must sign a Confidentiality Agreement with BoConcept BoConcept also needs to approve any Investor and see sufficient financial information from all parties involved

Franchisor BoConcept Franchise, Inc

Franchise Agreement A new Franchise Agreement will be executed for each BoConcept® store

Stores/Territories Purchaser will have exclusive rights to open stores in the Territory(s) generally described as ______________________________, and as specified in and subject to the terms of Exhibit A to this LOI ("Ex A") attached and incorporated herein Franchisor expects Purchaser to develop the entire market area within the Territory for BoConcept's' Brand by opening an appropriate number of franchised retail stores and Purchaser agrees to develop additional stores within this area and time frames If Purchaser's fails to strictly adhere to the number of store openings and time frames in Ex A, then Purchaser forfeits its exclusive rights to open stores in the Territory and BoConcept may terminate the Franchise and allow others to open Brand Stores in the Territory

e-commerce. Franchisor also anticipates that e-commerce marketing and sales of BoConcept products may be made by Franchisor or other authorized parties within Purchaser's Territory

Franchise Fee USD$ 30,000 00 per location Payable by Purchaser, to Franchisor upon signing the Franchise Agreement, for each location

Security for Payment Obligations to Franchisor In addition to granting Franchisor Security Interests in lease, inventory, store assets and personal guarantees, within 14 days of signing Franchise Agreement, Purchaser will pay Franchisor a deposit of _______, EUR [Insert Amount] or alternatively an irrevocable bank guarantee-approved by Franchisor, ("Security Deposit") After store opens, Security Deposit will be adjusted each year thereafter by Franchisor in January to total the amount (equal to 10%) of the value of Purchaser's estimated yearly Product purchases for that calendar year, payable by Purchaser within 14 days of adjustment notice from Franchisor

Distribution Distribution from port to local store/warehouse and assembly and delivery of inventory to customers is the responsibility of Purchaser

Commissions/Royalties Purchaser shall not pay any Royalties or Commissions on any goods purchased from Franchisor

Axapta Accounting System Purchaser will utilize the Axapta accounting program and pay the fees as outlined in the Franchise Agreement

Training Purchaser will complete New Franchisee Introductory training prior to store opening and thereafter, fully participate in training and franchise seminars conducted in South America as well as Denmark per the Franchise Agreement

Marketing/Main Catalogue Up to a minimum of 8% of retail sales-excluding delivery and assembly must be contributed by Purchaser to other marketing activities and Purchaser will purchase the main catalogue, per the Franchise Agreement

Merchandisers/Stylist A daily rate is charged for Franchisor's portion of installation (for initial store build-out) for each merchandiser and Stylist Costs vary depending on size of location

Business Plan Purchaser shall provide Franchisor an acceptable business plan within forty-five (45) calendar days from the date of this LOI

Financial Reporting Purchaser shall supply Franchisor with complete financial statements quarterly and other reports as provided in the Franchise Agreement

Product Range All featured products in the store must be part of the BoConcept product range Suggestions on new products will be reviewed yearly at the national product meeting

Additional Agreements-Supply and Call (Purchase) Option Agreements Other separate Agreements are included with the Franchise Agreement, including without limitation, Development Plan, Social Media Marketing, Supply Agreement regarding inventory purchase terms and a Call (Purchase) Option Agreement, whereby Franchisor can elect to buy Purchaser's store using a specified valuation formula

Exclusive Negotiation Franchisor shall not enter into any agreement(s) with any other parties during the ninety (90) calendar days following the date of this LOI, regarding a Franchise opportunity within the contemplated store Territory herein This shall allow time for Purchaser's representatives to review the necessary definitive agreements including Franchise Offering Documents and evaluate this franchise opportunity and contemplated Territory on Exhibit A

The undersigned have executed this Agreement, to be effective as of the date of this LOI

FRANCHISOR	**PURCHASER·**
BoConcept Franchise, Inc	**By** ______________________
By ______________________	Print ______________________
Print ______________________	

EXHIBIT A

TO THE BOCONCEPT® **LETTER OF INTENT**
Dated ________ [Insert Date]
BETWEEN THE UNDERSIGNED PARTIES
FRANCHISE TERRITORY

1 **Franchise Location-Territory** the proposed franchise location and Territory of the BoConcept® store are the geographical area described as ________

The centers of the respective streets (freeway, expressways, turnpikes, political boundaries) and other dividers shall be considered the boundaries If political boundaries are used to describe the area, the political limits are those represented on the map provided by the Franchisee-Purchaser for this Franchise Agreement Changes of political limits will have no effect on the boundaries as set forth in this description or on the referenced map

2 **Required Store Expansion Plan and Schedule:** Purchaser shall be required to open the following number of store locations within the specified time frame In the event Purchaser fails to adhere to the number of store openings and time frames herein, then at Franchisor's sole election, Purchaser shall forfeit its exclusive rights to open stores in the Territory and BoConcept may terminate the Franchise and allow others to open Brand Stores in the Territory

NUMBER OF STORE:	LOCATION	SCHEDULED OPENING DATES*:
1		

***Opening Dates shall be on or before the expiration of each above specified time-frame after the Effective Date of the first Franchise Agreement signed between the parties:**

FRANCHISOR:

BoConcept Franchise, Inc.

By ____________________
Print ____________________
Title ____________________

PURCHASER:

By ____________________
Print ____________________,

By ____________________
Print ____________________,

EXHIBIT E FRANCHISEE LISTING 4-1-18

CALIFORNIA	BoConcept **San Francisco**	101 Townsend Rd San Francisco, CA	Soren and Caroline Jensen 415 371 0100
CALIFORNIA	BoConcept, **San Jose**	#1010 Stevens Creek Blvd , San Jose, CA 95128	Soren and Caroline Jensen 408 261-1663
CALIFORNIA	BoConcept La Brea	434 North La Brea Ave Los Angeles, CA 90036	Stephane Duval 323-591-0782
CALIFORNIA	**BoConcept Costa Mesa**	3311 Hyland Ave , Suite B, Costa Mesa, CA 92626	Stephanie Duval 657-267-0100
District of Columbia	**BoConcept Georgetown**	3342 M St , NW, Washington DC, 20007	Tim Machenaud 202-333-5656
FLORIDA	BoConcept **Brickell**	800 Brickell Avenue Suite 107 Miami, FL 33131	Carlos Salamonovitz 305-350-1941
Georgia	BoConcept Atlanta	309 East Paces Ferry Rd , Atlanta, GA 30305	Raymond Priddle 404-400-2090
MASSACHUSETTS	BoConcept **Cambridge**	999 Mass Ave Cambridge, MA 02138	Anthony Goodh 617-588-7777
NEW JERSEY	BoConcept **Paramus**	Harrows Shopping Plaza 141 Route 17 South Paramus, NJ 07652	Peter Chong 201 967 5300
NEW JERSEY	BoConcept **Princeton**	Nassau Park Pavilion 640 Nassau Park Boulevard Princeton, NJ 08540	Peter Chong 609 799 5300
NEW YORK	BoConcept **Westchester**	125 Westchester Ave , #1050 White Plains, NY 10601	Sanjay Chadha 914 328-0888
PENNSYLVANIA	BoConcept **Philadelphia**	1719 Chesnut St Philadelphia, PA 19103	Terrace Daniels 215-564-5656
WASHINGTON	BoConcept **Bellevue**	10400 NE 8th Street, Bellevue, WA 98004	Steen Skaaning 604 730 8111
CANADA	BoConcept **Vancouver**	1275 West 6th Avenue, Vancouver, BC V6H 1A6	Steen Skaaning 6 730 8111
	BoConcept **Calgary**	701 11th Ave , SW Calgary, AB T2ROE3	Roslyn Ross 403 265 6677
	BoConcept **Toronto**	230 Adelaide Street East Toronto, ON M5A 1M9	Rene Hjortshoej 1 647 352 8802
	BoConcept **Montreal-Laval**	620 Boulevard Le Corbusier Laval, Quebec H7N 0A9	Hani Hamze 450-661-1011

Exhibit E is a listing of all current franchisees and contact information The states in which a registration is effective or where a disclosure document has been filed include California, Florida, New York, Texas There are no states in which a proposed registration or filing is or will be shortly on file No states have refused, by order or otherwise, to register these franchises No states have revoked or suspended the right to offer these franchises There are no states in which a proposed registration of these franchises has been withdrawn

EXHIBIT F-State Addendums

(California, Illinois, New York, Virginia, Washington State)

CALIFORNIA ADDENDUM TO BOCONCEPT UNIFORM FRANCHISE DISCLOSURE DOCUMENT FOR BOCONCEPT FRANCHISE, INC , AS OF APRIL 15, 2019

This Addendum to BoConcept Franchise Disclosure Document supplements and modifies the BoConcept Franchise Disclosure Document of BoConcept Franchise, Inc dated April 15, 2019 for all franchises in California. Registration of this franchise with the State of California does not constitute approval, recommendation, or endorsement by the Department of Business Oversight

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT

Item I-THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES
Our agent for service of process is the California Department of Business Oversight, and the successors in office

Item 3- LITIGATION Neither we nor any person listed in Item 2 above is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A 78a et seq , suspending or expelling such persons from membership in that association or exchange

Item 5-INITIAL FRANCHISE FEE For franchises in California, we have established an Impound Account with Bank of America to cover any portion of your initial franchisee fee payable to us prior to your store opening (i e any deposit) which will be held in this account until the date of your store's opening for business On or about your store opening date, any initial fees collected by us prior to your store opening date will be released to us upon your signing a release stating that Franchisor has fulfilled all of its pre-opening obligations Any portion of the initial franchisee fee payable upon store opening shall be paid directly to Franchisor and not into the Impound Account

Item 17-RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION· California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise If the franchise agreement contains a provision that is inconsistent with the law, the law will control

The franchise agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (II U S C A Sec 101 et seq)

The franchise agreement contains a covenant not to compete This provision may not be enforceable under California law

The franchise agreement requires binding arbitration The arbitration will occur at the city in which the franchisor's parent headquarters are located when the proceedings are conducted in Copenhagen Denmark, with the costs being borne by the non-prevailing party Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 200405, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

The franchise agreement requires application of the laws of the Country of Denmark This provision may not be enforceable under California laws

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA- DEPARTMENT OF BUSINESS OVERSIGHT AT www dbo ca gov

ILLINOIS ADDENDUM TO THE
FRANSCHISE DISCLOSURE DOCUMENT

Illinois law governs the Franchise Agreement

Payment of Initial Franchise Fees are not payable until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void However, a franchise agreement may provide for arbitration to take place outside of Illinois

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void

NEW YORK ADDENDUM TO BOCONCEPT UNIFORM FRANCHISE DISCLOSURE DOCUMENT FOR BOCONCEPT FRANCHISE, INC , AS OF APRIL 15, 2019

1. The following information is added to the cover page of the Franchise Disclosure Document

INFORMATION COMPARING FRANCHISORS IS AVAILABLE CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, NEW YORK, NEW YORK 10005
THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT

2. The following is added at the end of Item 3

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark

A No such party has an administrative, criminal or civil action pending against that person alleging a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations

B No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations

C No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging violation of a franchise, antifraud, or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations

D No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange, or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular (a) filed as debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code, (b) obtained a discharge of its debts under the bankruptcy code, or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code or that obtained a discharge of its debts under the U S Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership

4. The following is added to the end of Item 5

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion

5. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer"

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force, it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687 4 and 687 5 be satisfied

6. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee"

You may terminate the agreement on any grounds available by law

7. The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by franchisor"

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement

8. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law"

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York

VIRGINIA ADDENDUM TO BOCONCEPT FRANCHISE DISCLOSURE DOCUMENT FOR BOCONCEPT FRANCHISE, INC. AS OF APRIL 15, 2019

This Addendum to BoConcept Franchise Disclosure Document supplements and modifies the BoConcept Franchise Disclosure Document of BoConcept Franchise, Inc dated April 15, 2019 for all franchises in Virginia

Item 5
INITIAL FEES

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires certain franchisors to defer payment of any initial fees/deposits paid by franchisees until the franchisor has completed its pre-opening obligations under the Franchise Agreement The initial franchisee fee is payable to us upon store opening which is after we have completed our pre-opening obligations and accordingly your initial franchisee fees shall not be deferred

Item 17 h-
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

In recognition of the restrictions contained in Section 13 1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for BoConcept Franchise, Inc for use in the Commonwealth of Virginia shall be amended as follows

The following statements are to be added to Item 17 h Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him/her under the franchise If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him/her under the franchise, that provision may not be enforceable

Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause If any grounds for a default or termination stated in the Franchise Agreement does not constitute "reasonable cause" as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable

WASHINGTON STATE FRANCHISE DISCLOSURE DOCUMENT ADDENDUM

The state of Washington has a statute, RCW 19 100 180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer

Item 5 of the FRANCHISE DISCLOSURE DOCUMENT INITIAL FRANCHISE FEE is hereby amended as follows

For a BOCONCEPT franchise, the initial franchise fee is $30,000 00 A $3,000 00 deposit may be payable upon signing a Letter of Intent (Exhibit D) and the remaining $27,000 00 is then payable upon store opening date However, for franchises sold in the State of Washington, we have established an Impound Account with Bank of America to cover any amounts paid to Franchisor prior to store opening (i e any initial deposit collected prior to store opening) which will be held in this account until the date of your store's opening for business On or about your store opening date, any initial fees payable to Franchisor prior to store opening will be released to Franchisor upon your signing a release stating that Franchisor has fulfilled all of its pre-opening obligations Any portion of the initial franchisee fee payable upon store opening shall be paid directly to Franchisor and not into the Impound Account The amount of the franchise fee may vary dependent upon the location of the franchise and number of franchises purchased

I have received this Addendum as an Exhibit to the Franchise Disclosure Documents with an effective date of April 15, 2019

__________ ____________________

Date PROSPECTIVE FRANCHISEE

____

PRINTED NAME

EXHIBIT "G"

SECURITY AGREEMENT

Name of **"Company"** ______________________________,
State of incorporation or organization ______________________,
Federal **Tax ID#** ______________________________,
Address of collateral ______________________________

All Individual Owner(s) Full Names, Residential Addresses Social Security Numbers, etc

1) **Name (First, MI, Last)** __________ ph ____________ e-mail ____________
Home Address ______________________________
Date of Birth ______________ Social Security #______________

2) **Name (First, MI, Last)** __________ ph ____________ e-mail ____________
Home Address ______________________________
Date of Birth ______________ Social Security #______________

All of the above referenced Company and all Individual Owners (herein collectively called "Debtor")

In consideration of Secured Party's extension of credit to Debtor and other good and valuable consideration the receipt of which is acknowledged, Debtor hereby grants to BoConcept Franchise, Inc , a Kansas corporation, and any and all of its affiliated companies, including but not limited to BoConcept USA, Inc , BoConcept Retail A/S of Denmark and BoConcept A/S of Denmark, their successors, assigns and transferees, beneficiaries, (herein collectively called "Secured Party", a general security interest in the following described personal property All inventory, goods and products owned by the Debtor including but not limited to, all equipment, fixtures, furniture, accessories thereto and supplies and accounts owned by the Debtor, and as more particularly described on the attached Exhibit "A" incorporated herein, all proceeds therefrom or relating thereto, including insurance proceeds, now owned or hereafter acquired, together with all additions, accessions and substitutions acquired, plus a security interest in all shares of stock, membership interests or any other units of ownership in the Company named above now owned or hereinafter acquired by any individual owners and all dividends, cash instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect thereof, hereinafter all of the above collectively called "Collateral" Collateral shall also include proceeds of collateral

This security interest is given to secure all (current and future) liabilities of Debtor to Secured Party pursuant to Secured Party's extension of credit to debtor or any of Debtor's affiliates for the purchase of inventory, accessories, fixtures or equipment or marketing and all renewals, extensions and modifications thereto, if any This Security Agreement shall remain in full force and effect until all of Debtor's indebtedness to Secured Party howsoever arising, whether presently or hereafter incurred, shall have been paid in full, and until all goods, inventory and Collateral placed in the possession of the Debtor have been returned to the possession of the Secured Party Debtor shall make, execute and deliver to Secured Party without additional consideration, such further instruments, agreements, assignments, authorizations, guarantees and assurances as may be or become necessary in order to carry out and effectuate the purpose of this Security Agreement

Any guarantee given by Debtor hereunder, shall be additional security and shall not impair any other security or instruments of security which Secured Party may now or hereafter hold in connection with present or future indebtedness of Debtor to Secured Party

Initials ______, ______, ______, ______

ASSIGNMENT OF ALL OWNERSHIP INTERESTS IN [INSERT FRANCHISEE'S ENTITY NAME] **TO SECURE DEBTOR'S OBLIGATIONS PURSUANT TO CALL OPTION AGREEMENT** Debtor is also a party to a Call Option Agreement dated ____________, [INSERT CALL OPTION AGREEMENT DATE]with Secured Party, herein the ("Call Option Agreement"), whereby Debtor has granted Secured Party, (BoConcept A/S) the right, but not the obligation, to purchase (or designate a third-party Designee to purchase) all the Shares and/or units of ownership interests ("Shares") in ____________________[INSERT FRANCHISEE'S ENTITY NAME], ("Debtor's Company"],which owns all the assets of the BoConcept franchise store located at ___________[INSERT ADDRESS] In order to secure Debtor's obligation to sell all such Shares pursuant to such Call Option Agreement, Debtor hereby grants to Secured party a general first priority security interest in all such Shares in Debtor's Company, now owned or hereinafter acquired in any manner whatsoever by any and all owners and this security interest shall include all of Debtor's rights to any and all dividends, cash instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect to the Shares, thereof

Furthermore, Debtor hereby agrees to sign and deliver to Secured Party within 5 calendar days of Debtor's receipt, an Amendment to the Articles of Incorporation/Organization for Debtor's Company, (which shall be prepared and then filed by Secured Party with the appropriate governing authority), whereby Debtor shall represent that they are the sole owner(s) of all ownership interests of Debtor's Company and he/Debtor is unmarried and (except for the Call Option Agreement referenced herein), no other party has any ownership, claims or interest whatsoever in any of the ownership interests of Debtor's Company and none of the ownership interests are subject to any assignment, encumbrance or lien of any kind However, all ownership interests in Debtor's Company (representing 100% ownership) are subject to a Call Option Agreement, whereby BoConcept A/S (or its designee) has the option to purchase all of the ownership interests in Debtor's Company, which is the sole (100%) owner of all of the assets of the BoConcept franchise store located at ______________[INSERT ADDRESS] and this Amendment to Articles of Incorporation/Organization is being filed to notify any third-parties that all ownership interests of Debtor's Company are and shall continue to be subject to the terms of the herein referenced Call Option Agreement and therefore cannot be sold, transferred, assigned or encumbered to any other party Furthermore, as long as the Call Option Agreement is in force, Debtor shall not transfer, sell, assign or encumber in any manner whatsoever any Shares whatsoever in Debtor's Company (including by way of merger or similar reorganization or restructure), or any of the assets owned by Debtor's Company without prior written consent from Secured Party

To further secure Debtor's representations and obligations to Secured Party under the Call Option Agreement, within ten calendar days of this Agreement, Debtor shall provide Secured Party with complete and signed copies of all of the most recently filed federal and state income tax reporting returns for both Debtor's Company and also all individual owners of Debtor's Company Thereafter, as long as the Call Option Agreement is in force, Debtor agrees to continue to provide Secured Party with complete and signed copies of all federal and state income tax reporting returns for all subsequent tax reporting periods, within ten (10) calendar days of filing, for both Debtor's Company and also all individual owners of Debtor's Company Each income tax return required herein shall be accompanied by a written representation signed and dated by the Debtor's licensed Certified Public Accountant (CPA) representing that each separate income tax return provided is the version that was filed without any changes, with all appropriate taxing authorities

All covenants, undertakings and agreements of Debtor contained herein shall be binding upon Debtor's successors and assigns, however, this Agreement shall not be assignable by Debtor without the prior written consent of Secured Party and without such prior written consent any assignment shall be void, shall confer no rights hereunder and shall constitute a material breach of this Security Agreement

Any notices that may be given hereunder shall be considered sufficient if delivered personally to the Secured

Party, or to an executive officer of Debtor, or if given by Registered mail or overnight delivery (with proof of delivery) postage/delivery prepaid as follows

Secured Party	BoConcept Franchise, Inc 142A LeFante Way, Bayonne, New Jersey 07002
Debtor Main Company address	______________________, ______________________

or at such other address as each party may designate by written notification to the other

INSURANCE Debtor at Debtor's own expense shall carry insurance coverage required to properly cover the greater of full replacement value of all collateral or amounts sufficient to cover all outstanding amounts owed to Secured Party and Debtor shall notify its insurance carrier of Secured Parties' interest as an additional insured in any such insurance proceeds

MAINTENANCE: Debtor will keep the collateral in good condition and free from liens and other security interests, will pay promptly all taxes and assessments with respect thereto, will not use the collateral illegally or encumber the same and will not permit the Collateral to be affixed to real or personal property without the prior written consent of Secured Party Secured Party may examine the Collateral at any time, wherever located

CHANGE OF LOCATION OF COLLATERAL The collateral shall at all times be located at ______________________________, [INSERT ADDRESSES] Debtor shall immediately notify Secured Party in writing of any change in Debtor's location, and Debtor will not permit any of the Collateral to be removed from the location specified herein without the prior written consent of Secured Party

EVENTS OF DEFAULT Debtor shall be in default under this Agreement upon the happening of any of the following events or conditions

1 Debtor's default in the payment or performance of any obligation, covenant or liability referenced herein or in any other agreement between Debtor and Secured Party,

2 Any warranty, representation or statement by Debtor to Secured Party which shall be untrue, incorrect or misleading when given to Secured Party,

3 Any event which results in the acceleration of the maturity of Debtor's indebtedness to others under any indenture, agreement, note or other evidence of indebtedness with respect to collateral and business,

4 Loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral or the making of any levy, lien, or encumbrance with respect thereto or thereon,

5 Any time the Secured Party reasonably believes that the prospect of payment of any indebtedness secured hereby or the performance of this Security Agreement is impaired or that its priority interest in the secured goods or proceeds thereof is jeopardized,

6 Appointment of a receiver for any part of the Collateral, any Bankruptcy filing

REMEDIES Upon such default and at any time thereafter Secured Party may declare all obligations secured hereby immediately due and payable and may proceed to enforce payment of the same and exercise any and all

 Initials ______, ______, _____, _____

of the rights and remedies provided by the Uniform Commercial Code as well as all other rights and remedies possessed by Secured Party Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at any place and within any time-frame to be designated by Secured Party which is reasonably convenient to both parties Unless the Collateral is perishable or threatens to decline specifically in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown at the beginning of this agreement at least five days before the time of the sale or disposition Expenses of retaking, holding, preparing for sale, selling or the like shall be borne by Debtor and shall include Secured Party's reasonable attorneys' fees and legal expenses Neither the failure, partial failure, nor any delay on the part of Secured Party to exercise any right, power or privilege hereunder shall operate as a waiver thereof No waiver by Secured Party of any default shall operate as a waiver of any other default

All parties hereto certify and warrant they have full power and authority to execute this agreement which may be executed in any number of counterparts each of which, when taken together shall be deemed an original

DEBTOR

INDIVIDUAL OWNERS:

By **X**____________________________,
Print Name ______________________,

By **X**____________________________,
Print Name ______________________,

By X____________________________,
Print Name ______________________,

By X____________________________,
Print Name ______________________,

Company Name: ______________________,

By **X** ______________________________,
Print Name/Title ______________________,

(Add more space if necessary)

NOTARY-FOR DEBTOR-COMPANY

STATE OF ______________)
) ss
COUNTY OF______________)

Initials ______, ______, _____, _____

On this ___ day of __________, before me, the undersigned, a Notary Public of said State duly commissioned and sworn, personally appeared ______________________________, who represented to me they are the authorized officer of ____________________________, known to me to be both the person and officer whose name is subscribed to the within instrument, and acknowledged that they executed the same on behalf of and as authorized officer of said entity

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written __________________________________, Notary Public in and for said County and State
My Commission Expires __________

[SEAL]

NOTARY-FOR DEBTOR-INDIVIDUAL OWNERS

STATE OF _________________)
) ss
COUNTY OF________________)

On this ___ day of __________, before me, the undersigned, a Notary Public of said State duly commissioned and sworn, personally appeared ________________________________ an individual known to me to be both the person whose name is subscribed to the within instrument, and acknowledged that they executed the same on behalf of themselves personally

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written _________________________________, Notary Public in and for said County and State
My Commission Expires __________

[SEAL]

STATE OF _________________)
) ss
COUNTY OF________________)

On this ___ day of __________, before me, the undersigned, a Notary Public of said State duly commissioned and sworn, personally appeared ________________________________ an individual known to me to be both the person whose name is subscribed to the within instrument, and acknowledged that they executed the same on behalf of themselves personally

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written _________________________________, Notary Public in and for said County and State
My Commission Expires __________

[SEAL]

 Initials ______, ______, _____, _____

EXHIBIT "H"

Our ref 317519 JAS

CALL OPTION AGREEMENT

BoConcept A/S
Business reg no (CVR) 89 86 66 18
Fabriksvej 4
6870 Ølgod
Denmark
(hereinafter referred to as "**BoConcept A/S**")

and

[COMPANY]
Business reg no [•]
[ADDRESS]
[ADDRESS]
(hereinafter referred to as the "**Option Provider**")

(BoConcept A/S and the Option Provider are hereinafter collectively referred to as the "**Parties**" and individually as a "**Party**")

have as of today's date entered into the following call option agreement (the "**Agreement**")

1. Background

1 1 The Option Provider is the sole legal owner of the full share capital in

a) [NAME], business registration no [•], [ADDRESS], and
b) [NAME], business registration no [•], [ADDRESS]

([the "**Company**"/collectively the "**Companies**" and each a "**Company**"])

1 2 [The/Each] Company is a franchisee of BoConcept A/S and BoConcept A/S and [the/each] Company have entered into one or more franchise agreement(s) regarding said Company's operation of BoConcept brand store(s) (each such agreement, whether concluded prior to or after the conclusion of this Agreement, referred to herein as a "**Franchise Agreement**")

1 3 In acknowledgement of BoConcept A/S' interest in assuming ownership of its franchisees, the Option Provider grants BoConcept A/S an option to acquire the full share capital in [the/each] Company at the time of exercise of such option (the "**Shares**")

2 The Call Option

2 1 Subject to the terms of this Agreement, the Option Provider hereby grants BoConcept A/S the right, but not the obligation, to acquire (or designate a third party to acquire, such third party referred to herein as the "**Designee**"), the Shares in [the/each] Company from the Option Provider (the "**Call Option**") The Call Option must be exercised in full in regard to [the/each] Company and can thus not be exercised for a part of the Shares in [the/a] Company [The Call Option may, however, be exercised in regard to one (1) or more of the Companies, at BoConcept A/S' sole discretion In the event BoConcept A/S decides to invoke the Call Option in regard to one (1) or more of the Companies, the Agreement shall continue in force with respect to the remaining Companies, cf clause 2 2 1]

2 2 Exercise Period and procedure

2 2 1 The Call Option may be exercised as long as the Company in question is a franchisee of BoConcept A/S, i e as long as a Franchise Agreement is in full force and effect or as long as the Company operates a brand store under the BoConcept brand, and sixty (60) business days thereafter (the "**Exercise Period**") If the Call Option has not been exercised before the expiration of the Exercise Period, BoConcept A/S will lose its right to invoke the Call Option and the Parties will have no claim against each other under this Agreement

2 2 2 BoConcept A/S shall exercise the Call Option by giving written notice to the Option Provider (the "**Call Notice**") If BoConcept A/S designates a Designee, the Call Notice shall contain the name and address of such Designee and the declaration of the Designee that it accepts the transfer of the Shares

2 2 3 Upon the Option Provider's receipt of the Call Notice ("**Call Notice Receipt**"), the Parties shall at BoConcept A/S' sole discretion arrange for the conduct of a legal, financial and commercial due diligence investigation of the [Company/Companies listed in the Call Notice] For BoConcept A/S' conduct of such due diligence investigation, the Option Provider and the [Company/Companies] shall immediately grant BoConcept A/S or the Designee access to all information and documentation requested by BoConcept A/S BoConcept A/S shall give notice to the Option Provider upon completion of

the due diligence and in any event no later than three (3) months after receipt of all documentation requested (the "**Completion Notice**"), which shall confirm whether or not BoConcept A/S or the Designee is satisfied with the due diligence investigation and thus wants to proceed with the acquisition of the Shares in the [Company/relevant Companies]

2 2 4 Subject to BoConcept A/S or the Designee being satisfied with the results of the due diligence investigation, the transfer of the Option Provider's Shares shall become effective for the Parties at the earliest of the following dates (i) twelve (12) months after the Call Notice Receipt, (ii) at the end of the term of a Franchise Agreement concluded with [the Company/one of the Companies encompassed by the Call Notice] (if there are more than one Franchise Agreement, then the relevant end date is the earliest one), (iii) the end of [the Company's/one of the Companies' encompassed by the Call Notice] operation of a brand store under the BoConcept brand, or (iv) such other date as may be agreed upon between the Parties (the "**Call Option Closing**") In the event that filings with regulatory authorities must be made or regulatory approvals must be obtained to consummate the closing, the Parties shall use their respective best efforts to make such filings and take such actions as may be necessary to obtain such approvals and to consummate the Call Option Closing, and such Call Option Closing shall be automatically extended in the event such closing cannot take place as a result of additional time required for filings with or approvals required from any regulatory authority

2 2 5 In the event BoConcept A/S or the Designee is not satisfied with the results of the due diligence investigation, BoConcept A/S respectively the Designee shall be entitled to withdraw the Call Notice for any Company encompassed by the Call Notice

2 3 Agreements and declarations

2 3 1 BoConcept A/S is entitled to require the Option Provider to enter into a share purchase agreement on the terms and conditions set out in **Schedule 1** and to make any declarations deemed necessary or expedient by BoConcept A/S to complete the Call Option in accordance with this Agreement, including for documentation purposes and/or in respect of filings with the relevant commercial register In the event of material breach of a Franchise Agreement as described in clause 5 1 of this Agreement, the terms and condition of Schedule 1 shall be adjusted according to clause 5 1

2 3 2 As of the signing of this Agreement, the Option Provider shall issue an irrevocable power of attorney in the form attached hereto as **Schedule 2**, which shall allow BoConcept A/S to conduct all the measures it may deem necessary and practicable to execute its Call Option

3 Purchase Price

3 1 In case of BoConcept A/S' exercise of the Call Option, the purchase price payable for the Shares in [the/each] Company by BoConcept A/S or by a Designee (the "**Purchase Price**") shall be calculated as set out below

3 1 1 If the Company's first opening of a BoConcept brand store takes place less than twelve (12) months prior to the Call Notice Receipt, then the Purchase Price shall be equal to the net asset value of the Company as of the date of the Call Option Closing

3 1 2 If the Company's first opening of a BoConcept brand store takes place twelve (12) months or more prior to the Call Notice Receipt, then the Purchase Price shall be equal to 4 x the Company's EBITDA as of the date of the Call Notice Receipt, calculated in accordance with the principles set out in **Schedule 3** less (i) Net Interest Bearing Debt, cf clause 3 1 2 2 and (ii) Net Working Capital, cf clause 3 1 2 3 [In the event that BoConcept A/S exercises the Call Option in regard to more than one Company, the Purchase Price calculated for each Company shall be added together, i e if the Purchase Price for a Company will be positive and the Purchase Price for another Company will be negative, then the negative Purchase Price shall be deducted from the positive Purchase Price and the total amount will be deemed to be the aggregate Purchase Price for said Companies]

3 1 2 1 [The/Each] Company's EBITDA as of the date of the Call Notice Receipt shall be calculated on the basis of applicable mandatory provisions as well as internationally recognized accounting principles applied and determined as the average level of (i) the average level of EBITDA for the last twelve (12) months ("**LTM**") (which shall be determined on the basis of the Company's end of month EBITDA for the LTM prior to the date of the Call Notice Receipt) and (ii) the average level of EBITDA for the next twelve (12) months ("**NTM**") (which shall be determined on the basis of the Company's end of month EBITDA for the NTM after the date of the Call Notice Receipt) In the event that the Company's first opening of a BoConcept brand store takes place twelve (12) to eighteen (18) months prior to the Call Notice Receipt, then "the average level of EBITDA for LTM" shall be calculated as the average level of EBITDA for the actual number of months passed after the end of the

first six (6) months since the Company's first opening of a BoConcept brand store and until the Call Notice Receipt Likewise, in the event that the Call Option Closing takes place less than twelve (12) months' after the Call Notice Receipt, then "the average level of EBITDA for NTM" shall be calculated as the average level of EBITDA for the actual number of months passed from the Call Notice Receipt and until Call Option Closing Furthermore, when determining the Company's EBITDA for the purposes of this Agreement, Other Activities (as defined in clause 4 2) shall be disregarded

3 1 2 2 Net Interest Bearing Debt is calculated as the Company's net interest bearing liabilities as of the Call Option Closing less the Company's net interest bearing assets as of the Call Option Closing and shall be calculated in accordance with internationally recognized principles and applicable legislation

3 1 2 3 Net Working Capital shall be calculated as the Company's Net Working Capital as of the Call Option Closing However, if the Net Working Capital as of the Call Option Closing is higher than the Net Working Capital as of the Company's latest annual report prior to the Call Notice Receipt, then the Net Working Capital shall be calculated as the Net Working Capital as of the Company s latest annual report

For the purposes of this Agreement, Net Working Capital is calculated as

The sum of
Inventories
Accounts Receivable
Prepayments
Other receivables related to the primary operation of the business (for example VAT receivable)

Less
Accounts Payable
Prepayments received from customers
Accruals and deferred income
Other debt (VAT payable and payroll related liabilities and other payables related to the primary operation of the business)

3 1 3 Examples of the calculation of the Purchase Price calculated as set out in clause 3 1 2 are attached as **Schedule 4**

4. Discontinuation of activities not relating to the BoConcept franchise business

4 1 Upon BoConcept A/S' or the Designee's delivery of a Completion Notice which states that the due diligence investigation was satisfactory, the Option Provider shall ensure that the activities not relating to the BoConcept franchise business of [the Company/ each Company encompassed by the Call Notice] ("**Other Activities**") are discontinued prior to the Call Option Closing Such activities shall be sold at book value or discontinued without this resulting in any loss for the [Company/Companies encompassed by the Call Notice]

4 2 To the extent such Other Activities have not been properly discontinued as at the Call Option Closing, BoConcept A/S is entitled to withhold a reasonable part of the Purchase Price to cover any costs and/or losses related to the proper discontinuation of such Other Activities

5 Material breach of a Franchise Agreement

5 1 In the event that [the/a] Company is in material breach of a Franchise Agreement, which according to said Franchise Agreement will entitle BoConcept A/S to terminate the Franchise Agreement (meaning after the expiry of any period to remedy a material breach under the Franchise Agreement), at (i) the time of the Call Notice Receipt or (ii) after the Call Notice Receipt, BoConcept A/S may demand that the Call Option Closing takes place immediately without prior notice In such event, any reference to Call Option Closing in this Agreement and Schedule 1 shall be deemed as a reference to the immediate date at which BoConcept A/S chooses to invoke this clause 5 1 and the following adjustments to the Purchase Price shall be made

a) The Company's EBITDA as of the date of the Call Notice Receipt shall be calculated on the basis of applicable mandatory provisions as well as internationally recognized accounting principles applied and determined as the average level of EBITDA for the LTM, and

b) The Purchase Price shall be reduced by 50%

6 Other provisions

6 1 Costs

6 1 1 Either Party pays its own costs of conclusion of the Agreement In the event of any notary fees, etc related to the signing of this Agreement, such fees etc shall be paid by the Parties in equal shares

6 2 Entire Agreement

6 2 1 This Agreement and its schedules constitute the entire agreement between the Parties concerning the Call Option and supersede all previous oral or written commitments and undertakings relating hereto

6 3 Changes to the Agreement

6 3 1 Should the Parties agree to amend this Agreement, such agreement must be made in writing in order to be valid

6 4 Severability

6 4 1 The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect

6 5 Notices

6 5 1 Any notice required to be given under this Agreement must be in writing and as regards BoConcept A/S addressed to

BoConcept A/S
Fabriksvej 4
6870 Ølgod
Denmark
Attn [NAME], [EMAIL ADDRESS]

and to the following as regards the Option Provider

[NAME]
[ADDRESS]
[POSTAL CODE, TOWN]
[COUNTRY]
Attn [NAME], [EMAIL ADDRESS]

unless the individual Party gives written notification of another addressee

6 5 2 Any notice required to be given under this Agreement shall be regarded as having been duly given with immediate effect if delivered or sent by registered and stamped mail and/or sent by email to the addressee specified in clause 6 5 1 (alternatively the addressee later designated) or if receipt thereof is otherwise acknowledged Either Party is responsible for ensuring that the other Party at all times is provided with information of the correct addressee and the receiving Party bears the risk of non-receipt of a notification, if such notification has been sent to the designated addressee

7 Governing law and venue

7 1 This Agreement shall be governed by the laws of Denmark and any dispute arising out of or in connection with this Agreement, including disputes regarding the existence or validity of the Agreement, shall be settled pursuant to Danish law (with the exception of any conflict of laws rules which may lead to the application of other law than Danish law)

7 2 Any disputes which cannot be amicably settled by the Parties shall be settled with binding and final effect by arbitration administrated by the Danish Institute of Arbitration in accordance with the rules of arbitration procedure adopted by the Institute and in force at the time of filing of the arbitration case

7 3 The arbitral tribunal shall be composed of one (1) arbitrator appointed by the Danish Institute of Arbitration if the subject matter, which shall mean the pecuniary claim or the value of the non-pecuniary claim specified in the statement of claim, amounts to less than EUR 100,000 In all other cases the arbitral tribunal shall be composed of three (3) arbitrators, and each Party is entitled to appoint one (1) arbitrator and the chairman is to be appointed by the Danish Institute of Arbitration The place of arbitration shall be Copenhagen, the language to be used in the arbitral proceedings shall be English, and the arbitral tribunal's decisions and awards shall be confidential The arbitral award shall be final and conclusive and binding on the Parties

The arbitral tribunal will be solely and exclusively competent for all claims, irrespective of their nature (contractual, tort or based on written law) in relation to or arising out of this Agreement, especially in relation to or arising out of the circumstances of its negotiation, its conclusion, its execution or non-execution, its termination, and all subsequent disputes

The arbitral tribunal, and not any court, will have exclusive authority to decide arbitrability including questions of the arbitration's provision's formation, scope, validity or conscionability The arbitral tribunal, and not any court, will have exclusive authority to resolve any dispute over the enforceability of all or any part of the "Governing law and venue" section including the enforceability of the arbitration, choice of law and forum selection clauses

This arbitration clause does, however, not prevent BoConcept A/S from protecting its rights under this Agreement by seeking injunction orders or other interim measures available under the law of the jurisdictions of the Option Provider and/or a Company from the local courts

8. Counterparts

8 1 The Agreement is executed in two identical counterparts of which the Parties receive one original counterpart each

9 Schedules

9 1	Schedule 1	Share purchase agreement
9 2	Schedule 2	Power of Attorney
9 3	Schedule 3	Principles for calculation of EBITDA
9 4	Schedule 4	Examples of the calculation of the Purchase Price

Date [DATE]	Date [DATE]
On behalf of BoConcept A/S	On behalf of [NAME]
____________________	____________________
[NAME]	[NAME]

Schedule 1 to Call Option Agreement

SHARE PURCHASE AGREEMENT

On the date of this Agreement,

[COMPANY]
Business reg no [•]
[ADDRESS]
[ADDRESS]
(hereinafter the "**Purchaser**")

and

[OPTION PROVIDER]
Business reg no [•]
[ADDRESS]
[ADDRESS]
(hereinafter the "**Seller**")

(The Purchaser and the Seller are hereinafter collectively referred to as the "**Parties**" and individually as a "**Party**")

have concluded the following share purchase agreement (the "**Agreement**") regarding the Seller's shares in (i) [COMPANY], business reg no [•], [ADDRESS], and (ii) [COMPANY], business reg no [•], [ADDRESS] (the "**Company/**collectively the "**Companies**" and each a "**Company**"]) ")

1 Background

1 1 This Agreement is concluded as a consequence of the execution of the call option granted to BoConcept A/S (or a designee) under the call option agreement concluded between BoConcept A/S and [OPTION PROVIDER] on [DATE] (the "**Call Option Agreement**")

1 2 Any term with initial capitalized letter not expressly defined in the Agreement shall have the meaning referred to in the Call Option Agreement

2 Sale and purchase of the Shares

2 1 On [DATE] (the "**Call Option Closing**"), the Seller sells (i) [•] shares in [COMPANY] each in the nominal amount of [•], and (ii) and [•] shares in [COMPANY] each in the nominal amount of [•] (the "**Shares**"), to the Purchaser and the Purchaser acquires the Shares from the Seller

2 2 As of the Call Option Closing, the Purchaser shall be entitled to all benefits, and to exercise all rights, attached or accruing to the Shares including, without limitation, the right to receive all dividends or any other return on capital declared, paid or made by the [Company/Companies] on or after the Call Option Closing

3. Purchase price

3 1 The purchase price payable for the Shares by the Purchaser (the "**Purchase Price**") shall be calculated as set out below

3 1 1 If the Company's first opening of a BoConcept brand store takes place less than twelve (12) months prior to the Call Notice Receipt, then the Purchase Price shall be equal to the net asset value of the Company as of the date of the Call Option Closing

3 1 2 If the Company's first opening of a brand store takes place twelve (12) months or more prior to the Call Notice Receipt, then the Purchase Price shall be equal to [the total sum of] 4 x [the/each] Company's EBITDA as of the date of the Call Notice Receipt, calculated in accordance with the principles set out in Schedule 3 to the Call Option Agreement less (i) Net Interest Bearing Debt, cf clause 3 1 2 2 and (ii) Net Working Capital, cf clause 3 1 2 3

3 1 2 1 [The/Each] Company's EBITDA as of the date of the Call Notice Receipt shall be calculated on the basis of applicable mandatory provisions as well as internationally recognized accounting policies applied and determined as the average level of (i) the average level of EBITDA for the last twelve (12) months ("**LTM**") (which shall be determined on the basis of the Company's end of month EBITDA for the LTM prior to the date of the Call Notice Receipt) and (ii) the average level of EBITDA for the next twelve (12) months ("**NTM**") (which shall be determined on the basis of the Company's end of month EBITDA for the NTM after the date of the Call Notice Receipt) In the event that the Company's first opening of a BoConcept brand store takes place twelve (12) to eighteen (18) months prior to the Call Notice Receipt, then "the average level of EBITDA for

LTM" shall be calculated as the average level of EBITDA for the actual number of months passed after the end of the first six (6) months since the Company's first opening of a BoConcept brand store and until the Call Notice Receipt Likewise, in the event that the Call Option Closing will take place less than twelve (12) months' after the Call Notice Receipt, then "the average level of EBITDA for NTM" shall be calculated as the average level of EBITDA for the actual number of months passed from the Call Notice Receipt and until Call Option Closing Furthermore, when determining the Company's EBITDA for the purposes of this Agreement, Other Activities (as defined in clause 4 2 of the Call Option Agreement) shall be disregarded

3 1 2 2 Net Interest Bearing Debt is calculated as the Company's net interest bearing liabilities as of the Call Option Closing less the Company's net interest bearing assets as of the Call Option Closing and shall be calculated in accordance with internationally recognized principles and applicable legislation

3 1 2 3 Net Working Capital shall be calculated as the Company's Net Working Capital as of the Call Option Closing However, if the Net Working Capital as of the Call Option Closing is higher than the Net Working Capital as of the Company's latest annual report prior to the Call Notice Receipt, then the Net Working Capital shall be calculated as the Net Working Capital as of the Company s latest annual report

For the purposes of this Agreement, Net Working Capital is calculated as

The sum of
Inventories
Accounts Receivable
Prepayments
Other receivables related to the primary operation of the business (for example VAT receivable)

Less
Accounts Payable
Prepayments received from customers
Accruals and deferred income
Other debt (VAT payable and payroll related liabilities and other payables related to the primary operation of the business)

3 2 Five (5) business days prior to the Call Option Closing, the Seller shall estimate the Purchase Price (the "**Estimated Purchase Price**") in accordance with the principles in clauses 3 1-3 1 2 3 above on the basis of the information available to the Seller at that time BoConcept A/S is entitled to withhold 25% of the Estimated Purchase Price, however, no less than EUR 100,000, until the adjustment of the estimated Purchase Price has been finally determined, cf clause 3 3 The remaining part of the Estimated Purchase Price is payable in cash at the Call Option Closing into a bank account designated by the Seller

3 3 Adjustment of the Estimated Purchase Price

3 3 1 No later than thirty (30) business days after the Call Option Closing the Seller shall calculate the Purchase Price The Purchaser shall allow the Seller free access to all relevant documentation, which the Seller might request, for calculation of the Purchase Price

3 3 2 If the Purchaser disagrees with the statement of the Purchase Price, the Purchaser must notify the Seller thereof in writing within thirty (30) business days after the Purchaser's receipt of the statement from the Seller If the Purchaser has not forwarded such notification within the time stipulated, the Purchaser will be regarded as having accepted the statement of the Purchase Price

3 3 3 If the Parties are unable to reach an agreement on the Purchase Price, the final calculation must be made by an independent auditor appointed by FSR - Danish Auditors who must be a state-authorised public accountant The independent auditor is obliged to determine the Purchase Price in accordance with the guidelines specified in the Agreement

3 3 4 The Purchaser and the Seller shall each pay their own costs of advisers incurred in connection with the procedure described in this clause 3 The costs of the independent auditor, cf clause 3 3 3, are payable by the Party which is the least successful in its position concerning the disputed matters

3 3 5 The difference between the Estimated Purchase Price and the Purchase Price is paid by the obliged Party to the other Party no later than eight (8) business days after the final determination of the Purchase Price

4 **Closing**

4 1 At the Call Option Closing, subject to the Purchaser's sımultaneous performance of its obligatıons pursuant to clause 4 2, the Seller shall take the following actions or procure the following to the Purchaser

4 1 1 Deliver to the Purchaser the [Company's/Companies'] regıster of shareholders showing the Purchaser as the sole shareholder of the Shares

4 1 2 Execute all deeds, render all declarations and effect the relevant registration wıth the relevant authorities as provided by applicable law ın order to have the title to the Shares fully and validly transferred to the Purchaser free of any third-party rights, and

4 2 At the Call Option Closing, subject to the Seller's sımultaneous performance of its obligatıons pursuant to clause 4 1, the Purchaser shall take the following actions and deliver to the Seller or procure the following

4 2 1 Pay the part of the Estimated Purchase Price, which is not wıthheld by BoConcept A/S, cf clause 3 2, into the bank account desıgnated by the Seller ın ımmediately available funds with value as of the Call Optıon Closing,

4 3 At Closıng, the Parties shall execute such further documents and take such further action as may be necessary to give full force and effect to the provısions of this Agreement

4 4 The abovementioned actıons ın this clause 4 shall be deemed to have been executed at the same time and none of the actions performed by one Party shall be deemed to have been performed before the actions that must be performed by the other Party have taken place

5 **Representatıons and warranties of the Seller**

5 1 As at the date of the Call Option Closing, the Seller provıdes the following representations and warrantıes in favour of the Purchaser

5 1 1 [The/Each] Company is duly founded, existing and registered with the relevant authorities

5 1 2 The Shares account for 100% of the [Company's/Companies'] issued and outstanding share capital and the Seller is the sole, unrestricted legal and beneficial owner of the Shares

5 1 3 The Shares are free of encumbrances and any other third-party rights and are freely transferable and may be transferred to the Purchaser without the prior consent of third party, including the [Company/Companies]

5 1 4 Since the Call Notice Receipt, the [Company has/Companies have] been operated in accordance with ordinary course of business and normal practice and during the period no extraordinary or unusual transactions have been made Moreover, the [Company has/Companies have] not (i) assumed any unusual obligations, (ii) charged the assets of the [Company/Companies] to third party or granted third party any other type of security therein, or (iii) made any material changes to existing practice and operations

5 1 5 The Seller has loyally disclosed all material matters relating to the [Company/Companies] and [its/their] activities for the period prior to the Call Option Closing which are generally important for a Purchaser's evaluation of the value of the [Company/Companies], to the effect that there is no information which the Seller ought to have but has not disclosed to the Purchaser prior to the signing of the Agreement in order to comply with the Parties' general duty to disclose material facts to each other

6 Remedies

6 1 The Parties hereby undertake to indemnify each other in accordance with the generally applicable laws of Denmark for all losses actually suffered by the other Party as a result of any breach of contract, including breach of representations and warranties under this Agreement

6 2 In addition, if the Seller commits a breach of this Agreement, the Purchaser may claim payment of an agreed penalty in the amount of EUR 500,000

7 Other provisions

7 1 Costs

7 1 1 Either Party pays its own costs of conclusion of the Agreement In the event any notary fees, stamp duties, transfer tax etc related to the transfer of the Shares, such fees etc shall be paid by the Parties in equal shares

7 2 Changes to the Agreement

7 2 1 Should the Parties agree to amend this Agreement, such agreement must be made in writing in order to be valid

7 3 Severability

7 3 1 The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect

7 4 Notices

7 4 1 Any notice required to be given under this Agreement must be in writing and as regards the Purchaser addressed to

[NAME]
[ADDRESS]
[POSTAL CODE, TOWN]
[COUNTRY]
Attn [NAME], [EMAIL ADDRESS]

and to the following as regards the Seller

[NAME]
[ADDRESS]
[POSTAL CODE, TOWN]
[COUNTRY]
Attn [NAME], [EMAIL ADDRESS]

unless the individual Party gives written notification of another addressee

7 4 2 Any notice required to be given under this Agreement shall be regarded as having been duly given with immediate effect if delivered or sent by

registered and stamped mail and/or sent by email to the addressee specified in clause 6 5 1 (alternatively the addressee later designated) or if receipt thereof is otherwise acknowledged Either Party is responsible for ensuring that the other Party at all times is provided with information of the correct addressee and the receiving Party bears the risk of non-receipt of a notification, if such notification has been sent to the designated addressee

8. Governing law and venue

8 1 This Agreement shall be governed by the laws of Denmark and any dispute arising out of or in connection with this Agreement, including disputes regarding the existence or validity of the Agreement, shall be settled pursuant to Danish law (with the exception of any conflict of laws rules which may lead to the application of other law than Danish law)

8 2 Any disputes which cannot be amicably settled by the Parties shall be settled with binding and final effect by arbitration administrated by the Danish Institute of Arbitration in accordance with the rules of arbitration procedure adopted by the Institute and in force at the time of filing of the arbitration case

8 3 The arbitral tribunal shall be composed of one (1) arbitrator appointed by the Danish Institute of Arbitration if the subject matter, which shall mean the pecuniary claim or the value of the non-pecuniary claim specified in the statement of claim, amounts to less than EUR 100,000 In all other cases the arbitral tribunal shall be composed of three (3) arbitrators, and each Party is entitled to appoint one (1) arbitrator and the chairman is to be appointed by the Danish Institute of Arbitration The place of arbitration shall be Copenhagen, the language to be used in the arbitral proceedings shall be English, and the arbitral tribunal's decisions and awards shall be confidential The arbitral award shall be final and conclusive and binding on the Parties

The arbitral tribunal will be solely and exclusively competent for all claims, irrespective of their nature (contractual, tort or based on written law) in relation to or arising out of this Agreement, especially in relation to or arising out of the circumstances of its negotiation, its conclusion, its execution or non-execution, its termination, and all subsequent disputes

The arbitral tribunal, and not any court, will have exclusive authority to decide arbitrability including questions of the arbitration's provision's formation, scope, validity or conscionability The arbitral tribunal, and not any court, will have exclusive authority to resolve any dispute over the enforceability of all or any part of the "Governing law and venue" section including the enforceability of the arbitration, choice of law and forum selection clauses

This arbitration clause does, however, not prevent BoConcept A/S from protecting its rights under this Agreement by seeking injunction orders or other interim measures available under the law of the jurisdictions of the Purchaser and/or a Company from the local courts

9 Counterparts

9 1 The Agreement is executed in two identical counterparts of which the Parties receive one original counterpart each

---

Date [DATE]	Date [DATE]
On behalf of [NAME]	On behalf of [NAME]
______________________	______________________
[NAME]	[NAME]

Schedule 2 to Call Option Agreement

POWER OF ATTORNEY

By this power of attorney ("**Power of Attorney**")

[OPTION PROVIDER]

a company under [•] law having its business address at [•] and registered in the [•] under registration no [•]

(the "**Principal**")

authorises unconditionally and irrevocably the company

BoConcept A/S,

a public limited liability company having its business address at Fabriksvej 4, 6870 Ølgod, Denmark and registered in the Danish Central Business Register under registration no (CVR) 89 86 66 18,

(the "**Agent**")

to sign and execute all relevant documents in order to effect the transfer of shares in

a) [•], under [•] law having its business address at [•] and registered in the [•] under registration no [•], and
b) [•], under [•] law having its business address at [•] and registered in the [•] under registration no [•]

(the "**Company**"/collectively the "**Companies**" and each a "**Company**"]))

in connection with the call options of the Agent regarding the Principal's shareholding of the [Company/Companies] in accordance with the provisions of the Call Option Agreement dated [•], and to give and receive any and all declarations and to undertake any and all measures which the implementation of such transfer relating to a call option, in particular (but not limited to) to enter into transfer agreements and similar agreements in connection with the transfer of the shares in [the/each] Company, to pass shareholders' resolutions in connection with the transfer of such shares and to make filings for court or administrative clearances, permissions, authorisations, or registrations on behalf and for the account of the Principal

In case of doubt, the scope of this Power of Attorney shall be construed broadly

The Agent has the right to transfer the Power of Attorney and is entitled to grant a sub-power of attorney within the limits of this Power of Attorney

This Power of Attorney and its interpretation is subject to the laws of Denmark, (with the exception of any conflict of laws rules which may lead to the application of other law than Danish law)

As the Principal

On behalf of [•]

Date

____
[NAME]

Schedule 3 to Call Option Agreement

PRINCIPLES FOR CALCULATION OF EBITDA

EBITDA used for calculating the Purchase Price under the Call Option Agreement will be corrected for unnormal items Unnormal items shall mean any non-recurring cost or profit, which is not part of normal operation in a BoConcept brand store Such unnormal items includes without limitation

- Unnormal rent, i e if the owner of the building is a related party,
- Rent contribution, and
- Other subvention in general

In addition, any transaction with a related party may at BoConcept A/S' sole discretion be adjusted to market value in the EBITDA calculation, to ensure a true and fair normalized EBITDA Related party shall have the same meaning as set out in International Standards, IAS 24 – related party disclosures

As part of BoConcept A/S' or the Designee's due diligence investigations, [the/each] Company is obliged to provide an overview of unnormal items and transactions with related parties For each such transaction contained in the overview, the impact and/or lack of impact and the market value (if any deviation) must be described

Schedule 4 to Call Option Agreement

EXAMPLES OF THE CALCULATION OF THE PURCHASE PRICE

Below you will find two (2) examples of how to calculate the Purchase Price under the Call Option Agreement in accordance with clauses [] of the Call Option Agreement

Calculation "Example "1"

P&L	**Last twelve months (LTM)**		**Next twelve months (NTM)**	
Invoiced revenue	1 350 000		1 500 000	
COGS etc	607 500	45 0%	675 000	45 0%
Gross profit before warehouse costs	**742 500**	55,0%	**825 000**	55,0%
Assembly & Delivery	81 000	6 0%	90 000	6 0%
Gross profit after warehouse costs	**661 500**	49 0%	**735 000**	49,0%
Housing expenses	175 500	13 0%	195 000	13 0%
Staff costs	229 500	17 0%	240 000	16 0%
Marketing	67 500	5,0%	75 000	5 0%
Other costs	67 500	5 0%	75 000	5 0%
EBITDA	**121 500**	9,0%	**150 000**	10,0%

Balance sheet

	LTM	**NTM**
ASSETS		
Fixed assets	80 000	75 000
Leasehold improvements	120 000	110 000
Equipment & store front	150 000	120 000
Installations	50 000	40 000
IT Equipment	10 000	5 000
Other	25 000	15 000
Keymoney/deposit/Entrance fee	50 000	50 000
	485 000	**415 000**
Current assets		
Inventory	180 000	200 000
Creditcard Company	5 000	10 000
Other	50 000	35 000
Cash funds/overdraft	25 000	80 000
	260 000	**325 000**
TOTAL ASSETS	**745 000**	**740 000**
LIABILITIES		
Capital/Equity		
Beginning	25 000	25 000
Transferred profit	285 000	370 000
	310 000	**395 000**

Liabilities			
Loan	150 000	140 000	
Trade creditors	130 000	175 000	
Prepayment/Deposit	75 000	60 000	
Other	50 000	40 000	
VAT	30 000	30 000	
	435 000	**445 000**	
TOTAL LIABILITIES	**745 000**	**840 000**	
	LTM	**NTM**	**Purchase price**
EBITDA	121 500	150 000	
Corrected for unnormal items			
Rent contribution	-15 000	-5 000	
EBITDA after unnormal items	**106 500**	**145 000**	
Average EBITDA	125 750		
Multiple x4	4		
Purchase price			503 000
adjusted for			
Less net interest baering debt			
Loan	-150 000	-140 000	
Cash funds/overdraft	25 000	80 000	
Total net baering debt	**-125 000**	**-60 000**	-60 000
Net Working Capital decrease	**LTM**	**NTM**	
Inventory	180 000	200 000	
Creditcard Company	5 000	10 000	
Other	50 000	35 000	
Trade creditors	-130 000	-175 000	
Prepayment/Deposit	-75 000	-60 000	
Other	-50 000	-40 000	
VAT	-30 000	-30 000	
Total - Net Working Capital	**-50 000**	**-60 000**	-60 000
Purchase price			**383 000**
Net Working Capital last annual report	-55 000		

Calculation "Example 2"

P&L	**Last twelve months (LTM)**	**Next twelve months (NTM)**

Invoiced revenue	1 800 000		1 500 000	
COGS etc	810 000	45 0%	675 000	45 0%
Gross profit before warehouse costs	**990.000**	55 0%	**825 000**	55 0%
Assembly & Delivery	108 000	6 0%	135 000	9 0%
Gross profit after warehouse costs	**882 000**	49 0%	**690 000**	46 0%
Housing expenses	234 000	13 0%	225 000	15 0%
Staff costs	306 000	17 0%	255 000	17 0%
Marketing	90 000	5 0%	75 000	5 0%
Other costs	90 000	5 0%	75 000	5 0%
EBITDA	**162.000**	9 0%	**60 000**	4 0%

Balance sheet

	LTM	**NTM**
ASSETS		
Fixed assets	80 000	70 000
Leasehold improvements	50 000	40 000
Equipment & store front	100 000	80 000
Installations	50 000	40 000
IT Equipment	0	0
Other	25 000	25 000
Keymoney/deposit/Entrance fee	75 000	75 000
	380 000	**330 000**
Current assets		
Inventory	220 000	180 000
Creditcard Company	10 000	10 000
Other	50 000	70 000
Cash funds/overdraft	50 000	20 000
	330.000	**280 000**
TOTAL ASSETS	**710 000**	**610 000**
LIABILITIES		
Capital/Equity		
Beginning	25 000	25 000
Transferred profit	295 000	290 000
	320 000	**315 000**
Liabilities		
Loan	0	0
Trade creditors	170 000	130 000
Prepayment/Deposit	90 000	80 000
Other	100 000	70 000
VAT	30 000	15 000
	390 000	**295 000**
TOTAL LIABILITIES	**710 000**	**610 000**

Calculation "Example 2"

	LTM	NTM	Purchase price
EBITDA	162 000	60 000	
Corrected for unnormal items			
Subvention	-10 000	0	
EBITDA after unnormal items	**152 000**	**60 000**	
Average EBITDA	106 000		
Multiple x4	4		
Purchase price			424 000
adjusted for			
Less net interest baering debt			
Loan	0	0	
Cash funds/overdraft	50 000	20 000	
Total net baering debt	**50 000**	**20 000**	20 000
Net Working Capital decrease	**LTM**	**NTM**	
Inventory	220 000	180 000	
Creditcard Company	10 000	10 000	
Other	50 000	70 000	
Trade creditors	-170 000	-130 000	
Prepayment/Deposit	-90 000	-80 000	
Other	-100 000	-70 000	
VAT	-30 000	-15 000	
Total - Net Working Capital	**-110 000**	**-35 000**	-80 000
Purchase price			**364 000**
Net Working Capital last annual report	-80 000		

(YOUR COPY-KEEP)

RECEIPT

ACKNOWLEDGMENT OF RECEIPT OF THE BOCONCEPT FRANCHISE, INC. DISCLOSURE DOCUMENT

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF BOCONCEPT FRANCHISE, INC OFFERS YOU A FRANCHISE, THEY MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU FOURTEEN CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE, OR SOONER IF REQUIRED BY APPLICABLE STATE LAW

FOR NEW YORK RESIDENTS· IF WE OFFER YOU A FRANCHISE, WE MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU BY THE EARLIEST OF (1) THE FIRST PERSONAL MEETING TO DISCUSS OUR FRANCHISE; OR (2) TEN BUSINESS DAYS BEFORE THE SIGNING OF A BINDING AGREEMENT; OR (3) TEN BUSINESS DAYS BEFORE A PAYMENT TO (FRANCHISOR OR ITS AGENT)

IF BOCONCEPT FRANCHISE, INC DOES NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND APPLICABLE STATE AGENCY (LOCATED IN EXHIBIT "C").

The **Name, Principal Business Address, and Telephone number of each** <u>**Franchise Seller**</u> (if any-other than Franchisor) **offering the franchise** are: ______________________________
______________________________ **(to be completed by Franchise Seller)**

Issuance Date: April 15, 2019

I have received a Uniform Franchise Disclosure Document dated April 15, 2019 This Disclosure Document included the following Exhibits

A Audited Financial Statements as of April 30, 2018 (plus 4-30-17 & 4-30-16) and Unaudited-(internal) Verified Income Statement and Balance Sheet for March 31, 2019
B BoConcept Franchise, Inc , Franchise Agreement and Appendices 2, 3, 4, 7, 8 & 10
C List of Agents for Service of Process and State Administrators
D Letter of Intent
E Listing and contact information of current franchisees
F State Addendums (California, Illinois, New York, Virginia and Washington State)
G Security Agreement
H Call Option Agreement

Signed ______________________,	Signed ______________________,
Print Name ______________________,	Print Name ______________________,
Address ______________________,	Address ______________________,
Telephone ______________________,	Telephone ______________________,
Date Received ______________________,	Date Received ______________________,

(OUR COPY-Detach and Return to us)

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H Call Option Agreement

Signed ______________________,	Signed ______________________,
Print Name __________________,	Print Name __________________,
Address _____________________,	Address _____________________,
Telephone ___________________,	Telephone ___________________,
Date Received _______________,	Date Received _______________,