FRANCHISE DISCLOSURE DOCUMENT

Reed Franchise Partnerships LLC
a Delaware limited liability company
1105 N. Market Street
Wilmington, DE 19801
https://franchise.reed.com

The franchise offered is to operate a permanent placement service business under the REED trademark for placement of full-time employees.

The total investment necessary to begin operation of your first Office ranges from $16,000 to $71,000. This includes $3,000 to $15,000 that must be paid to the 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**.

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 an 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: October 7, 2025

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Reed business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Reed franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising
Generally

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in New York. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in New York than in your own state.

2. **Short Operating History**. This Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise with a longer operating history.

3. **Financial Condition**. 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.

4. **Spousal Liability.** 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.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

TABLE OF CONTENTS

ITEM		PAGE
1	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
2	BUSINESS EXPERIENCE	**Error! Bookmark not defined.**
3	LITIGATION	4
4	BANKRUPTCY	4
5	INITIAL FEES	4
6	OTHER FEES	5
7	ESTIMATED INITIAL INVESTMENT	8
8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	11
9	FRANCHISEE'S OBLIGATIONS	13
10	FINANCING	18
11	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	15
12	TERRITORY	22
13	TRADEMARKS	24
14	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	30
15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	31
16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	32
17	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	33
18	PUBLIC FIGURES	40
19	FINANCIAL PERFORMANCE REPRESENTATIONS	40
20	OUTLETS AND FRANCHISEE INFORMATION	42
21	FINANCIAL STATEMENTS	46
22	CONTRACTS	46
23	RECEIPTS	46

EXHIBITS

A. List of State Agencies
B. List of Agents for Service of Process
C. Franchise Agreement
D. Financial Statements
E. Table of Contents of the Confidential Operations Manual
F. List of Franchisees and Franchises that have Left the Reed U.S. System
G. General Release Language
H. State Addenda and Agreement Riders
I. Franchise Disclosure Representation
J. State Effective Dates
K. Receipts

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor

To simplify the language in this disclosure document, "REED" or "we" or "us" means Reed Franchise Partnerships LLC, the franchisor. "You," "your" and "yours" refer to the individual awarded the franchise, the entity formed by that individual for the operation of the business described in this disclosure document, the shareholders or members of that entity if it is a corporation or limited liability company and the partners of that entity if it is a partnership. We will be your franchisor.

We are a Delaware limited liability company formed in July 2021 under the name Reed Franchise Partnerships LLC. We do business under our corporate name and the trademarks described in Item 13 and no other name. Our principal business address is 1105 N Market St, Wilmington, DE 19801, and our telephone number is 302-485-0584. Our agents for service of process in the states whose franchise laws require us to name a state agency are shown on Exhibit 3.

We currently only offer franchises under the trademark "REED™" and do not offer franchises in any other line of business. We first began offering franchise opportunities in the United States in November of 2021 under the mark REED™**.** We are not engaged in any other type of business and do not conduct business under any other name. We do not operate a business similar to REED™ businesses that we offer for franchise.

Parent

We are a single-member limited liability company, and our sole member is Reed Specialist Recruitment Limited, a company registered in England with company registration number 06903140 and registered office address Academy Court, 94 Chancery Lane, London, WC2A 1DT. Reed Specialist Recruitment Limited was formed in 1960. Reed Specialist Recruitment Limited is wholly owned by Reed Executive Limited. Reed Executive Limited is wholly owned by Reed Global Limited. Both Reed Executive Limited and Reed Global Limited share an address with Reed Specialist Recruitment Limited at Academy Court, 94 Chancery Lane, London, WC2A 1DT.

Reed Specialist Recruitment Limited, Reed Executive Limited and Reed Global Limited have not offered franchises in the United States in any line of business.

Except as disclosed above, we do not have any (a) parent companies, (b) predecessors or (c) affiliates that offer franchises in any line of business, or affiliates that offer, sell or provide products or services to our franchisees.

The Franchise Offered

We grant franchise rights to operate permanent placement service businesses for full-time employees. We offer to enter into a franchise agreement (the "Franchise Agreement") with you

by which you will provide permanent placement services to place candidates for permanent, indefinite or fixed term employment with employers.

In this disclosure document, we call these businesses "REED Businesses". The REED Business you will operate under the Franchise Agreement is the "Business." REED Businesses operate from pre-approved office locations, which can be a commercial or in-home office location, (both, "REED Offices"). The REED Office from which you will operate your Business shall be the "Office".

You will provide permanent placement services in a specific industries and occupations and within a certain geographical area. Among other things, You will register and source all clients and candidates using X3, our proprietary customer relationship management software, advertise vacancies in appropriate locations, and headhunt attractive passive candidates. Each franchise is defined by a "RIG" which sets out the scope and limit of the REED Business in terms of the "Roles" (i.e., types of job) for which you may recruit, the "Industry" or "Industries" within which you may provide recruitment services and the "Geography" (i.e., the geographical region") within which you may place candidates in.

The Market and Competition

The primary market for your services will consist of all sectors of business and industry seeking the services of permanent placement personnel. We believe that the market for permanent placement services is established but competitive and expanding rapidly, that it will continue to expand, and that the need for these services will continue.

You may compete for both clients and qualified candidates with other businesses which provide similar services. The principal competitive factors in the permanent placement services industry are the availability and quality of candidates, the quality and integrity of the service provided by individual offices, operations and technology, resources of the service provider and, to varying degrees, the prices of the services.

Industry-Specific Regulations

Some states require you to obtain a license to provide employment services. You must comply with federal, state and local equal opportunities laws. The federal Fair Credit Reporting Act places regulations on reference checking. You must also comply with all local, state and federal laws that apply to your operations. You should investigate these laws further.

ITEM 2
BUSINESS EXPERIENCE

James Reed CBE, MA, MBA, FCIPD - Chairman and Chief Executive

Mr. Reed has been the Chief Executive and Chairman of Reed Specialist Recruitment Ltd and Reed Global Ltd since 1997 and 2004 respectively. Mr. Reed is based in the United Kingdom and has been appointed as Commander of the Most Excellent Order of the British Empire.

Ian Nicholas BSc, FCIPD - Global Managing Director

Mr. Nicholas has served as the Global Managing Director of Reed Specialist Recruitment Ltd since March 2020. Prior to that time, he served as the Chief HR Officer for Reed Global Ltd since January of 2015. Mr. Nicholas is based in the United Kingdom.

Lee Richards BSc, ACMA - Finance Director

Since February of 2015, Mr. Richards has served as the Finance Director of Reed Specialist Recruitment Ltd. In March of 2019, Mr. Richards was appointed to the board of Reed Specialist Recruitment Ltd. Mr. Richards is based in the United Kingdom.

Simon Baddeley, BSc - Managing Director of Business Services

Mr. Baddeley has been the Managing Director of Business Services with Reed Specialist Recruitment Ltd since March of 2020, at which time he was also appointed to the Board of Reed Specialist Recruitment Ltd. Prior to assuming that role, he served in a number of senior roles at Reed including Managing Director of Business Excellence (from August 2019 – March 2020), and Director of Business Improvement (from September 2017 – August 2019). Mr. Baddeley is also currently the Managing Director of the International Business for Reed Specialist Recruitment Ltd – a role he has held since 2020. Mr. Baddeley is based in the United Kingdom.

Rob Barklamb, BA – Director of International Franchising

Mr. Barklamb joined Reed Specialist Recruitment Ltd in October of 2020 and currently serves as the Director of International Franchising based out of the United Kingdom. Prior to joining Reed Specialist Recruitment Ltd, he served as the Head of Learning and Development for Cloud International in Leeds, United Kingdom from July of 2018 through July of 2020.

Lucy Dowie BA, L7 Executive Coach

Mrs. Dowie joined Reed Specialist Recruitment Ltd in September 2025 and currently works as the International Franchise Manager. She builds upon 20 years of experience in the staffing sector, driving business growth, optimising operational efficient and developing high performing teams. Prior to joining Reed, she worked as Operations Director for Safehands Recruitment Ltd.

ITEM 3
LITIGATION

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

When you sign the Franchise Agreement, you must pay us an Initial Franchise Fee as further explained below. The Initial Franchise Fee is not refundable under any circumstances.

If you are an experienced recruiter (as we shall determine in our sole and absolute discretion), you must pay us an Initial Franchise Fee of $3,000.

If you do not have recruiting experience (as we shall determine in our sole and absolute discretion), your Initial Franchise Fee will be $15,000.

ITEM 6
OTHER FEES

Column 1 Type of fee*	**Column 2 Amount**	**Column 3 Due Date**	**Column 4 Remarks**
Royalty Fee	As Per the following "Annual Royalty Schedule":	Invoiced Monthly for the prior month; Due within 60 days of Receipt of Our Invoice	You must pay us a Royalty Fee pursuant to the Annual Royalty Schedule. Please note that the Level 1 royalty rate will vary depending on whether you are awarded a five or ten year term; however, the royalty rates for the remaining levels will remain the

	Level 1: • For franchise agreements with a 5 year term: 12% of Gross Receipts up to USD $750,000 per annum • For franchise agreements with a 10 year term: 10% of Gross Receipts up to USD $750,000 per annum Level 2: 7.5% of Gross Receipts USD $750,000.01 - $1,500,000 per annum Level 3: 5% of Gross Receipts USD $1,500,000.01 - $2,500,000 per annum Level 4: 2.5% of Gross Receipts USD $2,500,000.01 - $3,500,000 per annum Level 5: 1% of Gross Receipts over USD $3,500,000.01 per annum		same. Your obligation to pay us this Royalty Fee will apply for the entire duration of your franchise agreement. "Gross Receipts" mean all revenue and income from any source that you derive or receive from, through, by or on account of the operation of your Business, whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not you ultimately receive payment on credit transactions), or otherwise. On Day 1 of each Annual Royalty Fee Year, you will pay us a Royalty Fee in accordance with Level 1 of the Annual Royalty Schedule. You will pay us in accordance with Level 1 until such time that your Gross Receipts exceed the Level 1 Gross Receipts threshold of $750,000 at which time you will move to Level 2 and will begin to pay us a Royalty Fee in accordance with Level 2. Each time the Gross Receipts generated by your REED Business exceeds the current Gross Receipts threshold for your applicable Level, you will move to the next Level and your required Royalty Fee payments will be adjusted accordingly.
Minimum Annual Royalty (MAR) Fee (the "MAR Fee")	• Up to a maximum of $7,500 in Year 1 • Up to a maximum of $10,000 in Year 2	Payable Upon Demand.	In the event that your annual aggregated royalty payments to us during any Contract Anniversary Year do not meet or exceed the required Minimum Annual Royalty (the

	• Up to a maximum of $15,000 in Year 3 and every subsequent Year		"MAR") amounts as set forth in the Franchise Agreement, you shall be required to pay us a "MAR Fee" which shall be equal to the applicable MAR *less* any royalty fees paid to us during the applicable Contract Anniversary Year. As of the issuance date of this Disclosure Document, the MAR in Year 1 is $7,500; in Year 2 is $10,000 and in Year 3 and every subsequent year is $15,000.
Talent Acquisition Services Fee	$2,000 - $4,000 per candidate	As incurred	Franchisees may choose to use the In-House Talent Acquisition services of Reed Specialist Recruitment Ltd. to hire staff for their REED Business. There is a fee to pay for this service if the Reed Specialist Recruitment Ltd. In House team successfully "places" a candidate with the franchisee's REED Business. The fee for the placement fee for a candidate who is a recent graduate and/or someone without any recruitment experience is $2,000. The placement fee for someone with experience in recruitment is $4,000. These sums are payable to Reed Specialist Recruitment Ltd.
RIG Expansion Fee	Up to $10,000		If, during the course of your Franchise Agreement, we agree to expand your RIG, you will be required to pay us a RIG Expansion Fee of up to $10,000. Further as a result of you acquiring a larger RIG, we may, in our sole discretion, adjust your upwards to account for the enlarged RIG.
Transfer Fee	$2,500	Before we approve the transfer	

Renewal	Up to $5,000	When you renew franchise after initial franchise term expires	
Relocation	Reimburse our costs	As incurred	You must reimburse our costs if you wish to relocate your Office Location (defined in Item 11).
Audit	Cost of audit	Upon demand	Payable only if audit reveals understatement of Gross Receipts by 3% or more.
Interest	Lesser of 18% per year or maximum legal rate	Upon demand	Payable on overdue amounts beginning with first day of following month.
Late Charge	5% of amount owed	Upon demand	Payable on overdue amounts.
Taxes	Actual Amount.	Promptly when due	You must pay all taxes we pay on account of services, goods or products we furnish to you, or the Initial Franchise Fee, Continuing Royalties or Brand Fund Fee you pay.
Costs and Attorneys' Fees	Actual Amount.	As incurred	Due when you do not comply with the Franchise Agreement, and we take action against you.
Indemnification	Actual Amount.	As incurred	You must reimburse us if we are held liable for claims from your Business's operation.
Insurance Fee	Our Actual cost plus an administrative fee of 50%	As incurred.	If you fail to obtain or maintain the insurance that we require, we may obtain the same on your behalf and will charge you a fee equal to the actual cost plus 50%.

GENERAL: Unless otherwise stated, all fees are imposed by, paid to and collected by us, Reed Specialist Recruitment Ltd. or our affiliates and are non-refundable. Except as otherwise disclosed in this Item, for all franchises offered pursuant to this disclosure document, all fees described in this Item 6 are uniformly imposed, however, in some circumstances under which we deem appropriate, we reserve the right to waive

or reduce some or all of these fees for a particular franchisee. We require that all fees payable to us be paid through an electronic funds transfer, including automatic debits from your bank account(s), unless we specify otherwise.

ITEM 7
ESTIMATED INITIAL INVESTMENT*

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee[1]	$3,000 - $15,000	Lump sum.	At Signing of Franchise Agreement	Us
Real Estate/Rent/Leasehold Improvements[2]	$0	As Arranged	Before Beginning Operations	N/A
Utility Deposits[3]	$0 - $1000	As Arranged	Before Beginning Operations	Utilities
Insurance[4]	$3,000 - $10,000	As Arranged	Before Beginning Operations	Insurance Companies
Business Licenses [5]	0 - $1000	As Arranged	Before Beginning Operations	State or Local Authorities
Computer System, Office Equipment and Supplies [6]	$1,000 - $6,000	As Arranged	Before Beginning Operations	Third Parties
Training[7]	$0-$2,000	As Arranged	During Training	Airlines, Hotels & Restaurants

Signage[8]	$0 - $2,000	As Arranged	Before Beginning Operations	Suppliers
Professional Fees[9]	$0 to $2,000	As Incurred.	As Incurred.	Third Party Suppliers.
Pre-Opening Advertising[10]	$0-$2,000	As Arranged	As Incurred.	Advertising Suppliers
Additional Funds -- for 6 months [11]	$10,000 - $30,000	As Incurred	As Incurred	Various Suppliers, Third Parties
TOTAL*	**$16,000 to $71,000**			

*All of the expenditures to be paid to us are non-refundable. Whether any of the vendors to whom you make payments will refund those payments will depend on their terms of purchase. We do not provide direct or indirect financing.

NOTES

[1] As Item 5 describes in more detail, you pay us an Initial Franchise Fee that will range between $3,000 and $15,000.

[2] Because you are permitted to work from your home and because we do not require you to lease or purchase commercial office space, we anticipate that you will not incur any real estate costs initially in connection with your franchise. In your sole option, you may operate your REED Business from a commercial office outside of your home. If you elect this option, rent per square foot will vary considerably depending on the location of your Office and you may need to make certain improvements to the leased space to accommodate your REED Business. Because commercial office space is not required to operate this franchise, we do not provide any estimates in the table above for the cost of commercial space. The cost per square foot of leasing space varies considerably depending upon the location and market conditions affecting commercial property. In addition, you may be required to pay first month rent, last month rent and security deposits upon lease signing.

[3] You may be required to pay deposits before the installation or start of service of telephone, internet, gas, electric and other utilities, as required by any utility company. The low estimate assumes that no deposit is required; the high estimate assumes that a small deposit is required.

[4] You must obtain insurance in the types and amounts that we require; the range provided in Item 7 above is what we anticipate your insurance expense to be during your first year of operations. You must purchase these from companies that are licensed to do business in the state in which your Office is located and which have an A.M. Best insurance rating of at least "A". Our current requirements are:

- Broad form comprehensive general liability coverage and broad form contractual liability coverage satisfactory to us of at least $5,000,000 per occurrence. This insurance may not have a deductible or self-insured retention of over $5,000.
- Errors and omissions insurance and employment practices liability insurance of at least $1,000,000 per occurrence.
- Professional Liability/Cyber Liability with at least a $2,000,000 limit;
- Commercial Automobile Liability with at least $1,000,000 per occurrence.
- Worker's compensation and employer's liability insurance (in statutory amounts), unemployment insurance, and state disability insurance (as required by governing law).
- If you elect to lease commercial space, you must obtain property insurance as well in limits that are acceptable to us. If you engage in any construction, refurbishment or remodeling of the Office, you must obtain builders' and/or contractor's insurance (as applicable) and performance and completion bonds in forms and amounts acceptable to us.
- Sufficient insurance coverage to satisfy your indemnification obligations under the Franchise Agreement.

[5] A number of states require that you obtain a license to operate a permanent placement services business. The fees for obtaining these licenses vary from state to state. Other types of permits and licenses also may be necessary, as states and localities require. If no licenses or permits are required in the state you operate in, your costs will be zero.

[6] Because we allow you to work from your home, and permit you to use your existing furniture, fixtures and equipment to conduct your REED Business, we do not require you to make any furniture, fixture or equipment purchases prior to starting your REED Business. We also allow you to use your existing computer hardware as long as it satisfies our minimum system specifications. To the extent you do not have the necessary furniture, fixtures, or equipment (including computer equipment) to conduct your REED Business either from your home office or a commercial office, You will need to purchase certain computer hardware, software, office equipment and office supplies prior to opening your REED Business. We will provide you with the specifications for such items prior to opening your REED Business. We estimate that such costs will range between $1,000 and $6,000; this estimate includes the costs you will incur for yourself and one employee. The low end of this range assumes that you already own the required items. The high end of this range assumes that you must purchase all required computer hardware, software, office equipment and supplies. Please see Item 11 for additional detail regarding the computer system requirements.

[7] Initial training (see Item 11) for you and up to 20 of your employees is currently provided virtually and at no cost to the you. Accordingly, we do not anticipate that you will incur any training costs (including any travel costs for you or your employees); however, in the event that we require you to travel to our headquarters in the United Kingdom for training, we anticipate that you will incur up to $2000 in travel costs. This estimate includes roundtrip air fare and transfer costs for you and one employee. We will provide free on-site food and lodging for you and your employee while you are in training.

[8] Signage is not required; accordingly, the low range of this estimate is $0. In the event that you elect to utilize a commercial office space instead of a home office and you want (or your landlord requires you to have) signage; we estimate that the high end of this cost will be $2,000.

[9] You may incur legal and accounting fees for miscellaneous matters like incorporating, obtaining a license, reviewing a lease, etc. The actual cost will depend on the work done by the accountant and/or attorney and the rates charged (usually hourly). If you elect not to hire the services of legal or accounting advisors, you will not incur this cost.

[10] You are required to engage in appropriate and sufficient pre-opening marketing and advertising efforts to promote your REED Business; however, because the vast majority of the advertising and marketing you will do will be through online job boards and platforms like LinkedIn, which allow you to advertise for free or at a minimal cost, we anticipate that your pre-opening marketing and advertising expenses will be limited. If you elect to only utilize free marketing and advertising platforms, you will not incur this cost.

[11] The estimate of additional funds described below covers funds generally needed to cover ordinary operating expenses – assuming no Gross Receipts – for the startup phase (first 6 months) of your Business. This estimate assumes you operate your REED Business out of your home and not a commercial office location. The low end of the estimate assumes that you do not hire any employee during the first six months; the high end of the estimate assumes that you hire one employee on a salary of $25,000.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your REED Business according to the same procedures, standards and specifications that are used by the international REED franchise system, as defined in our Operations Manual (refer to Item 11 for more information on the Manual) and any other online resources made available to you. Our procedures, standards and specifications may be amended in the future and we will periodically notify you in writing of any material amendments to the Operating Manual.

You must use our proprietary customer relationship management software (currently, X3) which is licensed to you as part of the REED Business under the Franchise Agreement (Exhibit 8 to this disclosure document). This software will be supplied to you by us, our affiliate or our designated third-party supplier. There is no cost to you for this software; however, you must have an existing

license for Microsoft Office and ensure that your computer system complies with all specifications as set forth in the Operations Manual (as may be modified from time to time) in able to ensure the intended and efficient operation of the X3 software and other required REED technological platforms (See Item 11). Unless otherwise specified your computer hardware and software may be purchased from the supplier of your choice so long as the hardware and software comply with our minimum specifications.

You must obtain (and maintain for the duration of the franchise agreement) the insurance coverage required under the Franchise Agreement from an insurance company which is acceptable to us and authorized to do business in the state where your REED Business is located. It must also be rated "A" or better by A.M. Best & Company, Inc. All insurance policies must name us and any affiliates we designate as additional named insured parties.

As of the issuance date of this Disclosure Document, neither us nor our affiliates are approved suppliers.

Except as stated in this Item 8 (or in Items 6 and 7), there are no other items, products, services or real estate which you must purchase or lease from us, or our affiliate, or from Designated Suppliers approved by us. None of our officers currently own a direct interest in any approved supplier of products or services to our franchisees. We may amend the Designated Suppliers or Required Purchases in the future at any time. We will notify you of any changes in writing.

As of the Issuance Date hereof, we have not negotiated volume discounts or purchasing arrangements on behalf of our franchisees and no purchasing or distribution cooperatives have been formed. We do not provide material benefits to franchise owners based on a franchisee's purchase of particular products or services or use of particular supplier.

As of the Issuance Date hereof, neither we nor our affiliates have received any revenue from required purchases or leases by franchisees, nor do we anticipate deriving revenue in the future on account of your Required Purchases.

We estimate that the cost of the equipment, supplies, services and goods for resale that must be purchased from us, Our Affiliates, or Designated Suppliers, or in accordance with our specifications, will represent approximately 5% to 10% of your total purchases in connection with the establishment of your REED Business, and will represent between 5% and 10% of your total purchases in connection with the ongoing operation of your REED Business.

If you opt to operate your REED Business from a commercial office space, You must have our advance approval of the location, size, appearance and layout of such office. If you lease the premises for your office, the lease should specifically provide that it will be assignable to us at our sole discretion, upon termination of the Franchise Agreement for any reason. Each office must be appropriately furnished, subject to any specifications we may set forth in the Operations Manual

and must display an exterior sign that complies with our standards and requirements, if such rights can be obtained at your approved office location.

As of the issuance date of this Disclosure Document, we do not anticipate considering franchisee requests to utilize alternative suppliers other than those we have approved or designated. We periodically may give you specifications for minimum standards for products, services, or equipment in our confidential Operating Manuals or other written communications and may modify those specifications.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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**	**16, Exhibit 5**	**7, 8, 11 and 12**
b.	**Pre-opening purchase/leases**	**7, 13, 15, 16**	**7, 8 and 11**
c.	**Site development and other preopening requirements**	**7, 13, 15, 16**	**7, 8 and 11**
d.	**Initial and ongoing training**	**5, 6, Exhibit 6**	**6, 7, and 11**
e.	**Opening**	**3, 5,6,7,15, 16, Exhibits 4 and 7**	**11**

f.	**Fees**	**4, 7, 12, Exhibit 10**	**5, 6, 7, 8, 10, and 11**
g.	**Compliance with standards and policies/operating manual**	**7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, Exhibits 1, 2, 3, 5, 6, 8, 9.**	**7, 8, 11, 15 and 16**
h.	**Trademarks and proprietary information**	**2, 7, Exhibit 2**	**13 and 14**
i.	**Restrictions on products/services offered**	**2, 3, 7, Exhibits 1, 3**	**8, 11, and 16**
j.	**Warranty and customer service requirements**	**Not applicable**	**Not Applicable**
k.	**Territorial development and sales quotas**	**4, 7, Exhibits 1 and 10**	**12**
l.	**On-going product/service purchases**	**4, 7, Exhibit 8**	**6 and 8**
m.	**Maintenance, appearance, and remodeling requirements**	**7, 16, Exhibit 5**	**8 and 11**
n.	**Insurance**	**7, 15, Exhibit 10**	**6, 7, and 8**
o.	**Advertising**	**13, Exhibit 7**	**6, 7, 8, and 11**
p.	**Indemnification**	**24, 30**	**6**
q.	**Owner's participation/ management/staffing**	**7, 8**	**11 and 15**

r.	**Records and reports**	**7, 12**	**6**
s.	**Inspections and audits**	**7, 12**	**6**
t.	**Transfer**	**18, 19**	**17**
u.	**Renewal**	**3**	**17**
v.	**Post-termination obligations**	**20, 21, 22, 23**	**17**
w.	**Non-competition covenants**	**7, 21, 23, Exhibit 13**	**17**
x.	**Dispute resolution**	**28, 29**	**17**

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease, or obligation.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, REED is not required to provide you with any assistance.

Pre-Opening Obligations

Before you open your REED Business, we will:

1. Designate your RIG (Exhibit 1 of the Franchise Agreement);
2. Provide general advice on how to set up your REED Business (this advice is not specific to your RIG) (Section 5 of the Franchise Agreement);

3. Provide marketing support as described below (Exhibit 7 of the Franchise Agreement);
4. Provide you with access to the X3 system in accordance with the terms as specified in your Franchise Agreement (Exhibit 8);
5. Provide you with electronic access to our confidential Operations Manual on loan (Exhibit 4 of the Franchise Agreement). We expect, but are not required, to modify and update the Operations Manual from time to time, and, if updated or modified, you will be notified via email or another form of communication of such modifications and updates. The Operations Manual, and the information contained therein, is confidential and remains our property. A copy of the table of contents to our Operations Manual is attached hereto as Exhibit E; and
6. Train you and your team as set forth in the **Item 11** Training Program Table (Exhibit 6 of the Franchise Agreement).

Obligations After Opening

During the operation of the franchised business, we will:

1. Establish a presence for you and your Reed business within the reedglobal.us website
2. (Exhibit 4 of the Franchise Agreement);
3. Provide access to the reed.co.uk database for viewing candidates and place job postings (Exhibit 4 of the Franchise Agreement);
4. License to you use of the Marks, as set forth in greater detail below in Item 13 (Exhibit 2 of the Franchise Agreement).

Additionally, as further described below, we may, in our sole discretion,

1. Develop new services and methods and provide you with information about the development of services and methods;
2. Offer refresher training or continuing education seminars, training events, or corporate conferences (all "Additional Training Events");
3. Provide guidance and support periodically regarding your REED Business and the products and services we require you to offer;
4. Update the Manual and Method from time to time and provide you notice of the same.

Opening Your REED Business

We expect that franchisees will typically open their REED Businesses within sixty (60) days after they sign their franchise agreements. The Initial Training Program must be commenced at least

fourteen (14) days prior to opening and must be completed to our satisfaction prior to opening your REED Business, unless otherwise approved by us in writing. There are no significant or predictable factors that should impact your ability to open your REED Business within this timeline.

Operations Manual

We will provide to you, on loan, one digital copy of the Operations Manual, which contains mandatory specifications, standards and procedures (Franchise Agreement, Exhibit 9).

The Table of Contents to our Manual as of the issuance date of this Disclosure Document is attached as Exhibit E; currently, the Manual contains 182 pages.

Marketing

We will, in our sole discretion, determine the manner in which we will market, the channels we will use to market, and the frequency with which we market. We will determine, in our sole discretion, the creative concepts, marketing materials, media type and placement, and promotions offered. We may utilize in-house and/or third-party advertising professionals as we determine in our sole discretion. We are not obligated to make any advertising or marketing expenditures that are specific to your franchised business, the region within which you operate your REED Business.

We may elect to utilize various local, regional and/or national media campaigns in the future which may, in addition to radio, include television, magazine, and Internet advertising campaigns.

We will provide you with marketing support throughout the term of your franchise agreement. We shall determine, in our sole discretion, the type, amount, frequency and manner of such support in our sole discretion, but such support may include any or all of the following:

- Creating and providing access to relevant country-level social media accounts, as determined by Reed.
- Providing access to digital collateral templates and offering advice to promote the opening of your REED Business (including pantone, templates, logos and brand guidelines so you can produce, at your own cost, any necessary stationary, promotional gifts, signage or similar items).
- Creating and maintaining a presence for you and your REED Business within the reedglobal.us website.
- Setting up and optimizing your REED Business in Google MyBusiness (including reviews generation process)
- Providing you with access to Reed Franchise Partnerships Marketing Hub, Reed's web-based portal for marketing collaterals and advice.
- Providing templates for press releases announcing the opening of your REED Business.
- Offering ongoing advice and support as we deem appropriate during the term of your franchise agreement.

- Providing market mapping services within your RIG;
- Assisting you with the generation of a Year One Marketing Plan.
- Provide you with our logo and brand guidelines.
- Provide you with a bespoke "e-brochure" for your REED Business.

With the exception of the microsite we establish for your REED Business and the Year One Marketing Plan we assist you in preparing, the marketing support we provide will not be specific to your REED Business or the roles, geographies or industries within which you operate your REED Business. The marketing support we provide will, in most cases, be universal and system wide.

We have not established an advertising fund. During our 2023 fiscal year, we did not collect any advertising fund fees; therefore, we cannot report its expenditures.

As of the issuance date of this Disclosure Document, we do not have a franchise owner advisory council that advises us on advertising policies. Furthermore, as of the issuance date of this Disclosure Document, no advertising cooperatives exist; accordingly, we do not require you to participate in one.

Your Local Marketing Obligations

You are responsible, at your sole cost and expense, to utilize the marketing resources and support that we provide you to promote and raise awareness of your business within your local market. Because of the broad marketing support that we provide as explained above, we do not anticipate that you will desire the ability to advertise in your local market utilizing your own marketing materials; however, if you do wish to do so, you must request and receive our prior written approval before doing so as set forth below.

Use of Your Own Advertising Material including Electronic Media

As explained above, we do not anticipate you will need to use your own advertising materials; however, if you request to do so, we will use good faith efforts to approve or disapprove your materials within 30 days from the date we receive them. You may not use the materials until they are approved, and we have the right to disapprove materials that we have previously approved.

Computer Systems & POS

Before the opening of Your REED Business, you must acquire certain computer equipment for your office and your employees as set forth in the Operations Manual. Your computer system will serve as the front office system for your business and will also access the back-office functions of payroll and invoicing.

At a minimum, You must acquire, for each employee, a computer that meets our specifications. At a minimum, each computer must be equipped with Microsoft Office and a

LinkedIn Recruiter Lite (or equivalent), as well as with a camera and microphone. We will provide you with access to a MS Window Virtual Desktop. In addition, we will provide free access to Microsoft Office for your first year of operations only. We estimate that it will cost you up to $750 per employee to purchase a computer that meets our specifications (if you do not already have one) and, after your first year, it will cost you approximately $1,500 per employee to obtain the required licenses for Microsoft Office and LinkedIn Recruiter Lite.

You must maintain your computer systems in good working order at all times and must upgrade or update these as needed, at your cost, to ensure that your hardware and software meets REED's then-current system requirements. We develop specifications and standards for the computer system based on our experience with prior software and systems, and we anticipate we will occasionally modify, upgrade or enhance the software and computer system requirements. We will communicate any modifications in the specifications and standards in sufficient time for you to make required changes. REED anticipates that you will need to update your hardware and software components approximately every three years in order to meet our minimum specifications. You are required to implement all such changes that REED may require in its sole discretion. There are no contractual limitations on the cost or frequency with which we are able to require you to update your hardware or software.

As of the issuance date hereof, you are not required to enter into service contracts with REED, any of our affiliates or any third party for the maintenance, support, upgrades and updates to the computer system.

We will develop a microsite for your REED Business which shall be hosted on reedglobalusa.us. We will also provide you and your employees with access to REED's proprietary Customer Relationship Management software (currently "X3"), REED's Digital Workplace, and to the reed.co.uk candidate database. You will be able to place unlimited job postings at no additional cost. You are required to register all clients and candidates in our Customer Relationship Management software. Collectively, the microsite, CRM software and candidate database will be known as the System.

You will not use a cash register or point of sale system in operating your REED Business. All monetary transactions will be processed using our Customer Relationship Management software (currently "X3"). We will have direct, independent unlimited access to the information and data on your computer system. There are no contractual limitations on our ability to access such information.

Training

Initial Training

We provide you a mandatory initial training program that covers material aspects of the operation of your REED Business. The topics covered are listed in the chart below and the program. We will provide the initial training program to up to 20 of your employees (your "Training Team") at no cost to you.

As further explained in Item 15, at least one of the owners who owns 50% or more of your legal entity must be personally involved in the full-time supervision and oversight of the Business and that person shall be referred to as the "Operating Principal". This person must attend training.

(as defined in Item 15).

At a minimum, your Operating Principal must complete the initial training program to our satisfaction. The initial training program should be started approximately 4 to 8 weeks after signing your Franchise Agreement.

Unless we agree otherwise, your Training Team must satisfactorily complete the initial training program no later than 14 days before the opening of your REED Business. Except as otherwise disclosed in this Item, we do not charge for initial training.

The Initial Training Program is detailed in the table below. Please note that, while we anticipate that the vast majority of franchisees will be experienced recruiters, in the event that we award a franchise to a franchisee who we consider to be inexperienced, the training requirements will be more extensive and take place over ten days (instead of five days for experienced franchisees). The table below highlights the different training hours required for experienced recruiters vs. inexperienced recruiters. We shall determine which category you fall into in our sole discretion.

We provide the Initial Training Program virtually; however, we may conduct all or some of it in person at a location we determine in our sole discretion, including at locations outside of the United States. If we do so, You and Your Training Team must attend such training in person. The training program will be provided to You and Your Training Team at no cost; however, You must pay for all travel costs and living expenses, as well as any applicable wages, salaries, and benefits for yourself (or your Operating Principal) and your Training Team during the initial training program. If training is held at the Reed Business School in the United Kingdom, food and lodging at the School will be provided free of charge to You and certain other members of your Training Team that we designate; if you opt to dine or stay in a location other than the School, you shall be responsible for all costs you and your team incur.

.

TRAINING PROGRAM

Subject	**Hours of Classroom Training (Experienced/New to Recruitment)**	**Hours of On-The-Job Training**	**Location**
Core Candidate skills	1-6/20	0	Virtual classroom

Core Client Skills	1-8/20	0	Virtual classroom
The Recruitment Process	1-5/20	0	Virtual classroom
Account Development	1-4/8	0	Virtual classroom
Retained Solutions	1-4/4	0	Virtual classroom
People Management	5/4	0	Virtual classroom
Operations and IT Systems	18/18	0	Virtual classroom
TOTAL	Between 28-50 hours for those we deem Experienced; 89 Hours for those who are New to Recruitment	0	

Our comprehensive training program will be conducted by Rob Barklamb, our Director of International Franchising, and by Lucy Dowie, our International Franchise Manager. Rob began his recruitment career in 1995 and has been with REED since October 2020. Lucy has over 20 years of experience in recruitment and is a qualified coach.

Periodically, and in our sole discretion, we may require you and/or your employees to attend additional continuing education seminars, training events, or corporate conferences ("Additional Training Events"). The Elevate Leadership Development Program is also considered an Additional Training Event. Additional Training Events may be designated by us as mandatory or optional. As of the issuance of this Disclosure Document, we do not anticipate charging you a fee to attend any Additional Training Events.

ITEM 12
TERRITORY

Your RIG – "Territory"

When you and we sign the Franchise Agreement, we will specify a territory that will be known as a "RIG" and your "RIG" must be approved by us. The "RIG" will be described in detail in Exhibit 1 to your Franchise Agreement. For purposes of this Disclosure Document, the geographic boundaries of your "RIG" will be referred to as both your "RIG" and your "Territory".

"RIG" stands for roles ("R"), industries ("I") and geographies ("G"). The RIG we approve will include: (a) the Roles (i.e., types of job) for which the Franchisee can recruit, (b) the Industry or Industries within which the Franchisee can provide recruitment services, and (c) the Geography (i.e., geographical region) within which the Franchisee can operate.

The geographic description within your RIG might refer to streets, highways and other physical boundaries or state, city or county lines. The size of the geographic area in you RIG will depend upon a number of factors including, but not limited to, the roles for which you will recruit, the size of the city or county and whether there are any existing REED franchisees in the area that interests you. There is no minimum geographic territory that we are required to grant to you.

You may operate your REED Business from your home or from a commercial office location ("REED Office"). If you elect to operate your REED Business from a commercial office location, You must comply with the procedures in the Franchise Agreement for such office location. Unless you receive our prior written approval in advance, you may not operate your Business, directly or indirectly, from a location outside of the geographic boundaries of your RIG.

You may not relocate your REED Office without our advance written approval. We will grant approval if you are in compliance with the Franchise Agreement, you have paid all money you owe us in a timely manner, the proposed location meets our site selection criteria, and you comply with the lease requirements in the Franchise Agreement. We may, if we wish, inspect your proposed new location. You must pay us any costs associated with the services we provide relating to your relocation.

You have no options, rights of first refusal or similar rights to acquire additional franchises merely because they may overlap with any part of your RIG.

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.

Generally, however, we will not grant another franchisee an identical RIG to the one we have granted you. You understand that other REED Businesses (including us, our affiliates or other franchisees) may operate within the same geographic area as your REED Business does (i.e. their RIG may have overlapping "G"s), but such other business's RIG will be different with respect to either or both the roles it may recruit for and/or the industries that it will provide recruitment

services for. As an example, another franchisee may be granted a RIG with the same or similar geographic boundaries ("G") and industry ("I") definition, but with different role permissions to recruit for; or another franchisee may be granted a RIG with the same or similar geographic boundaries and role permissions, but with different industries to recruit within. As a similar example, another franchisee may be granted permission to recruit for the same roles and industries as you do within different geographic boundaries.

You may not solicit clients from outside of your defined RIG. You may use any means of soliciting clients and applicants for professional placement services and the like (for example, the Internet) as long as you are within the scope of your RIG and your soliciting activities comply with our standards and specifications. If a client requests services that are beyond the scope of your RIG, you may not provide such services unless we have granted you express written approval to do so. You must abide by the One Reed Referral guidelines that are more fully detailed in the Manual. If a client requests that you provide services outside of your RIG, and no other REED Business is currently providing the services requested, we may, with prior written approval, permit you to provide such services subject to the terms and conditions we may require in our sole discretion.

We (and our affiliates) are otherwise not restricted in the business activities in which we may engage, meaning that you may face certain competition from other franchisees, from REED Businesses that we own, or from other channels of distribution or competitive brands that we control.

In addition, from time to time, we may, in our sole discretion, designate certain existing or potential clients within your RIG as a Major Account Client if, due to their size and/or geographic scope, they are, or have the potential to be, an international, national or regional account that would cross multiple current or prospective franchisees' RIGs. Reed reserves the right in its sole discretion to either (a) provide services to Major Accounts itself, via an affiliated entity or via another franchisee or (b) require you to provide services to the Major Account within your RIG pursuant to the terms (including pricing which may be lower than you typically charge) of Reed's agreement with the Major Account.

We and our affiliates may engage in any activities in your RIG through any means under the Proprietary Marks or any other names and marks (although we and our affiliates may not recruit the same roles or industries that are granted pursuant to your RIG as long as you are not in default and continue to meet or exceed your MAR target). These activities include the use of other channels of distribution, such as the internet, telemarketing, and other direct marketing, to make sales within or outside the RIG using the Proprietary Marks or other trademarks. Neither we nor our affiliates need to compensate you if we engage in these activities.

Although we have the right to do so (as noted above), we have not established and do not intend to establish company-owned businesses or company-owned franchises offering similar services under another name anywhere in the United States, except as to our purchase, merger and/or acquisition of an existing permanent placement business(es), or if we are acquired.

ITEM 13
TRADEMARKS

We grant you the right to operate a business using our System, which is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin (the "**Proprietary Marks**") as are designated by us in writing for use in connection with the System.

In November of 2021, Reed Global Limited extended its intragroup licences via the successive group companies described in Item 1, to give us (Reed Franchise Partnerships, LLC) the right to use and sublicense use of the Marks (the "Intellectual Property License") in connection with the development and expansion of the REED franchise system in the United States. The Intellectual Property License is for a three-year term that automatically renews; the Intellectual Property License cannot be terminated for any reason prior to March 21, 2025, and after that time, termination may only occur upon default after 60 days' notice and an opportunity to cure.

The following trade names, trademarks, service marks, logotypes and other commercial symbols are registered and maintained with the United States Patent and Trademark Office principal register:

Proprietary Mark	Registration/Serial Number	Registration Date
	90852972	12/20/2022

All required affidavits and renewals for the registered Marks have been filed. There is no currently effective determination of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, or any pending interference, opposition or cancellation proceeding, or any pending material litigation involving the above-described Marks which are relevant to your use of these Marks.

We do not know of any superior rights or infringing uses that could materially affect your use of our principal trademarks.

Pursuant to our Intellectual Property, the Marks must not be used in combination with any other trademarks without the permission of Reed Global Limited, and any improvement in the Marks must be assigned to Reed Global Limited. Neither us nor any franchisee may bring the Marks into disrepute, prejudice the validity or enforceability of the Marks, damage the goodwill associated with the Marks, cause the Marks to lose their distinctiveness or mislead the public, or knowingly infringe the intellectual property of any third party. Subject to those restrictions, we have all the rights to license or franchise others to use these trademarks in accordance with the Manual and the terms of the Franchise Agreement.

You may not use any electronic media, including the Internet, or any social media, for viewing by the public that contains our registered trademarks without our prior written approval. You may not establish a website, Facebook®, Twitter®, Instagram®, or other similar social media without our prior written approval. You may not advertise on the Internet using, or establish, create or operate an Internet site or website using any domain name containing, the word "Reed," "REED", "Reed Specialist Recruitment" or any variation thereof without our prior written consent.

You must immediately notify us when you learn about an infringement of, or challenge to your use of, any Mark, or any claim by any person of any rights in any Mark, and you must not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so, however, you may communicate with your own counsel at your own expense. As set forth in the franchise agreement, we (or our affiliates) are not required to take affirmative action when notified of any use or claim relating to our trademarks. The franchise agreement provides that we will take the action we think appropriate in these situations and will have exclusive control over any settlement or proceeding concerning any Mark; however, You must take any and all actions (including participating in our defense of any use or claim relating to our trademarks) that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks.

In accordance with the franchise agreement, neither us nor our affiliates are affirmatively required to defend you against a claim arising from your use of the Marks, but we may, in our sole and absolute discretion, elect to reimburse you for all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark; however, we shall only consider doing so if you notify us of the proceeding in a timely manner and you have complied with our directions with regard to the proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel and for expenses in removing signage or discontinuing your use of any Mark. We will not reimburse you for disputes where we challenge your use of any Mark.

You may not directly or indirectly contest our right to our trademarks, trade secrets or business techniques that are part of our business.

In accordance with the franchise agreement, if we or our affiliates require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate. The franchise agreement does not require us to reimburse you for modifying or discontinuing the use of

a Mark or for substituting another trademark or service mark for a discontinued Mark. As explained in the franchise agreement, if we adopt and use new or modified Marks, you must add or replace equipment, signs, supplies and fixtures, and you must make other modifications we designate as necessary to adapt your REED Business for the new or modified Marks at your sole cost and expense. There is no limitation on the costs you may be required to incur in complying with any designated changes or modifications. We do not reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

You must notify us if you apply for your own trademark or service mark registrations. You must not register or seek to register as a trademark or service mark, either with the USPTO or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any of the Marks.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Copyrights

We hold no patents or patent applications. We claim copyrights on certain software, forms, advertisements, promotional materials and other written materials including, but not limited to, our X3 system, Marketing Hub and Reed intranet. We also claim copyrights and other proprietary rights in the Confidential Operating Manuals and other training materials, whether in print or electronic format. No copyright is yet registered with the United States Copyright Office. There are no agreements currently in effect which significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the USPTO, the United States Copyright Office or any court pertaining to or affecting any of our copyrights discussed above. Finally, as of this disclosure document's issuance date, we are unaware of any infringing uses of or superior prior rights to any of our copyrights which could materially affect your use of them in this state or in the state in which the Business will be located.

The franchise agreement does not require us to take affirmative action to protect any patents or copyrights, nor does it require us to take affirmative action if notified of an infringement. The franchise agreement does not require us to defend you against claims arising from your use of any of our copyrights or patents (if any); however, you must promptly notify us of any claims or infringements you become aware of and must take any reasonable actions that we may request in an effort to defend any claims, to the extent we elect to do so. Further, and in accordance with the franchise agreement, we will have complete discretion and exclusive control over any litigation involving our intellectual property, which includes our trademarks, patents (if any), copyrights and other proprietary information. We are not required to indemnify you for any losses relating to any such claims or infringements that you may suffer.

The franchise agreement requires you to comply with, at your sole cost and expense and within the timeframe we specify, any changes we implement regarding your use of the subject matter covered by our patents (if any), copyrights and other proprietary information or intellectual property (including the modification or discontinuance of any existing uses as well as adopting all new uses that we require).

Confidential Information

You may never, directly or indirectly, during the initial term, any renewal term, or after the Franchise Agreement expires or is terminated, reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our confidential information or give it to a third party except as we authorize. The following people must sign our Confidentiality/Non-Competition Agreement (Exhibit 13 to the Franchise Agreement):

- Before employment or any promotion, all of your Managers and all of your other managerial employees.
- If the Franchise Agreement has been assigned to a corporation, limited liability company or other legal entity, all your officers, directors, and shareholders or members, and those of any entity directly or indirectly controlling you (when they assume this status).
- All of the persons enumerated in the covenants not to compete in the Franchise Agreement as intended to be included.

In addition, you must irrevocably license to us all services, programs, intellectual property, data, client information, candidate information, products and/or equipment you develop for the Business. We will not be liable to you in any way because of this license. Upon termination of the franchise agreement, however, you will retain ownership rights, title and interest to all client data and client lists that you generate; we will destroy or dispose of such information unless you request a back up of this information within ten days of the effective date of termination in which case we will use commercially reasonable efforts to provide a back up to you at your sole cost and expense.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We require that at least one principal be personally involved in the full-time supervision and oversight of the Business (the "Operating Principal"). The Operating Principal must (a) devote his/her full time, attention and effort to operating the REED Business and; (b) be a director of the franchisee entity and (c) must own, in his/her individual capacity, at least 50% of the franchisee entity.

Each of the principals of your entity must sign the Franchise Agreement assuming and agreeing to discharge all obligations of the "Franchisee" under the Franchise Agreement and must sign a written agreement to maintain confidentiality of the trade secrets described in **Item 14** and to comply with the covenants not to compete described in **Item 17**.

Each of the principals of the franchisee entity must sign the Franchise Agreement assuming and agreeing to discharge all obligations of the "Franchisee" under the Franchise Agreement and must sign a written confidentiality and non-compete agreement. Additionally, each principal, must sign

the Personal Guaranty and Subordination Agreement assuming and agreeing to discharge all obligations of the "Franchisee" under the Franchise Agreement.

We may, if needed to satisfy our standards of creditworthiness or to secure the obligations made under the Franchise Agreement, require your spouse, or the spouse of the principals to sign the Personal Guaranty and Subordination Agreement.

"Principal" means, for purposes of this Item 15, anyone having at least a 15% or greater ownership or beneficial interest in the franchisee entity(s).

You must be an equal opportunity employer. You must staff and train your Business according to our criteria, specifications and directions.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell and offer for sale only those products and services that we approve for sale in writing. You must offer for sale all products and services that we require, including any new products or services that we introduce in the future. These must be sold in line with the procedures as defined in our Operating Manual, unless agreed otherwise by us in writing. You must discontinue selling and offering for sale any services or products that we disapprove in the future.

You may not offer or sell, directly or indirectly, any service, product or program which is not a part of the REED System or which we delete from the System.
You must operate the Business in strict compliance with the methods, standards, and specifications that we require in our Manuals or otherwise and with all applicable federal, state and local laws, ordinances, and regulations, including without limitation all such laws relating to employment and discrimination.

You must continuously operate the Business on the days and during the minimum hours that we require, and you may establish hours of operation in addition to the required minimum hours. We currently require your Business to be open on all business days except for legal or religious holidays customarily recognized in the geographic region specified in your RIG.

We may, at our sole option, periodically and to the extent allowed by applicable law, regulate your REED Business's minimum, maximum, or other prices, fees, and rates for the resale of the services offered and sold by your Office. You agree to adhere to any such price, fee, and rate requirement we impose.

Modifications to the REED System

We may, in our sole discretion, change the components of the REED System and the requirements applicable to the System. There are no contractual limits on our right to make changes. You must comply, at your sole cost and expense, with any modifications to the REED System that we make within the timeframe we specify.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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.

THE FRANCHISE RELATIONSHIP

Franchise Agreement

Provision	Article or Section in Franchise Agreement (FA)	Summary
(a) Length of the franchise term	FA Section 3, Exhibit 10	Franchise Agreement term is 5 or 10 years
(b) Renewal or extension of the term	FA Section 3.2, 3.3	If you are not in default and satisfy certain conditions, you may renew for an additional term of at least 5 years.
(c) Requirements for franchisee to renew or extend	FA Section 3.2, 3.3	Sign the then current Franchise Agreement; be in compliance with your existing agreement; pay a renewal fee; and sign a release. If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements.
(d) Termination by franchisee	FA Section 20.1, 20.4, 20.7	You may not terminate the Franchise Agreement unless both parties mutually agree. If we agree to terminate prior to the expiration of the agreement, you will pay us a buy out fee.
(e) Termination by franchisor without cause	FA Section 20.1	We may not terminate the Franchise Agreement without cause unless mutually agreed to in writing by the parties..

(f) Termination by franchisor with cause	FA Section 20	We can terminate only if you default or if both parties mutually agree.
(g) "Cause" defined – curable defaults	FA Section 20.2, 20.3, 20.4, 20.5	You have 30 days to cure non-payment of fees and any other default not listed in Sections 20.2, 20.3 or 20.5.
(h) "Cause" defined – non-curable defaults	FA Sections 20.2, 20.5	Non-curable defaults: bankruptcy, insolvency and similar events; conviction of felony or crime involving moral turpitude or other offense that could have adverse effect on the franchise system; repeated defaults even if cured; threat to public health or safety from operation of franchised business; abandonment; death or illness that result in the operating principal being unable to manage business; material misrepresentation by franchisee or operating principal; trademark misuse; breach of confidentiality or non-competition covenants; failure to obtain Reed's approval or consent where the same is required; unapproved assignment, changes in control or transfers; maintaining false books or records; submitting false reports; underpayments found by audit on three or more occasions; failing to attend mandatory training; offering a service, program or product that isn't approved by Reed; failing to offer a service, program or product that is required by Reed; failure to achieve MAR.
(i) Franchisee's obligations on termination/non-renewal	FA Section 21.3, 21.4, 21.5, 22.3, 23	Obligations include complete de-identification and payment of amounts owed under the franchise agreement; cessation of trademark use; immediately stop identifying itself as a franchisee of Reed; not make or receive telephone calls in connection with the franchised business; pass inquires made after termination to Reed; transfer incomplete contracts to Reed or its designee; cessation of use of X3 System and all other software supplied by Reed to franchisee; return or destroy Operations Manual; payment all debts owing to creditors of the franchised business; cessation of advertising; transfer

		telephone numbers; assignment to Reed of all domain name registrations; and provide us with evidence of compliance with these obligations (also refer to paragraph r, below.)
(j) Assignment of Agreement by franchisor	FA Section 26.2	No restriction on our right to assign.
(k) "Transfer" by franchisee – defined	FA Section 18, 19	Includes transfer of Agreement or assets or ownership change.
(l) Franchisor approval of transfer by franchisee	FA Section 18.11	We have the right to approve all transfers, but we will not unreasonably withhold approval.
(m) Conditions for franchisor approval of transfer	FA Section 18.11	Franchisee and Operating Principal have substantially complied with the agreement; there are no existing defaults; all amounts owed to Reed have been paid (including Transfer Fee); Franchisee and Operating Principal execute a general release; new Franchisee completes training, new Franchisee qualifies pursuant to Reed's then-current franchisee standards; new Franchisee signs the then-current Agreements.
(n) Franchisor's right of first refusal to acquire franchisee's business	FA Section 18.7	We can match any offer for your Franchise.
(o) Franchisor's option to purchase franchisee's business	FA Section 19.1, 22	Upon termination of the Franchise Agreement or expiration at the end of its term, or upon the death or disability of the Operating Principal, we may purchase the business in accordance with the terms of the agreement.
(p) Death or disability of franchisee	FA Section 18, 19	Franchisor must be notified within one month of the death or disability and, if transfer is approved, it must be completed within in 90 days of initial notice to franchisor. Franchisor may assume management of franchised business.
(q) Non-competition covenants during the term of the franchise	FA Sections 23, Exhibit 13	No involvement in any competing business.

(r) Non-competition covenants after the franchise is terminated or expires	FA Section 20, Exhibit 13	No competing business or solicitation for a period of 12 months (i) within the RIG; (ii) within 100 miles of the geographic boundaries of your RIG; or (iii) within 50 miles of any REED Franchise owned or operated by a franchisee, REED or an affiliate of REED.
(s) Modification of the agreement	FA Sections 6.2, 7, 7.5, 20.5, Exhibit 6	System Standards and Specifications, Operations Manuals, and certain client contract terms, marks, training, fees/procedures are subject to change as set forth in the Agreement. MAR subject to modification if franchisee fails to satisfy target. Otherwise no modifications unless in writing and signed by both parties
(t) Integration/merger clause	FA Section 31.4	Only the terms of the Franchise Agreement are binding (subject to state law.) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or in any related agreement is intended to disclaim representations made in this Franchise Disclosure Document.
(u) Dispute resolution by arbitration or mediation	FA Section 28	Except for certain claims, all disputes must be mediated or arbitrated in New York, New York.
(v) Choice of forum	FA Section 28, 31.15, Exhibit 2, Exhibit 8	Litigation must be in New York, New York (subject to state law)
(w) Choice of law	FA Section 28, 31.14, Exhibit 2, Exhibit 8	Except to the extent governed by the U.S. trademark laws or the franchise laws of any state, New York law applies (subject to state law)

ITEM 18
PUBLIC FIGURES

We do not use any public figures to promote our franchise.

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 a reasonable basis 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 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Reed Franchise Partnerships LLC, Attn: Rob Barklamb, BH Registered Agents LLC' 1105 N Market Street, 11th Floor, Wilmington, New Castle County, Delaware, 19801 , Tel: 302 485 0584, the Federal Trade Commission, and the appropriate state regulatory agencies.

[Remainder of Page Intentionally Blank]

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For Fiscal Years 2022 to 2024[1]

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	1	3	+2
	2023	3	9	+6
	2024	9	12	+3
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	1	3	+2
	2023	3	9	+6
	2024	9	12	+3

[1] Our fiscal year ends on June 30th; accordingly, the periods identified as "2022" reflect data from the period July 1, 2022 through June 30, 2023; the periods identified as "2023" reflect data from the period July 1, 2023 through June 30, 2024; and the periods identified as "2024" reflect data from the period July 1, 2024 through June 30, 2025.

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Fiscal Years 2022 to 2024[1]

State	Year	Number of Transfers
All	2022	0
	2023	0
	2024	0

[1] Our fiscal year ends on June 30th; accordingly, the periods identified as "2022" reflect data from the period July 1, 2022 through June 30, 2023; the periods identified as "2023" reflect data from the period July 1, 2023 through June 30, 2024; and the periods identified as "2024" reflect data from the period July 1, 2024 through June 30, 2025.

Table No. 3

Status of Franchised Outlets
For Fiscal Years 2022 to 2024[1]

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions - Other Reasons	Outlets at End of the Year
FL	2022	0	2	1	0	0	0	1
	2023	1	3	0	0	0	0	4
	2024	4	1	1	0	0	0	4
LA	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
NV	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
NH	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
PA	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	1	0
	2024	0	0	0	0	0	0	0
TX	2022	2	1	1	0	0	0	2
	2023	1	1	0	0	0	1	2
	2024	2	3	0	0	0	0	5
All	2022	1	4	2	0	0	0	3
	2023	3	8	2	0	0	2	9
	2024	9	4	1	0	0	0	12

[1] Our fiscal year ends on June 30th; accordingly, the periods identified as "2022" reflect data from the period July 1, 2022 through June 30, 2023; the periods identified as "2023" reflect data from the period July 1, 2023 through June 30, 2024; and the periods identified as "2024" reflect data from the period July 1, 2024 through June 30, 2025.

Table No. 4
Status of Company-Owned Outlets
For Fiscal Years 2022 to 2024[1]

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
All	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

[1] Our fiscal year ends on June 30th; accordingly, the periods identified as "2022" reflect data from the period July 1, 2022 through June 30, 2023; the periods identified as "2023" reflect data from the period July 1, 2023 through June 30, 2024; and the periods identified as "2024" reflect data from the period July 1, 2024 through June 30, 2025.

Table No. 5

Projected Openings as of June 30, 2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
Florida	0	3	0
Texas	0	3	0
Illinois	0	3	0
Other (TBC)	**0**	2	0
Total	**0**	11	0

[1] Our fiscal year ends on June 30th; accordingly, the information provided in Table No. 5 reflects our projections as of the last day of our last fiscal year (which was June 30, 2025).

Exhibit F is a list of the name of all REED Businesses as of June 30, 2025, and the addresses and telephone numbers of each of their franchised businesses. Exhibit F also contains a list of the names, city and state, and current business telephone numbers (or, if unknown, the last known home telephone numbers) of each franchisee who has had an outlet terminated, cancelled, not

renewed, or who otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement as of June 30, 2025 , or who has not communicated with us within 10 weeks of this disclosure document's issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, we may ask a current or former franchisees sign provisions restricting their ability to speak openly about their experience with REED. During the last three years, no current and former franchisees have signed provisions restricting their ability to speak openly about their experience with Reed Franchise Partnerships LLC. 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. If you buy this franchise, your contact information may be disclosed to other buyers.

There is no trademark-specific franchisee organization associated with the REED System. Currently, there are no franchisee organizations we have created, sponsored or endorsed. However, we reserve the right to do so in the future.

ITEM 21
FINANCIAL STATEMENTS

Exhibit D contains Audited Financial Statements dated as of August 13, 2025, for the periods July 1, 2024 through June 30, 2025, July 1, 2023 through June 30, 2024, and July 1, 2022 through June 30, 2023.

Our fiscal year end is June 30.

ITEM 22
CONTRACTS

Attached as Exhibit C to this Franchise Disclosure Document is the Franchise Agreement which contains copies of all proposed agreements regarding the franchise offering (including but not limited to the X3 software license, non-competition agreement, guaranty, and all other exhibits).

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ITEM 23
RECEIPTS

Attached as Exhibit J of this disclosure document is a list of the State Effective Dates for each registration state. Attached as Exhibit K are duplicate Receipts to be signed by you. You should sign both copies of the Receipt. Keep one for your records and return the other one to us.

EXHIBIT A
TO THE DISCLOSURE DOCUMENT
LIST OF STATE AGENCIES

California
Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013
(866) 275-2677

Hawaii
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Illinois
Office of Attorney General
500 S. Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana
Franchise Section
Securities Division
302 W. Washington St., Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Maryland
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360

Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise Section
525 W. Ottawa St.
G. Mennen Williams Building, First Floor
Lansing, Michigan 48909
(517) 373-7117

Minnesota
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-3165
(651) 539-1600

New York
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8236

North Dakota
Franchise Examiner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Rhode Island
Securities Division
Department of Business Regulation
1511 Pontiac Avenue, Building 69-1
Cranston, Rhode Island 02920

South Dakota
Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

Virginia
State Corporation Commission
Division of Securities and Retail Franchising
1300 Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

Washington
Administrator
Department of Financial Institutions
Securities Division
150 Israel Road S.W.
Tumwater, Washington 98501

Wisconsin
Franchise Administrator
Division of Securities
Department of Financial Institutions
345 West Washington Avenue
Madison, Wisconsin 53703

EXHIBIT B
TO THE DISCLOSURE DOCUMENT
LIST OF AGENTS FOR SERVICE OF PROCESS

LIST OF AGENTS FOR SERVICE OF PROCESS

California
Commissioner of Business Oversight
Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013

Hawaii
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

Indiana
Indiana Secretary of State
302 W. Washington St., Room E-111
Indianapolis, Indiana 46204

Maryland
Maryland Securities Commissioner
Office of the Attorney General
200 St. Paul Place
Baltimore, Maryland 21202-2020

Michigan
Michigan Department of Commerce
Corporations and Securities Bureau
670 Law Building
Lansing, Michigan 48913

Minnesota
Commissioner of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-3165

New York
Secretary of State of the State of New York
One Commerce Plaza
99 Washington Avenue
Albany, NY 12231

North Dakota
Securities Commissioner
State of North Dakota
600 East Boulevard Avenue, Fifth Floor
Bismarck, North Dakota 58505

Oregon
Division of Finance and
Corporate Securities
Labor and Industries Building
Salem, Oregon 97310

Rhode Island
Director of Department of Business Regulation
Securities Division
1511 Pontiac Avenue, Building 69-1
Cranston, Rhode Island 02920

South Dakota
Director
Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501

Virginia
Clerk of the State Corporation Commission
1300 East Main Street, First Floor
Richmond, Virginia 23219

Washington
Director of the Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501

Wisconsin
Commissioner of Securities
Fourth Floor
345 West Washington Avenue
Madison, Wisconsin 53703

EXHIBIT C
TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

REED FRANCHISE PARTNERSHIPS LLC
FRANCHISE AGREEMENT

DATED

U.S. FRANCHISE AGREEMENT

between

REED FRANCHISE PARTNERSHIPS LLC

and

[Franchisee]

CONTENTS

SECTION

1. Interpretation 4
2. Rights granted 7
3. Commencement Date and Term 9
4. Fees 10
5. Reed's initial obligations 12
6. Reed's continuing obligations 13
7. Franchisee's obligations 13
8. Franchisee As Independent Contractor and Franchisee’s Employees 17
9. In-House Talent Acquisition: 18
10. Compliance with laws and policies 19
11. Anti-bribery compliance 20
12. Accounting records 20
13. Advertising 21
14. Telephone numbers, email addresses and domain names 21
15. Insurance 22
16. Premises 22
17. Intellectual property 23
18. Sale of Business 25
19. Death or incapacity of Operating Principal 27
20. Default and Termination 28
21. Consequences of termination 31
22. Step-in rights 32
23. Covenant Not to Compete 33
24. Indemnity 35
25. Management of Franchisee’s Business/Designation of Operating Principal's guarantee and covenants 36
26. Assignment 37
27. Remedies 37
28. Dispute Resolution 37
29. Payments 39
30. Limitation of liability 40
31. General 41

EXHIBITS

Exhibit 1 The Rig 47
Exhibit 2 The Trade Marks 49
Part 1 Trade Marks 49
Part 2 Trade Mark License 50
Exhibit 3 The Services 54
Exhibit 4 Start-up Package 55
Exhibit 5 Premises 56
Exhibit 6 Training 57
Exhibit 7 Marketing Support 59
Exhibit 8 System License 60
Exhibit 9 Mandatory Policies 64
Exhibit 10 Contract Details 65
Exhibit 11 Personal Guaranty and Subordination Agreement 68
Exhibit 12 General Release Agreement 72
Exhibit 13 Nondisclosure and Noncompetition Agreement 75
Exhibit 14 Authorization Agreement for Prearranged Payment 78

This agreement is dated [DATE]

Parties

(1) REED FRANCHISE PARTNERSHIPS LLC, a Delaware limited liability company, office at C/O BH Registered Agents, LLC, 1105 N market Street, 11th Floor, Wilmington, New Castle County, Delaware 19801 (**Reed, "we", "us", "our"**);

(2) [FULL COMPANY NAME], _____ with a principal address of _____] (**Franchisee, "you", "your"**); and

(3) The person(s) whose details are set out in Exhibit 10 (**Operating Principal**), and all other principals (if any)

BACKGROUND

(A) Reed Group has developed the Branded Business, which is carried on under the Trade Name.

(B) Reed Group has built up a substantial reputation and goodwill in the Trade Name, which is associated with high standards of service excellence.

(C) Reed Group is the exclusive owner of all rights in the Trade Marks and has registered or has applied to register the Trade Marks which are associated with the Services, Method, System and the Branded Business.

(D) Reed Group has developed specialized Services to be used in the Branded Business. Reed's current range of Services is listed in the Manual.

(E) Reed Group is the owner of Intellectual Property rights in the Method, which includes certain business methods, technical knowledge, marketing concepts, trade secrets, commercial ideas, advertising materials, marketing strategies, administrative procedures, business forms, distinctive signs, trade dress, and employee training techniques, that, when taken together, form a proprietary system for the operation of the Branded Business;

(F) The Franchisee wishes to acquire from Reed the right and franchise to operate the Branded Business in accordance with the terms of this agreement.

(G) Reed has the right to, and wishes to, license Franchisee the right to operate the Branded Business in accordance with the terms of this agreement.

Agreed terms

1. Interpretation

1.1 Definitions and Interpretation. The definitions and rules of interpretation in this Section apply in this agreement.

Branded Business: the business of the provision of recruitment services, carried on under the Trade Name and using the Method and the System.

Business Day: a day other than a Saturday, Sunday, public or bank holiday in the United States.

Commencement Date: the date for commencement of the Franchisee's Business as set out in Exhibit 10.

Confidential Information: any information which is disclosed by one party to the other pursuant to, or in connection with, this agreement (whether orally or in writing and whether or not such information is expressly stated to be confidential), or which otherwise comes into the hands of one of the parties in relation to the Branded Business, the Franchisee's Business, the Method, the System, the Services and/or the Manual, other than information which is already in the public domain (otherwise than as a result of a breach of any obligation of confidentiality).

Contract Year: the 12-month period following the Commencement Date and each succeeding 12-month period.

Control: the beneficial ownership of more than 50% of the issued share capital of a company or the legal power to direct or cause the direction of the general management of the company, and **controls**, **controlled** and the expression **change of control** shall be construed accordingly.

Digital Workplace: the hardware and software used in the Services which is licensed from Microsoft and tailored to Reed.

Franchisee's Business: the Branded Business offering the Services pursuant to the Method and System as carried on by the Franchisee under this agreement and the agreed RIG.

Gross Monthly Receipts: all revenue and income from any source that you derive or receive in each month of the term from, through, by or on account of the operation of Franchisee's Business, whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not you ultimately receive payment on credit transactions), or otherwise but not including any sales tax and deducting any sales rebates or discounts and determined in accordance with clause 4.77.

Group: in relation to a company, that company, the holding company which ultimately controls that company from time to time, and any company from time to time which is under the control of that ultimate holding company.

Group Company: in relation to a company, any member of its Group.

Initial Franchise Fee: the sum as set out in Exhibit 10, payable in accordance with clause 4.

Initial Term: the term set out in Exhibit 10 and referred to in clause 3.1.

Intellectual Property: patents, rights to inventions, copyright and related rights, rights in software, trade marks, business names and domain names, rights in get-up, goodwill and the right to sue for passing off, rights in designs, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world relating to the Services, Branded Business, System, the Manual, the training materials, and the Method, owned by Reed or acquired by Reed Group from time to time.

Royalty Fee: the fees set out in Exhibit 10 payable by the Franchisee to Reed in accordance with clause 4.2.

Mandatory Policies: Reed's mandatory policies and procedures listed in Exhibit 10 and/or set forth in the Manual, as amended by notification to the Franchisee from time to time.

Manual: the manual setting out the operations and procedures for running the Branded Business compiled by Reed, as updated from time to time by Reed.

Method: the business format and method developed and implemented by Reed in connection with the Branded Business using the Intellectual Property, Confidential Information, operational procedures, plans, specifications, methods, management, marketing and advertising techniques which are contained in the Manual.

Major accounts: means the businesses which require recruitment services to be provided in more than one territory, or by more than one franchisee, whether such businesses are invoiced centrally by Reed or invoiced by the Franchisee;

Premises: the Franchisee's Premises set out in Exhibit 10.

Proprietary Information: all Intellectual Property, Trade Marks, as well as any version of the confidential Manual, other manuals and written or electronic materials, including any training materials, and any amendments thereto; and information that relates in any manner to the Branded Business, our Method or System, whether oral or reduced to writing, and that is not generally known to, or readily ascertainable by, other persons who might derive economic benefit from its disclosure or use; and any other information that may be imparted to you from time to time and designated by us as confidential.

Renewed Term: any term of this agreement following a renewal under the provisions of clause 3.2.

RIG: the scope of the Franchisee’s Business in terms of roles, industry and geography as specified on Exhibit 1.

Services: the specialized services developed by Reed to be used in, or supplied by, the Franchisee's Business as further described in Exhibit 10.

Start-up Package: the items to be supplied by the Reed under Section 5(b) as listed in Exhibit 10.

System: Reed's IT systems and tools, including X3, Digital Workplace, and Reed's intranet, including marketing hub and learning management system.

System License: the license set out in Exhibit 8 for use of the System.

Term: the Initial Term of this agreement and any Renewed Term under clause 3.

Territory: the geographic boundaries of Franchisee's RIG as referred to in Exhibit 1.

Trade Marks: the trade marks and service marks set out in part 1 of Exhibit 2 and any other trade marks registered (or submitted for registration) by Reed in relation to the Branded Business from time to time; also referred to herein, as "the Marks".

Trade Mark License: the trade mark license to be entered into by the parties in the form set out in part 2 of Exhibit 2.

Trade Name: the name "Reed", under which the Branded Business is carried on.

Week: any period of seven consecutive days.

X3: Reed's proprietary IT system which manages client and candidate databases, amongst other things.

Year: any period of 12 consecutive months.

1.2 Section, Exhibit and paragraph headings shall not affect the interpretation of this agreement.

1.3 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

1.4 The Exhibits form part of this agreement and shall have effect as if set out in full in the body of this agreement. Any reference to this agreement includes the Exhibits.

1.5 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.

1.6 Words in the singular shall include the plural and vice versa.

1.7 A reference to one gender shall include a reference to the other genders.

1.8 This agreement shall be binding on, and be for the benefit of, the parties to this agreement and their respective personal representatives, successors, and permitted assigns. A reference to any party shall include that party's personal representatives, successors and permitted assigns.

1.9 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time; provided that, as between the parties, no such amendment, extension or re-enactment shall apply for the purposes of this agreement to the extent that it would impose any new or extended obligation, liability or restriction on, or otherwise adversely affect the rights of, any party.

1.10 A reference to a statute or statutory provision shall include any subordinate legislation made from time to time under that statute or statutory provision.

1.11 Unless the context otherwise requires:

(a) reference to the “parties” means Reed and the Franchisee, and reference to “either party” or the “other party” means Reed or the Franchisee, as appropriate; and

(b) for the purposes of Reed’s obligations to the other party, the Franchisee and Operating Principal are deemed to be one and the same; and

(c) for the purposes of Franchisee and Operating Principal’s obligations to Reed, Reed and Reed Group are deemed to be one and the same.

1.12 A reference to **writing** or **written** includes email but not fax.

1.13 References to a document in **agreed form** are to that document in the form agreed by the parties and initialled by or on behalf of them for identification.

1.14 A reference to "this agreement" or to any other agreement or a document referred to in this agreement is a reference to this agreement or such other document or agreement as varied or novated (in each case, other than in breach of the provisions of this agreement) from time to time.

1.15 References to Sections and Exhibits are to the Sections and Exhibits of this agreement; references to paragraphs are to paragraphs of the relevant Exhibit.

1.16 Where any statement is qualified by the expression **so far as a party is aware** or **to a party’s knowledge** (or any similar expression), that statement shall be deemed to include an additional statement that it has been made after due and careful inquiry.

1.17 Any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.18 Any obligation in this agreement not to do something includes an obligation not to agree or allow that thing to be done.

2. Rights granted

2.1 **License to operate the Branded Business.** In consideration of the payments agreed to be made in clause 4, and subject to the terms and conditions of this Agreement, Reed grants the Franchisee license, within the agreed RIG and during the Term of the agreement, to:

(a) operate the Franchisee's Business;

(b) use the System;

(c) use the Trade Marks; and

(d) use the Intellectual Property in respect of the Franchisee's Business

in strict accordance with the Method and in strict accordance, with the provisions of this agreement, the Manual, the System License and the Trade Mark.

In consideration of the license granted to Franchisee, Franchisee agrees to offer all Services that we require and shall be prohibited from offering or selling, directly or indirectly, any service, product or program which is not a part of the Method or which we delete from the Method.

Franchisee acknowledges that, unless otherwise expressly set forth herein, all costs incurred by Franchisee in operating the Franchisee's Business shall be Franchisee's sole cost and expense.

2.2 Limited Territorial Rights. For so long as Franchisee is in compliance with the terms of this Agreement and continues to meet or exceed its MAR targets as specified in Exhibit 10, Reed shall not itself operate, make use of or license any person other than the Franchisee to operate the Branded Business in the agreed RIG. Franchisee's RIG shall be protected only in the sense that we will not operate ourselves (or our affiliates) nor we will grant another franchisee the right to operate, a Branded Business with an identical RIG to Franchisee's.

Franchisee acknowledges and agrees that its right to operate the Franchisee's Business is subject to the terms and conditions of this Agreement. Franchisee acknowledges and agrees that Reed and its affiliates reserve all other rights to themselves and shall have the right, now or in the future:

A. To own, operate and to grant franchises for Branded Businesses offering permanent placement services that may overlap with your RIG, which means that two of the three "R" "I" "G" components may be the same or overlap, but not all three. For the avoidance of doubt, the "G" (geographic boundaries) of other Branded Businesses with the same or similar role or industry grants as your RIG may be near, adjacent to or abutting the geographic boundaries of your "G" (geographic boundaries).

B. To establish and operate any other business that overlaps with your RIG (directly or through a franchise, license or joint venture) exploiting our Trade Marks, name, reputation and know-how (although, as provided above, as long as you are not in default and continue to meet or exceed your MAR target, we shall not grant establish or operate any other business with a RIG that is identical to your RIG).

C. To purchase, merge with, acquire, be acquired by or affiliate with an existing permanent placement service or franchise network or any other business regardless of the location of that network's, chain's or business's facilities, and to operate, franchise or license those businesses and/or facilities as Branded Businesses operating under the Trade Marks or any other marks following the purchase, merger, acquisition or affiliation, regardless of the location of these facilities, which may be within your RIG and near to your geographic boundary.

D. After the termination or expiration of this Agreement, to offer and sell Branded Businesses (either directly or through franchises, licenses, joint ventures or any other

business combination) with an identical RIG which will establish Branded Businesses and offer and sell those same services which you will offer and sell.

You waive and release any claims, demands or damages arising from or related to any of the above activities, including, without limitation, any claim of divided loyalty; breach of fiduciary duty; fraud; unfair competition; tortious interference; unjust enrichment; breach of contract; and/or, breach of the implied covenant of good faith and fair dealing. You promise never to begin or join in any legal action or proceeding or arbitration, or register a complaint with any governmental entity, directly or indirectly contending otherwise or in any way complaining of the above activities. The essence of this provision is that Reed, Reed Group and/or our affiliates may engage in any business activity whatsoever inside or outside the RIG, with the exception that, as long as you are not in default under this Agreement, we will not establish, or allow anyone else to establish, a Branded Business with an identical RIG to your RIG.

3. Commencement Date and Term

3.1 **Initial Term.** This agreement shall commence on the date of this agreement (which, for the avoidance of doubt, may not be the same as the Commencement Date) and shall continue for the Initial Term, subject to earlier termination in accordance with clause 20.

3.2 **Renewed Term.** The Franchisee may, by notice in writing given to Reed not less than six months before the end of the Initial Term or any Renewed Term, request the term of this agreement to be renewed for a minimum period of five years after the end of the Initial Term or any Renewed Term. Reed shall, by notice in writing given to the Franchisee not less than four months before the end of the Initial Term or any Renewed Term, accept a renewal of the term of this agreement, if:

(a) at the end of the Initial Term or Renewed Term, the Franchisee is in good standing and there are no outstanding material breaches by the Franchisee or the Operating Principal of this agreement or the Trade Mark License, and there are no grounds on which Reed has a right to terminate this agreement under clause 20;

(b) the Franchisee and Operating Principal have at all times performed their obligations under this agreement to the reasonable satisfaction of Reed and the Franchisee's Business continues to meet Reed's requirements as set out in the then current form of the Manual;

(c) Franchisee, Franchisee’s Operating Principal and all owners and guarantors of Franchisee execute a general release, in a form satisfactory to Reed as set forth in Exhibit 12, of any and all claims against Reed and Reed Group, their affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between the parties, and federal, state, and local laws and rules; and

(d) Franchisee pays Reed a Renewal Fee of up to $5,000.

3.3 **Agreement for Renewed Term.** Any renewal under this clause 3 shall be effected by the parties entering into a new agreement, which shall be in Reed's then current form of franchise agreement (which Franchisee acknowledges and agrees may contain materially different terms than this Agreement), provided that, on such renewal:

(a) the Franchisee will not be liable to pay the Initial Franchise Fee (or the equivalent of it under any new agreement);

(b) Reed will not be under any obligation to perform the obligations under clause 5 or any equivalent obligations under the new agreement; and

(c) the provisions of clause 3.2 and clause 3.3, or any equivalent provisions under the new agreement, shall apply in the Renewed Term.

3.4 **No waiver by Reed.** Unless the parties agree otherwise in writing, Reed's consent to a renewal of this Agreement shall not constitute a waiver of any claims we may have against Franchisee or Operating Principal.

3.5 **Termination on expiration of Term.** Unless it is terminated earlier under clause 20, this agreement shall terminate at the end of the Term.

3.6 **Operating without agreement on Renewed Term.** If the Franchisee continues to carry on the Franchisee's Business after the end of the Term, but without having agreed a Renewed Term with Reed, then it will be deemed to do so on the terms and conditions of this agreement (or any agreement entered into by the parties under clause 3.3), save that any party will be entitled to terminate this agreement on giving to the others three months written notice of termination.

4. Fees

4.1 **Initial Franchise Fee.** Upon execution of this agreement, the Franchisee shall pay the Initial Franchise Fee. The Initial Franchise Fee shall cover all Reed's obligations under clause 5. The Initial Franchise Fee shall be set forth in Exhibit 10.

4.2 **Royalty Fees.** The Franchisee shall pay Reed, as applicable, the Initial Royalty Fee or the Ongoing Royalty Fee in the amount set forth in Exhibit 10.

To the extent that an Initial Royalty Fee applies, Franchisee shall pay Reed the Initial Royalty Fee beginning on the Commencement Date and continuing through such time that Franchisee's aggregate gross receipts exceed the applicable Initial Gross Receipts Threshold (as set forth in Exhibit 10). At that time, the Franchisee shall begin paying Reed an Ongoing Royalty Fee for the duration of the franchise agreement term. Franchisee's Ongoing Royalty Fee shall vary in accordance with Franchisee's annual gross receipts as set forth on the Annual Royalty Exhibit (as set forth in Exhibit 10).

To the extent that an Initial Royalty Fee does not apply, Franchisee shall, for the duration of the term, pay Reed an Ongoing Royalty Fee in accordance with the Annual Royalty Exhibit set forth in Exhibit 10.

"Annual" for purposes of the Annual Royalty Exhibit shall mean the 365-day period (or 366-day period in a Leap Year) beginning on (a) the Commencement Day (if no Initial Royalty applies) or (b) the day your Franchisee's Business exceeds the applicable Initial Gross Receipts Threshold (if an Initial Royalty Fee applies). This 365-day (or 366-day in a Leap Year) period shall be known as the "Annual Royalty Fee Year".

For the avoidance of doubt, the Annual Royalty Exhibit shall work as follows: On Day 1 of each Annual Royalty Fee Year, Franchisee shall pay Reed an Ongoing Royalty Fee in accordance with Level 1 of the Annual Royalty Exhibit. Franchisee shall pay Reed an Ongoing Royalty Fee in accordance with Level 1 until such time that Franchisee's Gross Receipts exceed the Level 1 Gross Receipts threshold as specified on Exhibit 10 at which time Franchisee shall move to Level 2 and shall begin to pay Reed the Ongoing Royalty Fee in accordance with Level 2. Each time the Gross Receipts generated by Franchisee's Business exceeds the Gross Receipts threshold for Franchisee's applicable Level on the Annual Royalty Exhibit, Franchisee shall move to the next Level and Franchisee's required Ongoing Royalty Fee payments shall be adjusted accordingly. Reed shall provide Franchisee with a report that sets forth Franchisee's Annual Gross Receipts for purposes of calculating its Ongoing Royalty Fee.

4.3 **In-House Talent Acquisition Fee**. As further set forth in Section 8 of this Agreement, if Franchisee requests staffing assistance for its Franchisee's Business from Reed Group's In-House Talent Acquisition team and a candidate is successfully placed with Franchisee, Franchisee shall pay Reed Group a fee of (a) $2,000 for a candidate who is a recent graduate or does not have any recruitment experience or (b) $4,000 for a candidate with recruitment experience.

4.4 **RIG Expansion Fee.** If we agree to expand your RIG at any point during the term of your Franchise Agreement, you shall be required to pay us a RIG Expansion Fee of up to $10,000.

4.5 **Payment of Amounts Owning to Reed.**

Royalty Fees shall be paid monthly in arrears, with effect from, as applicable, the Commencement Date or from the Annual Royalty Fee Year. Subject to clause 4.7, Reed shall issue an electronic invoice by the end of the month in which the relevant GMR Statement is issued, and the invoice shall be paid within 60 days of issue.

All other fees under this agreement shall be paid within 14 days of receipt by the Franchisee of Reed's invoice for such payment.

Unless otherwise stated, all fees owed to Reed pursuant to this Agreement shall be paid to and collected by us, Reed Specialist Recruitment Ltd. or our affiliates and are non-refundable.

Unless Reed otherwise notifies the Franchisee in writing, the Franchisee shall make all payments electronically to Reed Specialist Recruitment Ltd. (or such other Reed

Group affiliate as we may designate from time to time). Franchisee shall execute the attached Electronic Transfer of Funds Agreement set forth in Exhibit 14 concurrently with this Agreement.

If Franchisee does not pay all fees and amounts owning under this Agreement at the time such payment is due, Franchisee shall be assessed a late charge equal to five percent (5%) of the overdue amount.

4.6 **Sales taxes.** All fees due under this agreement are exclusive of sales tax, which shall, where applicable, be paid by the Franchisee at the prevailing rate on the due date for payment or receipt of the relevant invoice from the Reed (as appropriate).

4.7 **Gross Monthly Receipts.** The Gross Monthly Receipts shall be determined as follows:

(a) within three days of the end of each month, the Franchisee shall prepare and deliver to Reed, a statement of the Gross Monthly Receipts for that month (**GMR Statement**);

(b) within three days after the Franchisee has delivered the GMR Statement, Reed shall either confirm in writing that it agrees with such statement or give notice that it does not;

(c) if Reed does not agree with the GMR Statement, the parties shall endeavor to resolve all matters in dispute as soon as practicable. If they fail to do so within 60 days of the notice, either party may refer the dispute for resolution under Section 28; and

(d) any payment, additional payment or refund to be made as a result of any resolution under Section 28 shall be made within 14 days of receipt by the parties of such resolution.

4.8 **Third party suppliers.** The Franchisee shall be solely responsible for the payment of all other costs and expenses it incurs in operating Franchisee’s Business, including but not limited to, all amounts due to third party suppliers.

5. Reed's initial obligations

Reed shall at least 14 days before the Commencement Date provide:

(a) general advice on how to set up the Franchisee's Business (which is not RIG specific);

(b) the equipment and such other items (including the Manual) as are listed in the Start-up Package (subject to, where applicable, Reed's or a third party’s, standard terms and conditions, such terms and conditions to be supplied at the same time);

(c) training support as described in Section 9 of this agreement;

(d) marketing support as described in 0; and

(e) access to the System on the terms of the System License set out in 0.

6. Reed's continuing obligations

6.1 Reed shall during the Term:

(a) provide the Franchisee with know-how, advice and guidance relating to the Branded Business as it thinks fit; and

(b) update the Manual and Method from time to time as it sees fit and promptly inform the Franchisee in writing of all such updates.

6.2 Franchisee acknowledges and agrees that Reed may, from time to time, at its sole discretion, modify the Method, Intellectual Property, Manual and/or System pursuant to which Branded Businesses operate. Franchisee must comply with any and all such modifications within the timeframe we specify at Franchisee's sole cost and expense. Franchisee acknowledges and agrees that there are no contractual limits on our right to make such changes. Reed shall not be liable to you for any expenses, losses or damages you sustain as a result of any modifications that you must make to your Branded Business.

7. Franchisee's obligations

7.1 The Franchisee shall start operating their Franchisee's Business on the Commencement Date (as set forth in Exhibit 10) and, at all times during the Term, in relation to the Franchisee's Business, comply with the obligations set out in this Section 7.

7.2 Operation of the Franchisee's Business. The Franchisee shall:

(a) operate the Franchisee's Business in strict accordance with the Manual; and

(b) introduce any improvements or modifications into the Franchisee's Business when requested by the Reed.

7.3 Promotion. The Franchisee shall:

(a) use its best efforts to promote and extend the Franchisee's Business;

(b) use its best efforts to protect and promote the goodwill in the Branded Business;

(c) not do anything that might bring the Branded Business into disrepute or damage the reputation of the Branded Business; and

(d) not provide any information to the media about the Branded Business or the Franchisee's Business unless Reed's prior written consent has been obtained.

7.4 Licenses. The Franchisee shall obtain, maintain and comply with all necessary licenses relevant to the operation of Franchisee's business hereunder, and comply with all relevant federal, state and local laws and regulations in relation to the Franchisee's Business and the Premises. It is the Franchisee's responsibility to familiarize itself with all applicable laws, and to take legal advice where prudent at its own expense.

7.5 **Minimum Annual Royalty and MAR Fee.** The Franchisee shall achieve the minimum annual royalty (**"MAR"**) targets as set out in Exhibit 10. In the event that Franchisee's annual aggregated royalty fee payments to Reed during any Contract Anniversary Year do not meet or exceed the required MAR amounts as set forth in Exhibit 10, Franchisee shall be required to pay Reed a "**MAR Fee**" which shall be equal to the applicable MAR *less* any royalty fees paid to Reed during the applicable Contract Anniversary Year.

As an example, if the MAR in Year 1 is $7,500 but your aggregated royalty fee payments (including any initial or ongoing royalty payments) to Reed during the applicable calendar year only equalled $5,000, then you shall owe Reed $2,500 ($7,500 - $5,000).

For purposes of the MAR Fee calculation for all franchisees, the Contract Anniversary Year shall be the 365-day (or 366-day in a Leap Year) period commencing on the first day of your franchise agreement term.

In addition to charging Franchisee a MAR Fee for failure to meet or exceed its MAR targets to Reed's satisfaction, subject to the notice and cure periods set forth in Section 20 of this Agreement, Reed has the right, in its sole discretion, to terminate this Agreement, which will eliminate all rights Franchisee may have pursuant to this Agreement, including territorial protection. Further, in addition to charging Franchisee a MAR Fee, but in lieu of termination, if Franchisee fails to meet or exceed its MAR targets, Reed may, in its sole discretion, take any or all of the following actions with respect to Franchisee's default (a) impose mandatory training obligations on Franchisee; (b) enter into a payment plan with Franchisee to address the deficiency; (c) modify or reduce Franchisee's RIG and/or (d) modify or withdraw certain other services that Reed provides to Franchisee pursuant to this Agreement or otherwise (including, but not limited to, training, X3 intranet, or marketing services and support), in its sole discretion, if Franchisee fails to meet or exceed its MAR targets.

Notwithstanding anything to the contrary in this Agreement, in the event that the parties mutually agree to expand Franchisee's RIG during the term of this Agreement, Reed, in its sole discretion, may increase Franchisee's MAR targes to account for the expanded RIG.

7.6 **Procedures, finance and accounting.** The Franchisee shall:

(a) comply with ordering, invoicing and accounting procedures as set out in the Manual;

(b) ensure that adequate funds are available to the Franchisee to enable the Franchisee to fully develop the Franchisee's Business in accordance with this Agreement; and

(c) use such forms, documents and contracts in relation to the Franchisee's Business as are from time to time designated by Reed.

7.7 **Pricing.** The Franchisee shall determine the fees for the Services, and unless otherwise prohibited by applicable law, Franchisee shall take into account any non-

binding minimum pricing as set out in Exhibit 10 or otherwise recommended by Reed.

7.8 Disclosure of information. The Franchisee shall:

(a) without delay, inform Reed of any possible or actual improvement or modification to the Branded Business or Method or business opportunity which comes to its attention;

(b) promptly give Reed any information that the Franchisee may obtain in relation to potential sales outside the RIG or any matter that could affect sales favorably or unfavorably inside or outside the RIG;

(c) supply Reed with such information relating to the Franchisee's Business in such form and at such times as Reed may from time to time reasonably require or as specified in the Manual;

(d) keep details of actual and potential customers as specified by Reed and supply the same, at Reed's option, electronically or in hard copy format or allow Reed to access a copy of the same electronically immediately on request;

(e) at the request of Reed, provide potential franchisees with information as reasonably requested; and

(f) allow Reed to institute programs for auditing customer satisfaction and/or measuring quality control issues and provide all such assistance in relation thereto as Reed shall require.

7.9 Branding and franchise relationship. The Franchisee shall:

(a) attach any logos, signs and notices that Reed requires to communications and documents;

(b) use only logos and signs in connection with the Franchisee's Business as have been approved by Reed;

(c) comply with all policies and procedures set forth by Reed in connection with Franchisee’s use of any logos, branding, Trade Names, Trade Marks, and Intellectual Property; and

(d) give such notices in such places as required by law and as Reed may require to the effect that the Franchisee is operating the Franchisee's Business as an independent franchisee of Reed.

7.10 Information technology. The Franchisee:

(a) shall not (and shall not attempt to) change, modify or adapt the System in any way without the prior written permission of Reed. For the avoidance of doubt, this prohibition includes integration into or use of third-party software with the System.

(b) shall do all such things as the Reed shall reasonably require (including the purchase or leasing of hardware and entering into applicable software

licenses) to permit and/or facilitate the operation and use of the System in the Franchisee's Business;

(c) shall acquire, update, replace and/or make use of any software and hardware which Reed shall reasonably require to be used for the Franchisee's Business in accordance with the instructions and timetable (subject to the Franchisee having not less than sixty days notification of the specification for the hardware) set by Reed;

(d) shall register all clients and candidates in X3;

(e) shall use X3 as the primary system to manage client and candidate databases in relation to the Franchisee's Business; and

(f) acknowledges that Reed shall always have access to X3 for the purposes of (i) audit and inspection and (ii) training and advice in respect of the Franchisee's Business. Reed shall ensure that only a limited number of employees shall have such access, and shall comply with Section 31.3 (Confidentiality). In particular, Reed undertakes that no other franchisee shall have such access.

7.11 Internet. The Franchisee shall:

(a) not promote the Franchisee's Business or sell or make available the Services whether for the purposes of advertising, promotion, sales or otherwise through or on the world wide web, internet or any other electronic means without Reed's prior written consent which shall be given subject to such conditions as Reed shall consider necessary in its sole discretion to protect the goodwill and reputation of the Branded Business;

(b) if required by Reed, participate in the Reed's website as stipulated by Reed.

(c) not participate in or register with any internet group, web site or similar medium which has as its aim (whether stated or not) or effect the denigration of the Branded Business or the Trade Name; and

(d) not open an account or profile on a social networking site in relation to the Franchisee's Business or the Branded Business without Reed's prior written consent which may be given subject to conditions which may include the grant to Reed of administrator rights and the Franchisee will comply with the provisions of the Manual in respect of such social networking sites.

7.12 Major Accounts. From time to time, Reed may, in its sole discretion, designate certain existing or potential clients within your RIG as a Major Account Client. Reed reserves the right in its sole discretion to either (a) provide services to Major Accounts itself, via Reed Group, via an affiliated entity or via another franchisee or (b) require you to provide services to the Major Account pursuant to the terms (including pricing terms which may be lower than you would typically charge) of Reed's agreement with the Major Account. In this case, the Franchisee shall:

(a) comply with the terms of Reed's agreement with each Major Account, to the extent that such terms are provided to you in writing by Reed;

(b) discharge Reed's obligations in accordance with the terms of each agreement between Reed and each Major Account, to the extent that such terms are provided to you in writing by Reed;

(c) indemnify Reed against any and all claims brought against Reed by any Major Account arising from or in connection with the Franchisee's failure to comply with the terms of any such Major Account agreement but only to the extent that such terms were provided to you in writing by Reed;

(d) charge Reed or the Major Account (as specified by Reed) for the Services to be provided under the agreement with the Major Account in accordance with Reed's billing instruction; and

(e) regardless of any prior request by Reed for you to provide service to a Major Account, upon notice from Reed, immediately stop supplying any products or services to a Major Account if stopping the supply would, in Reed's opinion, be in the interests of Reed Group's relationship with the Major Account.

7.13 Miscellaneous. The Franchisee shall:

(a) comply with the rules and guidelines as to job titles as set out in Exhibit 1; and

(b) not license any other person to operate the Branded Business under the Trade Name.

8. Franchisee As Independent Contractor and Franchisee's Employees

8.1 Independent Relationship:

It is expressly agreed that the parties intend by this Agreement to establish between Franchisee and Reed the relationship of franchisee and franchisor. It is further agreed that you have no authority to create or assume in Reed's name or on Reed's behalf, any obligation, expressed or implied, or to act or purport to act as agent or representative on our behalf for any purpose whatsoever. Neither you nor Reed is the employer, employee, agent, partner, fiduciary or co-venturer of or with the other, each being independent. All employees and agents hired or engaged by or working for you will be only the employees or agents of yours and will not, for any purpose, be deemed employees or agents of Reed, nor subject to Reed's control. Reed has no authority to exercise control over the hiring or termination of your employees, independent contractors, agents or others who work for you, their compensation, working hours or conditions, or their day-to-day activities, except to the extent necessary to protect the brand and the Marks. You shall file your own tax, regulatory and payroll reports with respect to your employees, agents and contractors and you shall save, indemnify and hold Reed and its parents, affiliates, owners, officers, directors and subsidiaries harmless from any and all liability, costs and expenses of any nature that any such party incurs related to these obligations. You shall in all respects be an independent contractor, and nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venturer, joint-employer, partner, employee, or servant of the other for any purpose

whatsoever. Without limiting the foregoing, You are an independent legal entity and must make this fact clear in Your dealings with suppliers, lessors, government agencies, employees, customers and others. You and Reed are completely separate entities and are not fiduciaries, partners, joint venturers, or agents of the other in any sense, and neither party has the right to bind the other. No act or assistance by either party to the other pursuant to this Agreement may be construed to alter this relationship. You are solely responsible for compliance with all federal, state, and local laws, rules and regulations, and for complying with Reed's policies, practices, and decisions relating to the operation of the Franchisee's Business. You shall rely on Your own knowledge and judgment in making business decisions, subject only to the requirements of this Agreement and the Manual. You may not expressly or implicitly hold Yourself out as an employee, partner, shareholder, member, joint venturer or representative of Reed, nor may You expressly or implicitly state or suggest that You have the right or power to bind Reed or to incur any liability on Reed's behalf. You may not use the Trade Name or Marks as part of Your corporate name, limited liability company name, or limited partnership name. There is no fiduciary duty between You and Reed.

8.2 Franchisee's Employees:

In relation to the Franchisee's employees who are engaged in the Franchisee's Business, the Franchisee shall at all times during the Term employ sufficient number and quality of employees to fulfil its obligations under this agreement and meet customer demand.

9. In-House Talent Acquisition:

Franchisee may request assistance from Reed Group's In-House Talent Acquisition team to source employees for their Franchisee's Business. If Franchisee utilizes this service and if the In-House Talent Acquisition team successfully "places" a candidate with Franchisee, Franchisee must pay Reed Group the fee as set forth in Section 4.3. Franchisee shall pay Reed Group a fee of (a) $2,000 for a candidate who is a recent graduate or does not have any recruitment experience or (b) $4,000 for a candidate with recruitment experience.

9.1 Reed training obligations. Reed shall:

(a) provide an initial training program for up to 20 total employees of Franchisee (including at a minimum, the Operating Principal) as set out in Exhibit 10, and shall give the Franchisee notice of which of the Franchisee's employees have, in its reasonable opinion, successfully completed such training; and

(b) provide further training programs for the Operating Principal and such number of the Franchisee's employees on the terms set out in Exhibit 10.

9.2 Franchisee training obligations. The Franchisee shall:

(a) not start the Franchisee's Business until the Operating Principal and its employees referred to in clause 9.1 have, in the reasonable opinion of Reed, successfully completed the initial training set out in Exhibit 10;

(b) not allow any employee to work in the Franchisee's Business until they have, in the reasonable opinion of Reed, successfully completed training set out in Exhibit 10 and as further specified in the Manual;

(c) ensure that, if any employee does not successfully complete training, such training is repeated until it has been successfully completed; and

(d) ensure that all employees attend such further training as Reed may reasonably require on the terms set out in Exhibit 6.

10. Compliance with laws and policies

10.1 Each party shall at its own expense comply with all federal, state and local laws and regulations (including any applicable executive orders) relating to its activities under this agreement, as they may change from time to time, and with any conditions binding on it in any applicable licenses, registrations, permits and approvals. Such applicable laws shall include laws relating to, but not limited to, data security and privacy, equal opportunity employment, discrimination, employment and sexual harassment. Franchisee shall monitor and provide advance notice to Reed In the event of material changes in applicable law in Franchisee's geography.

10.2 Franchisee's Business will be subject to the provisions of federal, state and local equal opportunity laws applicable to personnel services. These laws generally prohibit discrimination in all aspects of the Business. Franchisee shall advertise for, screen, test, interview, instruct, and refer applicants for employment in strict compliance with all applicable laws and regulations, in compliance with the Reed Method and Manual, and without regard to age, race, color, religion, sex, national origin or any other classification prohibited by law. Franchisee must be an equal opportunity employer and hire and train your employees pursuant to our standards, procedures and policies. Franchisee shall not accept any order, assignment or request for a personnel assignment or placement, where the order, assignment or request is subject to or conditioned upon race, creed, color, religion, age, sexual preference or orientation, sex, national origin, physical or mental handicap, ancestry, marital status, veteran status, liability for service in the Armed Forces of the United States, or in violation of any federal, state, local or municipal laws concerning employment discrimination. Franchisee agrees not to refer or hire, or to refuse to refer or hire, any job applicant on any such basis.

10.3 **Mandatory Policies.** The Franchisee shall comply with the Mandatory Polices, as Reed may update them from time to time. Notwithstanding the foregoing, the lack of a Mandatory Policy regarding any particular law or regulation that Franchisee would otherwise be required to comply with pursuant to federal, state or local laws or regulations shall not relieve Franchisee of its requirement to comply with all applicable laws and regulations. in this Agreement

10.4 **Changes in laws**. The Franchisee shall be responsible to monitor all applicable laws and promptly incorporate any required changes into Franchisee's Business to ensure compliance. Franchisee shall be responsible to give Reed as much advance notice as possible of any prospective or actual changes in laws and regulations applicable to the operation of the Franchisee's Business in the RIG.

11. Anti-bribery compliance

11.1 **Compliance**. The Franchisee shall:

(a) comply with all applicable laws, statutes, and regulations relating to anti-bribery and anti-corruption (**Relevant Requirements**);

(b) comply with Reed's ethics and anti-bribery policy annexed to this agreement at 0 as Reed may update it from time to time (**Relevant Policies**);

(c) have and shall maintain in place throughout the term of this agreement its own policies and procedures, including adequate procedures to ensure compliance with the Relevant Requirements and the Relevant Policies, and will enforce them where appropriate; and

(d) promptly report to Reed any request or demand for any undue financial or other advantage of any kind received by the Franchisee in connection with the performance of this agreement.

11.2 **Associated persons.** The Franchisee shall ensure that any person associated with the Franchisee who is performing services in connection with this agreement does so on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on the Franchisee in this clause 11 (**Relevant Terms**). The Franchisee shall be responsible for the observance and performance by such persons of the Relevant Terms, and shall be directly liable to Reed for any breach by such persons of any of the Relevant Terms.

12. Accounting records

The Franchisee shall:

(a) maintain records of all sales and Gross Monthly Receipts and submit to Reed the GMR Statements in accordance with Section 4.7(a). Such records and statements shall be in the form specified in the Manual;

(b) keep and maintain at the Premises complete and accurate accounts and records relating to the Franchisee's Business in a form specified in the Manual. All such records shall be full, accurate, up to date and sufficient to ascertain the amount of the Royalty Fee due. If required by Reed, the Franchisee shall have them audited by qualified auditors nominated by Reed;

(c) deliver to Reed a copy of your annual business federal tax return each year, within one month of such filing and, in any event, within six months of the relevant accounting year end;

(d) retain its accounting and financial records for at least six years after the end of any accounting year to which those records relate;

(e) allow representatives of Reed to enter the Premises and investigate the Franchisee's records and take copies of the Franchisee's accounts and records on reasonable notice, during the Term and for a period of six years after the termination of this agreement; and

(f) supply to Reed copies of all tax returns, bank statements, and any other financial and fiscal information which Reed may reasonably request.

In the event that any audit performed by Reed or its designees reveals an understatement of gross receipts by 3% or more, Franchisee shall promptly pay Reed all amounts owning to Reed and shall reimburse Reed for the entire cost of the audit.

13. Advertising

13.1 Reed advertising obligations. Reed shall provide you with marketing support throughout the term of your agreement as it determines appropriate in its sole discretion as set out in Exhibit 7.

13.2 Franchisee advertising obligations. Franchisee is not required to pay any fees to Reed for purposes of an advertising or marketing fund; however, the Franchisee shall use its best efforts to promote and advertise the Franchisee's Business at its sole cost and expense in the RIG in accordance with the Manual and cooperate with Reed in relation to any special promotion or advertising campaign as Reed may require.

14. Telephone numbers, email addresses and domain names

14.1 Communication Addresses. In the course of the Franchisee's Business, the Franchisee shall use only telephone numbers, email addresses and domain names specified or approved by Reed (**Communication Addresses**) and shall not use the Communication Addresses for any purpose other than the Franchisee's Business.

14.2 Restrictions on communications. The Franchisee shall use the Communication Addresses and no other telephone numbers, email addresses or domain names in marketing, advertising and promotional material relating to the Franchisee's Business.

14.3 Termination. On termination of this agreement, the Franchisee shall immediately discontinue use of the Communication Addresses, and shall assist Reed in making any changes to contractual arrangements with service providers or registrations with regulatory authorities as Reed may require, including at Reed's discretion terminating the arrangements or transferring the right to use the Communication Addresses to Reed.

15. Insurance

(a) **Required Insurance Coverage.** The Franchisee shall take out and maintain, at its own cost and expense, the categories and amounts of insurance coverage in accordance with Exhibit 10.

15.2 Compliance with insurance policies. The Franchisee shall not breach, or allow any breach of, such insurance policies.

15.3 Reed's interest. Reed should be named as an Additional Insured on Franchisee's policies of insurance, which shall state that Reed is to receive notice of any late payment of a premium and at least 30 days' notice of cancellation.

15.4 Copies. The Franchisee shall provide Reed with certificates of all such policies and renewals.

15.5 Premiums. The Franchisee shall promptly pay all premiums for such policies and, where requested, shall provide Reed with evidence of payment of premiums.

15.6 Failure to insure. If the Franchisee fails to take out and maintain such policies, without prejudice to any other right or remedy, Reed may do so and the Franchisee shall reimburse Reed for all costs and expenses incurred in doing so, plus an administrative charge equal to 50% of our costs and expenses. Alternatively, Reed may exercise its rights to terminate the Agreement pursuant to Section 20, subject to any applicable notice and/or cure periods.

16. Premises

Franchisee may operate the Business from the Operating Principal's home or from a leased commercial office space. Unless Franchisee receives our prior written approval in advance, Franchisee may not operate its Franchisee's Business, directly or indirectly, from a location outside of the geographic boundaries of its RIG.

If Franchisee leases commercial office space for the Premises upon which Franchisee will operate Franchisee's Business, the Franchisee shall comply with all guidelines set forth in the Manual for the Premises and shall with the terms, conditions, covenants and undertakings to be observed and performed by the Franchisee under such lease and without prejudice to the provisions of the lease shall:

(a) not start business until the Premises have been refurbished to the standards approved by Reed and maintain the Premises in accordance with those standards;

(b) provide access to the Premises at all reasonable times, on reasonable notice and during the Term to allow Reed to inspect the Premises, and the inventory and accounts of the Franchisee's Business and check that the Franchisee is complying with its obligations under this agreement;

(c) maintain the Premises in accordance with health and safety standards in all applicable federal, state and local regulations and ordinances;

(d) ensure that all signs required to be displayed by Reed or the law at the Premises are clearly displayed;

(e) use only insignia, symbols, brand names, trade names or trade marks at the Premises that are approved by Reed; and

(f) not move from the Premises without the Reed's prior written consent, such consent not to be unreasonably withheld.

Franchisee shall be solely responsible for knowing and complying with all local ordinances, building codes and obtaining any required permits that may be necessary for the operation or construction of your Franchisee's Business.

In the event that Franchisee requests approval to move its Franchisee's Business to another office location, Reed shall grant approval provided Franchisee is in compliance with the Franchise Agreement, has paid all money it owes us in a timely manner, the proposed location meets our commercial office space criteria and satisfies all applicable lease requirements in this Franchise Agreement or the Manual. We may, if we wish, inspect Franchisee's proposed new location. Franchisee must pay us any costs associated with the services we provide relating to your relocation.

17. Intellectual property

17.1 **Reed's warranty**. Subject to Section 17.8, Reed warrants that it is not aware of any reason why it might not be entitled to license the Intellectual Property and why the use of the Intellectual Property by the Franchisee in accordance with the terms of this agreement would constitute an infringement of any third party's intellectual property; however, in the event there is a claim of infringement or other challenge to Reed's (or your) use of any Intellectual Property, Reed shall have complete discretion and exclusive control over its response (including litigation) to the same and Franchisee expressly acknowledges and agrees that Reed is not required to take any action at all nor is it required to defend Franchisee against any claims relating to Franchisee's use of any applicable Intellectual Property nor is it required to indemnify Franchisee for any losses it may suffer in connection with the Intellectual Property.

17.2 **Licenses.** For the avoidance of doubt, by executing this agreement, the Franchisee agrees to the terms of the Trade Mark License and the System License, attached hereto and fully incorporated by reference herein.

17.3 **Compliance.** The Franchisee shall, at all times, comply with the terms and conditions of the Trade Mark License and the System License.

17.4 **Limited rights granted.** The Franchisee acknowledges that:

(a) it does not have any right, title or interest in the Trade Marks or Intellectual Property or any updates or improvements to it, save as specifically set out in

this agreement, the Manual, the System License and the Trade Mark License; and

(b) any goodwill (and any other rights) in the Trade Marks which result from the use by the Franchisee of the Trade Marks shall vest in Reed.

17.5 Obligation to report. If the Franchisee learns of any threatened or actual infringement of the Intellectual Property, or of any circumstance which suggests that the use of the Intellectual Property may infringe the intellectual property of a third party, it shall immediately inform Reed, giving all such details as the Reed requests.

17.6 Conduct of proceedings. Reed shall have conduct of any proceedings relating to the Intellectual Property and may take whatever action it, in its sole discretion, decides in respect of any infringement or alleged infringement of it, or arising from its use. The Franchisee shall cooperate with Reed in taking such action and, while Reed is not required to do so, Reed may, in its sole discretion, elect to reimburse Franchisee for any reasonable expenses of the Franchisee in doing so.

17.7 Intellectual Property obligations of Franchisee. The Franchisee shall:

(a) not apply for registration of any of the Intellectual Property (or any intellectual property that is confusingly similar to the Intellectual Property) in its own name, in any part of the world;

(b) comply with the Manual and all requests by Reed as to the use of the Intellectual Property and the ™, © and ® symbols in relation to the Intellectual Property;

(c) give assistance to enable Reed to register its Trade Marks;

(d) not license (or purport to license) any other person to use any of the Intellectual Property;

(e) not use the Intellectual Property other than as specifically permitted by this agreement, the Trade Mark License, the System License, and the Manual;

(f) not use any intellectual property that is confusingly similar to the Intellectual Property;

(g) not do anything that may adversely affect the Intellectual Property or Reed's right or title to it; and

(h) immediately take all such action that Reed may direct relating to Franchisee’s use of the Intellectual Property, including modifying or discontinuing its use thereof as well as implementing new or alternative Intellectual Properties at its sole cost and expense.

17.8 Intellectual Property in the Manual. The Franchisee acknowledges and agrees that all Intellectual Property in the Manual is and shall remain the exclusive property of Reed. **Trade Mark.** The warranty in Section 17.1 shall not apply to the Trade Mark where Reed is in the process of applying for registration of the same.

18. Sale of Business

18.1 Restrictions on sale of franchise business. No transfer of any shares in the Franchisee by the Operating Principal or of the Franchisee's Business (or any material part of the assets, rights or properties comprising the Franchisee's Business, other than sales to customers in the normal course) by the Franchisee or the creation of any encumbrance over the shares in the Franchisee or over any part of the Franchisee's Business by the Franchisee or the Operating Principal may take place otherwise than in accordance with this clause 18 and clause 19.

18.2 Share transfer notice. If the Operating Principal wishes to transfer its shares in the Franchisee (**Sale Shares**) to a third party and has received an offer from a bona fide third-party purchaser for the Sale Shares, the Operating Principal must first give a notice (**Share Transfer Notice**) to Reed (giving details of the proposed transfer) including:

(a) the name and business qualifications of the proposed purchaser; and

(b) the price (in cash) that the proposed purchaser has offered to pay for the Sale Shares (**Proposed Share Price**).

18.3 Purchase notice. Within 20 Business Days of receipt (or deemed receipt) of a Share Transfer Notice, Reed shall be entitled (but not obliged) to give notice in writing to the Operating Principal that it wishes to purchase the Sale Shares at the Proposed Share Price (**Share Purchase Notice**), in which case Reed is bound to buy and the Operating Principal is bound to sell all of the Sale Shares at the Proposed Share Price, with such sale to complete within 3 months of receipt (or deemed receipt) of the Share Purchase Notice.

18.4 Transfer where no Share Purchase Notice given. If, at the expiration of the initial period specified in clause 18.3, Reed has not given a Share Purchase Notice, the Franchisee may transfer the Sale Shares to the proposed purchaser identified in the Share Transfer Notice at a price not less than the Proposed Share Price provided that it does so within 3 months of the expiration of the initial 20 Business Day period specified in clause 18.3 and the criteria set out in clause 18.11 are satisfied.

18.5 Entire share transfer for cash only. The Operating Principal shall not be permitted to transfer only some of its shares. Any transfer must be of the entire issued share capital of the Franchisee in accordance with this clause 18 and shall be for cash consideration only.

18.6 Asset Transfer Notice. If the Franchisee wishes to transfer the Franchisee's Business to a third party and has received an offer from a bona fide third-party purchaser for the Franchisee's Business, the Franchisee must first give a notice (**Asset Transfer Notice**) to Reed (giving details of the proposed transfer) including:

(a) the name and qualifications of the proposed purchaser; and

(b) the price (in cash) that the proposed purchaser has offered to pay for the Franchisee's Business (**Proposed Asset Price**).

18.7 Asset Purchase Notice. Within 20 Business Days of receipt (or deemed receipt) of an Asset Transfer Notice, Reed shall be entitled (but not obliged) to give notice in writing to the Seller that it wishes to purchase the Franchisee's Business at the Proposed Asset Price (**Asset Purchase Notice**), in which case Reed is bound to buy and the Franchisee is bound to sell the Franchisee's Business at the Proposed Asset Price, with such sale to complete within 3 months of receipt (or deemed receipt) of the Asset Purchase Notice.

18.8 Transfer of Franchisee's Business to third party. If, at the expiration of the initial period specified in clause 18.77, Reed has not given an Asset Purchase Notice, the Franchisee may transfer the Franchisee's Business to the third party purchaser identified in the Asset Transfer Notice at a price not less than the Proposed Asset Price provided that it does so within 3 months of the expiration of the initial 20 Business Day period specified in clause 18.7 and the criteria set out in clause 18.11 are satisfied.

18.9 Entire business transfer for cash only. The Franchisee shall not be permitted to transfer only part of the Franchisee's Business. Any transfer must be of the whole of the assets, rights and properties comprising the Franchisee's Business, transferred as a going concern, and shall be for cash consideration only.

18.10 Business data disclosure. The Franchisee and the Operating Principal shall give Reed such information concerning the Sale Shares and Franchisee's Business as Reed requests in order to assist it in making its decision as to whether to exercise its rights under this clause 18 as soon as reasonably possible following such request, and warrants that such information shall be true, complete and accurate, with such warranty being repeated at completion of any transfer of the Sale Shares or the Franchisee's Business to Reed in accordance with this clause 18.

18.11 Transfer criteria. Any transfer to a third party pursuant to this clause 18 shall be subject to the following criteria being satisfied:

(a) Reed having given its written consent to the transfer (not to be unreasonably withheld if the remainder of the criteria set out in this clause 18.11 are satisfied);

(b) the Franchisee and the Operating Principal have both substantially complied with all the terms and conditions of this agreement;

(c) the proposed purchaser and, in the case of a limited company its shareholders and directors, meets Reed's current minimum standards with respect to prior business experience and financial standing;

(d) all monies due to Reed have been paid, including a Transfer Fee of $2,500; and

(e) the proposed purchaser has entered into a new franchise agreement with Reed on its then current terms and conditions for a period of not less than the outstanding Term of this agreement, save that the proposed purchaser shall not be obliged to pay a sum that is equivalent to the Initial Franchise

Fee and Reed shall not be required to perform any obligations that are equivalent to those set out in Section 5.

18.12 Restriction on share issues. The Franchisee shall not issue any shares to any person other than the Operating Principal without the prior written consent of Reed.

18.13 Warranty. Any transfer of shares or assets to Reed under this clause 18 shall be deemed to include a warranty from the Operating Principal and the Franchisee on a joint and several basis that the shares or assets (as appropriate) are sold with full title guarantee and are free from encumbrances.

19. Death or incapacity of Operating Principal

19.1 Right of Reed to buy shares on death of Operating Principal. If the Operating Principal dies during the Term, his/her personal representatives shall, within one month, inform Reed of his/her death, and offer to sell the Operating Principal's shares to Reed by way of serving a Transfer Notice under clause 18.2. In such circumstances, the terms of clause 18.11 and 18.2 shall apply save that:

(a) References to the Operating Principal in those Sections shall be deemed to be references to the Operating Principal's personal representatives.

(b) References to the third-party purchaser or proposed purchaser in those Sections shall be deemed to be references to the beneficiary or beneficiaries of the shares either in the Operating Principal's will or under the rules on intestacy. If such beneficiaries do not want to become the registered holder of such shares, the references shall be taken as being to any other third party specified in the notice by the personal representatives.

(c) the words "and has received an offer from a bona fide third-party purchaser for the Sale Shares" shall be deemed deleted in respect of a proposed transfer to a beneficiary.

(d) in the case of a transfer to a beneficiary (as opposed to a third-party purchaser) the Proposed Share Price shall be the probate or market value at the relevant time, whichever is lower.

(e) If the beneficiary or beneficiaries do not wish to become the registered holders of the shares and there is no third party, the Transfer Notice shall be served without reference to a third party purchaser, and clause 18.3 shall apply.

19.2 Appointment of manager on death or incapacity of Operating Principal. In the event of the death of the Operating Principal or if the Operating Principal is, in the reasonable opinion of Reed, unable to a material degree to operate the Franchisee's Business to the standard required by the Manual, Reed may appoint a manager of the Franchisee's Business who shall have full powers to operate the Franchisee's Business and to take all steps to ensure that the Franchisee complies with the terms of this agreement at the expense of the Franchisee.

19.3 Multiple Operating Principals. Where the Operating Principal is more than one person ("operator"), the operators' shareholders agreement shall provide for the right of the surviving operators to acquire the deceased operator's shares. Section 19.1 shall only apply where the surviving operators do not acquire the deceased operator's shares. Section 19.2 shall only apply where there is only one surviving operator.

20. Default and Termination

20.1 Termination by Consent of the Parties. This Agreement may be terminated upon the mutual written consent of the parties.

20.2 Termination by Reed.

(a) Immediate Termination upon Notice of Default: Upon the occurrence of any of the following defaults, Reed at its option, may terminate this Agreement effective immediately upon written notice to You:

(i) If You misuse the Trade Name, Trade Marks, Method or the System or engage in conduct which reflects materially and unfavorably upon the goodwill associated with them or if You use in Franchisee's Business any names, marks, systems, logotypes or symbols that Reed has notauthorized You to use;

(ii) If You, your Operating Principal or any owner of Franchisee has any direct or indirect interest in the ownership or operation of any business that is considered to compete with Reed, or if You fail to give Reed a signed copy of the Nondisclosure and Noncompetition Agreement, a form of which is attached hereto as Exhibit 13 for any required party within ten (10) days after Reed requests it;

(iii) If You attempt to assign or transfer Your rights under this Agreement in any manner not authorized by this Agreement;

(iv) If there is a change of control of the Franchisee that Reed has not previously approved;

(v) If You, your Operating Principal or any owner of Franchisee have made any material misrepresentations in connection with the acquisition of Franchisee's Business or to induce Reed to enter into this Agreement;

(vi) If You act without Reed's prior written approval or consent in regard to any matter for which Reed prior written approval or consent is expressly required by this Agreement;

(vii) If You cease to operate your Reed franchised business, unless: (i) operations are suspended for a period of no more than one hundred eighty (180) days and (ii) the suspension is caused by fire, condemnation, or other act of God;

(viii) If the Operating Principal dies or, by reason of illness or incapacity (whether mental or physical), is incapable of managing his/her own affairs;

(ix) If You fail to permanently correct a breach of this Agreement or to meet the operational standards stated in the Manual after being twice requested in writing by Reed to correct a similar breach or meet a similar standard in any twelve (12) month period;

(x) If persistent, valid complaints continue to be made to Reed about the quality of the service provided by the Franchisee and the Franchisee, having received notice of such complaints and been given time to cure such default pursuant to Section 20.4 below, fails to improve such service to the reasonable satisfaction of Reed;

(xi) If a threat or danger to public health or safety results from the operation of Franchisee's Business;

(xii) Except as otherwise required by the United States Bankruptcy Code, if You become insolvent, are adjudicated as bankrupt, or file or have filed against You a petition in bankruptcy, reorganization or similar proceeding;

(xiii) If You plead guilty to, plead no contest to, or are convicted of, a felony, a crime involving moral turpitude, or any other crime or offense that Reed believes is reasonably likely to have an adverse effect on the franchise system, Trade Name, Trade Marks, Method or System or the goodwill associated therewith, or Reed's interest therein;

(xiv) If You knowingly maintain false books or records, or submit any false reports to Reed;

(xv) If an audit conducted pursuant to Section 12 of this Agreement reveals, on three or more occasions, an understatement of gross receipts by 3% or more;

(xvi) If You offer a service, program or product without Reed's consent or fail to offer any service, program or product designated by Reed; or

(xvii) If you fail to attend mandatory training as designated by Reed in accordance with Exhibit 6 of this Agreement.

20.3 Termination after Five Days' Notice to Cure

Reed at its option, may terminate this Agreement, effective five (5) days after written notice is given to You, if You fail to make any payment when due under this Agreement or any other agreement between You and Reed or Reed Group.

20.4 Termination after Thirty Days' Notice to Cure

Upon the occurrence of any of the following defaults, Reed at its option, may terminate this Agreement after thirty (30) days' notice to cure:

(a) If You fail to submit to Reed in a timely manner any information You are required to submit under this Agreement;

(b) If You fail to begin operation of your Reed franchised business on the Commencement Date as specified in this Agreement (unless an extension has been agreed to by Reed in writing) or if You fail to operate your Reed franchised business in accordance with this Agreement, the Method, System and the Manual; or

(c) If You default in the performance of any other obligation under this Agreement or any other agreement with Reed Group.

Under this Section 20, Reed may terminate this Agreement only by giving written notice of termination stating the nature of such default to Franchisee at least thirty (30) days prior to the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to Reed's satisfaction, and by promptly providing proof thereof to Reed within the thirty (30) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require.

20.5 Termination for Failure to Achieve MAR.

If Franchisee does not meet or exceed its MAR targets to our satisfaction, Reed has the right to terminate this Agreement, which will eliminate all rights, including Franchisee's limited exclusivity to its RIG. If Franchisee fails to meet or exceed its MAR targets, Reed may, in its sole discretion, in lieu of or prior to termination contemplated by the preceding sentence, take any or all of the following actions with respect to Franchisee's default (a) impose mandatory training obligations for Franchisee; (b) enter into a payment plan with Franchisee to address the deficiency; (c) modify or reduce Franchisee's RIG and/or (d) modify or withdraw certain other services that Reed provides to Franchisee pursuant to this Agreement or otherwise (including, but not limited to, training, X3 intranet, or marketing services and support), in its sole discretion, if Franchisee fails to meet or exceed its MAR targets.

20.6 Notice Required by Law: If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement or the parties to this Agreement limits our rights of termination under this Agreement or requires longer notice or cure periods than those set forth above, then this Agreement will be considered modified to conform to the minimum notice, cure periods or restrictions upon termination required by the laws and regulations. Reed will not, however, be precluded from contesting the validity, enforceability or application of the laws or regulations in any action, proceeding, hearing or dispute relating to this Agreement or the termination of this Agreement.

20.7 Buy out. In the event that the Franchisee wishes to exit this agreement prior to the end of the Term, and Franchisor agrees, the Franchisee must pay the greater of:

(a) the pro rata MAR for the remainder of the Term; or

(b) the average monthly Royalty Fee over the last 36 months multiplied by the number of months remaining on the Term.

Upon receipt of the monies, Reed will terminate the agreement.

21. Consequences of termination

21.1 Survival. On termination or expiration of this agreement for any reason any provision of this agreement that expressly or by implication is intended to come into or continue in force on or after termination or expiration of this agreement, including but not limited to Section 21, Section 22, Section 23, Section 24, Section 27, Section 28, and Section 31.15 shall remain in full force and effect.

21.2 Accrued rights. Any termination or expiration of this agreement shall not affect any rights or liabilities that have accrued prior to such termination.

21.3 Cessation of business. On termination or expiration of this agreement for any reason, the Franchisee and the Operating Principal shall:

(a) immediately pay Reed the full amount of all sums due from the Franchisee to Reed together with any interest payable in accordance with clause 29.2;

(b) cease to operate the Franchisee's Business and cease to trade under any of the Trade Marks, and not hold the Franchisee out as a franchisee of Reed or do anything that may indicate any relationship between them and Reed;

(c) not make or receive telephone calls in connection with the Franchisee’s Business;

(d) immediately stop using the Intellectual Property, including the Trade Marks and take all steps as Reed may reasonably require;

(e) pass all inquiries made after termination, and full details of potential customers, to Reed;

(f) transfer all uncompleted contracts or unfulfilled orders to Reed or its nominee for $1;

(g) cease to use the System and other software supplied to the Franchisee by Reed, and return or at the Reed's option, destroy, (without copying) all elements of it, including all software, data, hardware and documentation relating to it;

(h) return or at the option of Reed, destroy, all copies of the Manual and other materials bearing any of the Trade Marks;

(i) pay all debts owing to creditors of the Franchisee's Business, and irrevocably permit Reed to deduct from all sums payable by Reed to the Franchisee all sums which Reed pays (whether legally obliged to or not) pursuant to this Section;

(j) cease to use the Communication Addresses and not make or receive any telephone calls, faxes or emails in connection with the Franchisee's Business, and take all steps that Reed requires to transfer all listings of the Communication Addresses in any directory or other published materials to Reed or as it may direct;

(k) assign to Reed all domain name registrations and rights in website content owned or used by the Franchisee in the Franchisee's Business; and

(l) deliver up any mobile telephone SIM cards or other communications equipment used in the Franchisee's Business; and

(m) take all other steps and in particular execute and deliver to Reed all documents necessary to comply with its obligations under Sections 21 and 22 of this agreement.

(n) enable Reed to enter the Premises and gain access to the Franchisee's systems and data in order to verify compliance with this Section 21.

21.4 Return of loaned and hired equipment. On termination or expiration of this agreement for any reason, the Franchisee must return (at its expense and in good working order and condition) all items of equipment held on loan or hire from Reed under the terms of this agreement. Until they have been returned or repossessed, the Franchisee shall be solely responsible for the safe keeping, supervision, custody and insurance of them.

21.5 Right of enforcement. If the Franchisee fails to fulfil its obligations under this clause 21 within a reasonable time, Reed may, at the expense of the Franchisee, immediately and without notice, take such steps as it thinks fit to fulfil any outstanding obligations.

22. Step-in rights

22.1 Step-in rights. Immediately on termination or expiration of this agreement for any reason other than breach by Reed of this agreement, Reed and/or its nominees shall have the right (additional to its rights under clause 21.5, and at its sole discretion) to operate the Franchisee's Business in place of the Franchisee provided that Reed has given written notice of its intent to do so (**Termination Step-in Notice**) to the Franchisee within 14 days following the date of termination.

The benefit of the Franchisee's Business shall vest in Reed or its nominee absolutely from the date on which the Franchisee's Business is operated by either or both of them provided that the Franchisee shall be indemnified against liability for any expense of the Franchisee's Business arising after such date excluding any liability under a contract that Reed elects not to assume under clause 22.4(b).

22.2 Leasehold premises. If the Premises are leasehold business premises the parties shall use reasonable commercial efforts to enable Reed to enter the Premises as may be necessary to exercise its rights as set out in Section 22.1 above, apart from

that the Franchisee shall not be required to allow Reed or its nominee to occupy the Premises if to do so would amount to a breach of the Franchisee's lease.

22.3 **Transfer of assets.** Upon receipt of the Termination Step-in Notice, the Franchisee shall take such steps as are necessary to give up possession of and/or transfer to the Reed or its nominees any lease of the Premises and the assets of the Franchisee's Business or, if so required by Reed, the obligation to pay for any lease, hire purchase, rent or other charges in relation to the Franchisee's Business. The following items shall be excluded from such transfer unless otherwise agreed by Reed:

(a) the bank accounts of the Franchisee and all monies belonging to the Franchisee, subject to any compensation payable to Reed in respect of breach of contract;

(b) the right to receive the debts of the Franchisee, subject to any compensation payable to Reed in respect of breach of contract; and

(c) all liabilities of the Franchisee except as otherwise agreed.

22.4 **Purchase Price.** The consideration payable to the Franchisee for the rights exercised under the Termination Step-in Notice shall be calculated on the following basis A+B-C, where:

(a) A refers to all items used in the Franchisee's Business that are not itemized in the latest audited accounts of the Franchisee's Business. The value for A shall be the current cost price to the Franchisee or the price which was payable by the Franchisee at the date of delivery of the said items or the market value as at the date of termination whichever shall be the lower.

(b) B refers to all other items used in the Franchisee's Business. The value for B is the net written-down value in the latest audited accounts of the Franchisee or the market value as of the date of termination whichever shall be lower, provided that such items are wholly owned by the Franchisee. If not wholly owned but subject to a lease, hire, hire purchase or other form of rental or credit agreement the Reed or its nominee at no cost to Reed may but shall not be obliged to take over the obligations and benefits under any such agreement as from the date of termination of this Agreement (excepting any liability, financial or otherwise, arising from the default of the Franchisee under such Agreement prior to the date of termination or expiration of this Agreement), and the Franchisee shall take such steps and execute such documents as are required to complete an assignment or novation as required by Reed.

(c) C is the total of all sums owing to Reed by the Franchisee, including any compensation payable to Reed in respect of breach of contract.

23. Covenant Not to Compete

23.1 You acknowledge that that the Marks, the Proprietary Information, the business and reputation associated therewith, the methods and techniques employed by

us, the training and assistance provided hereunder, the System, the Manual, and the knowledge of our methods, systems, operations, services, and contracts (the "Know-How") and the experience acquired by you are of considerable value and would not have been acquired except through implementation of this Agreement. As a result, you agree that we possess a proprietary interest in such Know-How that you acknowledge as a trade secret owned by us subject to a non-exclusive license to you for utilization during the Term. In addition, you agree that competition by persons associated with you could seriously jeopardize us and the entire Branded Business and franchise system because you have received an advantage through the knowledge of your day-to-day operations and the Proprietary Information. In consideration of the foregoing, you agree that, except as otherwise set forth below, and except as we may otherwise approve in writing (in our sole discretion), at all times during the Term and for a period of twelve (12) months following the termination of this Agreement or expiration of the Term, you, your Operating Principal, any of your officers, directors or shareholders (if you are a corporation),any of your members or managers (if you are a limited liability company),r any partner of yours (if you are a partnership) or any employee of yours whom we may designate (from time to time in our sole discretion) as a restricted person due to their role or the training they have received ("Restricted Persons") will not do any of the following:

(a) Divert or attempt to divert any business or clients of your Franchised Business or from within your former RIG from Reed Group or from any other Reed Franchisees to any competitor, by direct or indirect inducement or otherwise; or

(b) Employ or seek to employ any person who is employed by Reed Group or any of our other Franchisees, or by our third-party vendors or product providers with whom you came into contact during your term as a Reed Franchise, or to otherwise directly or indirectly induce such person to leave his or her employment, without the prior written approval of the applicable employer; or

(c) Maintain, engage in, be employed by, act as a consultant or independent contractor for, loan money to, or have any interest in (whether directly or indirectly) any other business within a 100-mile radius of the geographic boundaries of your RIG that competes with your Franchised Business (including any of the roles, industries and/or geographic boundaries of your RIG); or

(d) Maintain, engage in, be employed by, act as a consultant or independent contractor for, loan money to, or have any interest in (whether directly or indirectly) any other business that competes with Reed Group anywhere within a fifty (50) mile radius of the geographic boundaries of any Branded Business operated by a franchisee, Reed Group or an affiliate of Reed Group.

23.2 In the event the duration, scope and/or geographic area set forth in the foregoing restrictions and agreements are held to be unreasonable and therefore unenforceable as to you or any Restricted Person by any court of competent jurisdiction, then the duration, scope and/or geographic area of the foregoing restrictions and agreements shall be deemed to be the maximum duration, scope and/or geographic area as shall be enforceable as to you or any Restricted Person and the foregoing restrictions shall remain in full force and effect as to such maximum duration, scope and/or geographic area.

23.3 None of the restrictions in clause 23.1 shall prevent the Franchisee or Operating Principal from holding an investment by way of shares or other securities of not more than 5% of the total issued share capital of any company that is publicly traded on a recognized stock exchange; or

23.4 The restrictions imposed on the Franchisee and the Operating Principal by this Section 23 apply to them acting:

(a) directly or indirectly; and

(b) on their own behalf or on behalf of, or in conjunction with, any firm, company or person.

24. Indemnity

24.1 The Franchisee shall indemnify Reed, Reed Group, their respective officers and directors and Principals, as well as their respective agents, heirs, administrators, successors and assigns (collectively “Indemnitees”) against all liabilities, costs, expenses, damages and losses suffered or incurred by Indemnitees arising out of or in connection with:

(a) the Franchisee's breach or negligent performance or non-performance of this agreement;

(b) the Franchisee’s breach of statutory duty or non-compliance with any applicable law; and

(c) any claim made against Indemnitees by a third party arising out of or in connection with the acts or omissions under this agreement of the Franchisee, its employees, agents or subcontractors, including death, personal injury and damage to property.

24.2 This indemnity shall not apply to the extent that a claim under it results from Indemnitees’ negligence or wilful misconduct.

24.3 If a payment due from the Franchisee under this Section is subject to tax (whether by way of direct assessment or withholding at its source), Indemnitees shall be entitled to receive from the Franchisee such amounts as shall ensure that the net receipt, after tax, to Indemnitees in respect of the payment is the same as it would have been were the payment not subject to tax.

25. Management of Franchisee's Business/Designation of Operating Principal's guarantee and covenants

If Franchisee is a corporation, partnership, limited liability company or other entity, Franchisee shall, upon execution of this Agreement, provide Reed in Exhibit 10 with the names, addresses, and ownership percentages for all persons with an ownership interest (regardless of the percentage) in Franchise.

Franchisee shall identify at least one principal to be the Operating Principal. The Operating Principal shall (a) devote his/her full time, attention and effort to supervising and operating the Franchisee's Business; (b) be a director of the franchisee entity; (c) own, in his/her individual capacity, at least 50% of the franchisee entity and (d) ensure that the Franchisee performs all of its obligations under this Agreement. Franchisee may not modify or replace the Operating Principal without our prior written approval and acknowledgment of our approval of the proposed replacement operating principal.

Franchisee, the Operating Principal, and all other principals of Franchisee (regardless of their ownership stake), shall sign:

(a) This Franchise Agreement assuming and agreeing to discharge all obligations of the "Franchisee" under the Franchise Agreement;

(b) The Confidentiality and Non-compete agreement in the form attached hereto as Exhibit 13 agreeing that Franchisee and its principals shall not, directly or indirectly, maintain, engage in, manage, participate in, own, control or have a controlling interest, own, lend money to, consult with or otherwise assist or involve themselves in any business that is engaged in the provision of recruiting or placement services; and

(c) The Personal Guaranty and Subordination Agreement in the form attached hereto as Exhibit 11.

In certain circumstances, we may, in order to satisfy our standards of creditworthiness or to secure the obligations made under the Franchise Agreement, also require the Operating Principal and any other principals' spouse, to sign the Personal Guaranty and Subordination Agreement.

In the event at any time after the execution of this Agreement a person who was not previously disclosed as a principal of Franchisee becomes a principal of Franchisee, pursuant to Section 18 or otherwise, Franchisee agrees to cause that person to execute and deliver a Confidentiality and Non-compete Agreement as well as a Personal Guaranty and Subordination Agreement to Reed immediately.

26. Assignment

26.1 This agreement is personal to the Franchisee and the Operating Principal, who, subject to clause 18 and clause 19 may not, without the prior written consent of Reed, assign, transfer, mortgage, charge, declare a trust of, sub-contract, delegate or deal in any other manner with:

(a) this agreement or any of their rights and obligations under it; or

(b) the Franchisee's Business,

or purport to do any of the same.

26.2 Reed may, at any time, directly or indirectly, to sell, assign, transfer or otherwise dispose of or deal with this Agreement, or any or all of our rights and obligations under this Agreement, to any individual, firm, partnership, association, bank, lending institution, corporation,limited liability company or other person or entity as we may in our sole discretion deem appropriate. In the event of any such transfer, we will be released from any liability under this Agreement for the obligations transferred.

26.3 Each party to this agreement is acting on its own behalf and not for the benefit of another person.

27. Remedies

27.1 Without prejudice to the any other remedies that are available to us pursuant to applicable law and/or this Agreement, and subject to the remaining sub-Sections of this Section 27, Reed reserves the right to terminate (i) access to one or more parts of the System; (ii) the Franchisee's exclusivity rights over parts of the RIG and/or (iii) parts of the RIG, in the event of non-compliance with this agreement and in accordance with the default and termination provisions (including any applicable notice or cure requirements) set forth in Section 20.

27.2 Reed shall not exercise its rights under Section 27.1 frivolously or vexatiously. Reed shall use reasonable endeavors to achieve a resolution to any issue giving rise to the exercise of such rights.

27.3 Termination of exclusivity over any part of the RIG means that Reed can appoint itself (or its affiliate) or another franchisee in competition with the Franchisee. Termination of part of the RIG means that Reed can appoint itself (or its affiliate) or another franchisee to exercise step-in rights on its behalf in respect of the terminated part(s). For the avoidance of doubt, Reed shall not be obliged to pay any compensation under Section 22.4 in respect of the exercise of step-in rights under these circumstances.

28. Dispute Resolution

(a) The parties agree that if any claim, controversy or dispute arises between them, they will address the matter, negotiate in good faith, and

attempt to settle the dispute during a face-to-face meeting in New York, New York or other mutually agreeable location. If that good faith negotiation does not resolve the dispute, then, and only then, the parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement (including any exhibit hereto regardless of anything to the contrary contained in any exhibit), the operation of your Franchise, or the relationships created by this Agreement to non-binding mediation prior to bringing such claim, controversy or dispute in a court or before any other tribunal. The mediation will be conducted through an individual mediator selected by the Franchise Arbitration and Mediation Association ("FAM"), in accordance with its rules governing mediation, in New York, New York. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees incurred by either party), will be borne by the parties equally. If the parties are unable to resolve the claim, controversy or dispute within ninety (90) days after the mediator has been chosen, then either party may bring an arbitration proceeding under Section 28(b) below to resolve such claim, controversy or dispute, unless such time period is extended by written agreement of the parties. Notwithstanding the foregoing, we may bring an action (1) for monies owed, or (2) for injunctive or other extraordinary relief, in a court having jurisdiction and in accordance with Section 31 below, without first submitting such action to mediation.

(b) The parties agree that any claim, controversy or dispute not settled by mediation and arising out of or relating to this Agreement, the operation of your Franchise, or the relationships created by this Agreement, will be finally settled in arbitration. The parties expressly agree that no such arbitration will be conducted on a class-wide or group basis. We will select one arbitrator and you will select one arbitrator, and the two arbitrators will select a third. The arbitration proceedings will be conducted in accordance with and will be subject to the Franchise Arbitration and Mediation Association's rules governing commercial arbitration, in New York, New York. Notwithstanding the foregoing, we may bring an action (1) for monies owed, or (2) for injunctive or other extraordinary relief, in a court having jurisdiction and in accordance with Section 31 below, without first submitting such action to arbitration.

(c) With respect to any claims, controversies or disputes between the parties which are not finally resolved through mediation or arbitration, you hereby irrevocably submit yourself to the jurisdiction of the state courts of New York and the Federal District Court for the Southern District of New York. You hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You hereby agree that service of process may be made upon you in any such proceeding by any means allowed by New York or federal law. You further agree that venue for any such proceeding shall be New York,

New York; provided, however, with respect to any action (1) for monies owed, or (2) for injunctive or other extraordinary relief, we may bring such action in any state or federal district court which has jurisdiction. With respect to all claims, controversies, disputes or actions (including arbitrated matters), this Agreement will be interpreted and construed under New York law (except for New York choice of law rules).

(d) The parties acknowledge that their agreement regarding applicable state law and forum set forth in Section 28 and 31 of this Agreement, provide each of the parties with the mutual benefit of uniform interpretation of this Agreement, and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. You and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit.

(e) The parties hereby waive to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other and agree that in the event of a dispute between them, recovery of damages shall be limited to the recovery of any actual damages sustained.

(f) This Section 28 will be self-executing and shall remain in full force after expiration or termination of this Agreement. In the event either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party by default or otherwise notwithstanding such failure to appear.

(g) The obligation to arbitrate or mediate shall not be binding with respect to claims relating to our Trade Marks or Proprietary Information or requests by either you or us for temporary restraining orders, or other procedures in a court of competent jurisdiction to obtain interim relief when deemed necessary by such court to preserve the status quo or prevent irreparable harm pending final resolution of the dispute by arbitration.

(h) If any legal action or arbitration proceeding shall be instituted to interpret or enforce the terms and conditions of this Agreement or to terminate this Agreement or to recover any damages hereunder, or if a claim for amounts owed by you to us or any of our affiliates is asserted in any arbitration or legal proceeding before a court of competent jurisdiction, the prevailing party shall be entitled to recover its costs and expenses incurred thereby including, but not limited to, its reasonable attorneys' fees, arbitrator's compensation and expenses, and other costs as determined by the court or arbitrator.

29. Payments

29.1 No set-off. All amounts due under this agreement shall be paid in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

29.2 Interest.

(a) If any party fails to make any payment due to the other under this agreement by the due date for payment, then, without limiting the other party's remedies under this agreement, the defaulting party shall pay interest on the overdue amount at the rate of 18% per annum or the highest amount allowed by applicable law, whichever is less. Such interest shall accrue on a daily basis from the due date until actual payment of the overdue amount, whether before or after judgment. The defaulting party shall pay the interest together with the overdue amount.

(b) In relation to payments disputed in good faith, interest under this Section is payable only after the dispute is resolved, on sums found or agreed to be due, from 7 days after the dispute is resolved until payment.

30. Limitation of liability

30.1 Unlimited liability. Nothing in this agreement shall limit or exclude the liability of either party for:

(a) Death or personal injury caused by its negligence, or the negligence of its employees, agents or subcontractors (as applicable).

(b) Fraud or fraudulent misrepresentation or wilful default.

(c) Any matter in respect of which it would be unlawful to exclude or restrict liability.

30.2 Limitations of liability. Subject to clause 30.1 above:

(a) Neither party shall under any circumstances whatever be liable to the other, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for:

(i) any loss of profit, revenue, loss of business opportunity, loss of return on investment, or anticipated savings; or

(ii) any loss that is an indirect or secondary consequence of any act or omission of the party in question.

(b) The total liability of either party for damage to property caused by the negligence of its employees in connection with this agreement shall be limited to $10 million for any one event or series of connected events; and

(c) The total liability of either party to the other in respect of all other loss or damage arising under or in connection with this agreement, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall in no circumstances exceed the amount of the relevant insurance cover for insured losses or $1 million for uninsured losses for the entire term of this agreement. For the purpose of this Section, insured losses include the amount of any excess and losses which would have been covered by insurance but for breach of contract or insurance policy.

31. General

31.1 Force Majeure. Neither party shall be in breach of this agreement nor liable for delay in performing, or failure to perform, any of its obligations under this agreement if such delay or failure result from events, circumstances or causes beyond its reasonable control. If the period of delay or non-performance continues for 3 months, the party not affected may terminate this agreement by giving 14 days' written notice to the affected party.

31.2 Novation. Where requested, the Franchisee shall enter into a novation agreement to novate this agreement to another Reed Group Company.

31.3 Confidentiality.

(a) Each party undertakes that it shall not at any time during this agreement, and for a period of three years after termination of this agreement, disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other party, except as permitted by clause 31.3(b).

(b) Each party may disclose the other party's confidential information:

(i) to its employees, officers, representatives, subcontractors or advisers who need to know such information for the purposes of exercising the party's right's or carrying out its obligations under this agreement. Each party shall ensure that its employees, officers, representatives, subcontractors or advisers to whom it discloses the other party's confidential information comply with this clause 31.3(b); and

(ii) as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.

(c) No party shall use any other party's confidential information for any purpose other than to exercise its rights and perform its obligations under or in connection with this agreement; notwithstanding the foregoing, for purposes of Franchisor’s compliance with applicable law, Franchisee acknowledges and agrees that Franchisee’s personal information (including name, owner’s names, addresses and phone numbers) may be disclosed by Reed in its franchise disclosure documents and be provided to prospective franchisees at any time during or after the term of this Agreement.

31.4 Entire agreement.

(a) This agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

(b) No representations have induced You to execute this Agreement with Franchisor. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall

be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

(c) You acknowledge that you are entering into this Agreement as a result of your own independent investigation, and not as a result of any representations (with the exception of those representations made in the FDD) made by Franchisor, Reed Group, its members, managers, officers, directors, employees, agents, representatives, or independent contractors that are contrary to the terms set forth in this Agreement. You acknowledge that the FDD you received contained a copy of this Franchise Agreement and that you reviewed the FDD and Franchise Agreement before you signed this Agreement. You further understand, acknowledge and agree that any information you obtain from any system franchisee, including relating to their sales, profit, cash flows, and/or expenses, does not constitute information obtained from Franchisor or Reed Group, nor does Franchisor make any representation as to the accuracy of any such information. Notwithstanding the foregoing, and only to the extent that Franchisee and/or the franchised Reed Business is located in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin, then: no statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor.

(d) Each party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this agreement. Each party agrees that it shall have no claim for innocent or negligent misrepresentation based on any statement in this agreement.

(e) If there is an inconsistency between the terms of this agreement and the Manual, or any other documents referred to in it, the terms of this agreement shall prevail.

(f) Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. This provision supersedes any other term of any document executed in connection with the franchise.

31.5 Amendment. No variation or modification of this agreement shall be effective unless it is in a written amendment hereto and signed by the parties (or their authorized representatives).

31.6 Waiver. A waiver of any right or remedy is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. A delay or failure to exercise, or the single or partial exercise of, any right or remedy shall not:

(a) Waive that or any other right or remedy.

(b) Prevent or restrict the further exercise of that or any other right or remedy.

31.7 Severance. If any provision or part-provision of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this Section shall not affect the validity and enforceability of the rest of this agreement.

31.8 Notices.

(a) Any notice or other communication given to a party under or in connection with this agreement shall be in writing, addressed to that party at its registered office or such other address as that party may have specified to the other party in writing in accordance with this Section, and shall be delivered by commercial courier or e-mail.

(b) A notice or other communication shall be deemed to have been received: if delivered by commercial courier, on the next Business Day after the date that the courier's delivery receipt is signed; or, if sent by e-mail, the next Business Day after the day of proper transmission.

(c) For the purpose of any notice given under this agreement, the Franchisee and the Operating Principal shall be deemed to be one and the same. Any notice given by Reed to the Franchisee shall be deemed to be given also to the Operating Principal. Any notice given by the Franchisee or Operating Principal to Reed shall be deemed to be given by both the Franchisee and the Operating Principal.

(d) This Section shall not apply to the service of any proceedings or other documents in any legal action, arbitration or other method of dispute resolution.

31.9 Third-party rights. No one other than a party to this agreement, their successors and permitted assignees, shall have any right to enforce any of its terms.

31.10 Rights and remedies. Except as expressly provided in this agreement, the rights and remedies provided under this agreement are in addition to, and not exclusive of, any rights or remedies provided by law.

31.11 Public announcements. No party shall make, or permit any person to make, any public announcement concerning this agreement without the prior written consent of the other parties (such consent not to be unreasonably withheld or delayed), except as required by law, any governmental or regulatory authority (including any relevant securities exchange), any court or other authority of competent jurisdiction.

31.12 No partnership or agency. Nothing in this agreement is intended to, or shall be deemed to, establish any partnership or joint venture between any of the parties, nor constitute any party the agent of another party, nor authorize any party to make or enter into any commitments for or on behalf of any other party except as expressly provided in clause 18. Each party confirms it is acting on its own behalf and not for the benefit of any other person.

31.13 Counterparts.

(a) The agreement may be executed in duplicate, and each copy so executed shall be deemed an original. This agreement may also be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. A signed copy of this agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this agreement. You agree that the electronic signatures or digital signatures (each an "e-Signature") of any party to this agreement shall have the same force and effect as manual signatures of such party and such e-Signature shall not be denied legal effect or enforceability solely because it is in electronic form or an electronic record was used in its formation. You agree that an e-Signature of either party is intended to: (i) authenticate the signature, (ii) represent the party's intent to sign, and (iii) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. You agree not to contest the admissibility or enforceability of either party's e-signature.

(b) Without prejudice to the validity of the agreement thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

31.14 Governing law. This agreement, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with the law of New York (except for New York choice of law rules).

31.15 Jurisdiction/Venue. Each party irrevocably agrees that the state courts of New York and the Federal District Court for the Southern District of New York shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims). Franchisee further agrees that venue for any such proceeding shall be New York, New York.

This agreement has been entered into on the date stated at the beginning of it.

Signed by [NAME OF MANAGER] for and on behalf of REED FRANCHISE PARTNERSHIPS LLC	..... Manager
Signed by [NAME OF DIRECTOR] for and on behalf of [FULL COMPANY NAME]	..... Director
Signed by [NAME OF DIRECTOR] for and on behalf of [FULL COMPANY NAME]	..... Director

Exhibit 1 The RIG

Each franchise is defined by a RIG which sets out the scope of the franchise in terms of:

(a) The Roles (i.e. types of job) for which the Franchisee can recruit.

(b) The Industry or Industries within which the Franchisee can provide recruitment services.

(c) The Geography (i.e., geographical region) within which the Franchisee can operate.

The RIG for the Franchisee's Business is:

- **Roles**

  (Here we would define the Roles, this would be decided upon through conversation with the Franchisee during the Sales process)

- **Industry**

  (Here we would use NAISC/SIC Codes or base this around conversations during the sales process)

- **Geography**

  (*This could refer to streets, highways and other physical boundaries or state, city or county lines.).*

Rules and Guidelines

1. Job titles for the Operating Principal and employees of the Franchisee must not refer to the RIG in a way that implies exclusivity over and above the limits of the RIG. For example, where the RIG is a part of a country, a job title of "country manager" or similar is prohibited. The Franchisee should consult with Reed where there is any doubt.

2. Where a client requests services outside the scope of the agreed RIG, the Franchisee must not provide such services without the express and written consent of Reed. Where there is no franchisee operating in the relevant space, consent will usually be granted, subject to Reed's right to withdraw such consent at any time for any reason and the One Reed Referral rules as set out in The Manual. Notwithstanding the foregoing, we reserve the right to withdraw any such approval to provide services outside of your RIG at any time.

3. All Reed franchisees must follow the One Reed Referral rules where a client requests services outside the relevant franchisees' respective RIGs and more than one franchisee could operate in the space requested.

4. The Franchisee must not actively solicit business from outside the agreed RIG; however, we do not restrict Franchisee from soliciting, processing or placing any candidate for permanent placement services because of a candidate's current address, so long as the Role, Industry and Geography for the position for which

Franchisee is placing or looking to place the candidate is within Franchisee's defined RIG. Either party may request discussions with the other party to review the RIG with a view to either expanding or contracting the RIG in line with trading conditions. In the event that we agree to expand your RIG, you will be required to pay us a RIG Expansion Fee of up to $10,000 and you may be required to pay us an increased MAR fee as a result of the expansion.

5. Franchisee has no options, rights of first refusal or similar rights to acquire additional franchises merely because they may overlap with any part of Franchisee's RIG.

Exhibit 2 **The Trade Marks**

Part 1 **TRADE MARKS**

USPTO Registration # 90852972

Registration Date 12/20/2022

Part 2 TRADE MARK LICENSE

Reed Franchise Partnerships LLC

License to use trade marks

We, Reed Franchise Partnerships LLC, have the right to use and sub-license the Trade Marks shown at Part 1 of Exhibit 2 of the Franchise Agreement. All definitions used in the Franchise Agreement shall apply to this License.

We hereby authorise [*insert name of Franchisee*] (**you**) to use the Trade Marks on the terms set out in this License as follows:

1. Authorization to use

From the date of execution of this License, we hereby grant you a limited, non-exclusive, non-transferable, revocable license to use the Trade Marks, subject to the terms and conditions of this License.

2. Limitations on Use

You hereby agree that the Trade Marks shall only be used by you as follows:

2.1 The Trade Marks shall be used by you only in the forms shown in Part 1 of Exhibit 2 to the Franchise Agreement without any modification;

2.2 The Trade Marks shall be used by you only for the purposes of carrying on the Franchisee's Business; and

2.3 Your use of the Trade Marks shall not in any way bring the Trade Marks into disrepute, adversely affect the goodwill or reputation of the Trade Marks and you will not use the Trade Marks in a manner which will, or which is likely to, tarnish, damage or diminish the Trade Marks or cause the Trade Marks to lose their distinctiveness.

2.4 You shall not in any way jeopardise the validity or enforceability of the Trade Marks or invalidate any registration or application for the Trade Marks.

3. Approvals

You agree to provide to us in advance, by email, copies or samples of all materials and items which will incorporate or bear the Trade Marks. You shall obtain our prior written approval of the use of the Trade Marks in respect of such materials and items, (such approval not to be unreasonably withheld or delayed). In the event that written approval is not received within 30 days from the date the copies or samples are provided to us, such materials and items will be deemed rejected. You may not use the materials until they are approved, and we have the right to disapprove materials that we have previously approved. We may withhold our consent for any reason and we may condition our consent on your compliance with our designated guidelines, methods, procedures, rules and regulations.

4. Intellectual property rights

You hereby acknowledge and agree that:

4.1 any and all rights and interests in the Trade Marks shall be retained by us;

4.2 any and all goodwill generated by you in the Trade Marks shall be for the benefit of us;

4.3 you shall promptly notify us if you identify any potential infringements of the Trade Marks and agree that any and all actions relating to the Trade Marks (including any settlement or negotiations) shall be carried out and determined by us in our sole discretion; and

4.4 you shall provide all reasonable assistance required by us to protect, maintain or enforce the Trade Marks and shall execute all documents or other materials reasonably required by us to protect, maintain or enforce the Trade Marks, to vest the goodwill accrued in the Trade Marks in us and to evidence the ownership of such goodwill by us.

5. Right to terminate

5.1 We have the right to terminate this License:

5.1.1 with immediate effect upon written notice to you of any material breach of the terms of this License which is not remedied within 14 days of notice or is not capable of remedy, or

5.1.2 with immediate effect upon termination of the Franchise Agreement for any reason.

5.2 In the event of termination of this License, you shall:

5.2.1 immediately cease all use of the Trade Marks;

5.2.2 remove the Trade Marks from any materials or items held by you;

5.2.3 upon request, provide us with a written assignment of any and all rights created by you (or your affiliates) by using the Trade Marks, including any and all goodwill generated by you in the Trade Marks.

6. No warranties or representations

You acknowledge and agree that no warranties or representations are provided as to the validity, enforceability or otherwise of the Trade Marks and that no other warranties or representations have been made or are made by us in relation to the Trade Marks.

7. Right to Introduce New Trade Marks and Modify/Discontinue Existing Trade Marks

Reed may, in its sole discretion, modify or discontinue use of any Trade Mark and/or to adopt or use one or more additional or substitute Trade Marks. Franchisee shall promptly, at its sole cost and expense, comply with any instruction by Reed regarding the modification or discontinuance of any existing Trade Mark as well as the adoption and use of any new or substitute Trade Mark. There is no limitation on the costs Franchisee may be required to incur in complying with any designated changes or modifications. Reed shall not reimburse Franchisee for any loss of goodwill associated with a modified or discontinued Trade Mark. Franchisee waives any other claim arising from or relating to any Trade Mark change, modification or substitution. Reed shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any Trade Mark addition, modification, substitution or discontinuation except as provided above in this Section. Franchisee covenants not to commence or join in any litigation or other proceeding against Reed or Reed Group for any of these expenses, losses or damages

8. Infringement.

In accordance with Paragraph 4.3 above, You must immediately notify us if you learn about an infringement of, or challenge to your use of, any Trade Mark, or any claim by any person of any rights in any Trade Mark, and you must not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so, however, you may communicate with your own counsel at your own expense. We (or our affiliates) will take the action we think appropriate in these situations; we and our affiliates have exclusive control over any settlement or proceeding concerning any Trade Mark. You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Trade Marks.

Neither us nor our affiliates are required to defend you against a claim arising from your use of the Trade Marks, but we may, in our sole and absolute discretion, elect to reimburse you for all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Trade Mark, but we shall only consider doing so if you notify us of the proceeding in a timely manner and you have complied with our directions with regard to the proceeding. We and our affiliates have the right to control the defense and settlement of any proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel and for expenses in removing signage or discontinuing your use of any Trade Mark. We will not reimburse you for disputes where we challenge your use of any Trade Mark.

9. Indemnity

You shall indemnify Reed, Reed Group, and their respective agents, heirs, administrators, successors and assigns (collectively “Indemnitees”) against any and all liabilities, costs, expenses, damages or losses (including all direct, indirect or consequential loss and any loss of profit or reputation and all professional costs and

expenses) suffered or incurred by Indemnitees as a result of or arising from your use of the Trade Marks or any breach of the terms of this License.

10. Variation

No variation of this License shall be valid or effective unless it is in writing and is duly signed or executed by, or on behalf of, each party.

11. Governing law

This Agreement and any dispute or claim arising out of, or in connection with, it, its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of New York (except New York choice of law rules).

12. Jurisdiction/Venue

The parties irrevocably agree that the federal and state courts of New York shall have jurisdiction to settle any dispute or claim arising out of, or in connection with, this License, its subject matter or formation (including non-contractual disputes or claims). Notwithstanding the foregoing, Franchisee agrees that venue for any such proceeding shall be New York, New York; provided, however, with respect to any action (1) for monies owed, or (2) for injunctive or other extraordinary relief, we may bring such action in any state or federal district court which has jurisdiction.

Exhibit 3 The Services

The Services: recruitment services to place candidates for permanent or indefinite or fixed term employment with hirers. Both candidates and hirers must be within the agreed RIG; however, you are not restricted from soliciting, processing or placing any candidate for permanent placement services because of a candidate's current address, so long as the Role, Industry and Geography for the position for which you are placing looking to place the candidate is within your defined RIG. The Services and all ancillary services and the Method for delivery are fully detailed in The Manual, but in summary include:

Registering and sourcing candidates using X3.

Advertising vacancies, principally on job boards.

Attracting passive candidates by "headhunting" them.

The Services may be periodically updated by Reed, in its sole discretion, to meet customers' needs and to adapt to any changes in the market.

Exhibit 4 Start-up Package

The Franchisor shall provide the following to Franchisee:

- The Manual in electronic form, or access to the Manual via the System
- Up to 2 LinkedIn Recruiter Lite licenses license (for one year only). *NOTE*: *If you prefer to utilize LinkedIn RPS instead of LinkedIn Recruiter Lite, we will provide you with a $1000 credit toward your purchase.*
- Up to 2 Microsoft Office licenses (for one year only)
- Access to Reed's proprietary customer relationship management software (currently, X3)
- Access to the reed.co.uk candidate database and ability to place unlimited job postings there at no cost.
- Access to Reed's Digital Workplace
- Creating and maintaining a presence for you and your REED Business within the reedglobal.us website
- Brand guidelines and access to digital collateral (i.e., pantones, templates, logos) so that the Franchisee can procure such items locally and at its expense.

Exhibit 5 Premises

Address of the Premises:

Advice on setting up the office is contained in section 6 in Part Two (operations) of The Manual.

Queries should be directed to the Franchise Support team.

Exhibit 6 Training

1. Initial Training:

    a. Reed will provide, an initial training program for up to 20 of your employees. The Operating Principal must successfully complete the initial training program to our satisfaction. Except as otherwise disclosed in this Exhibit, we do not charge for initial training.

    b. Reed reserves the right, in its sole discretion, to determine whether Franchisee and Franchisee's employees are "experienced" recruiters for purposes of receiving training. Training for experienced recruiters will be via a five-day course Training for inexperienced recruiters will be conducted via a ten-day course.

    c. Initial Training will typically be held in person at the Branded Business School in the United Kingdom; however, we reserve the right to conduct initial training virtually or at another location in our sole discretion.

    d. Training will be offered regularly at a frequency to be determined by Reed, in its sole discretion.

    e. Upon completion of the Initial Training Program, we will evaluate Franchisee's performance and Franchisee's overall business readiness; and if we are satisfied by the performance of your Training Team, we will authorize you to launch your Franchisee's Business. If our training supervisors determine that your Training Team requires additional training in one or more material subject areas, we reserve the right, in our sole discretion, to delay the launch of your Franchisee's Business and require that additional training first be completed, which we will provide to you at no additional cost except as otherwise set forth herein.

2. Except as set forth below for in-person Elevate management development training, for any training (including Initial Training) held in person at the Branded Business School in the United Kingdom, Franchisee shall be responsible for all travel costs (airfare and transportation), as well as any applicable wages, salaries, and benefits for the Operating Principal and any of Franchisee's employees being trained. If training is held at the Branded Business School in the United Kingdom, food and lodging at the School will be provided free of charge for up to twenty members of Franchisee's team (including the Operating Principal). If Franchisee or its employees opt to dine or lodge in a location other than the School, Franchisee shall be responsible for all costs incurred.

3. For any training (including Initial Training) held at a location *other than* the Branded Business School in the United Kingdom, Franchisee shall be responsible for all travel costs (airfare and transportation) and living expenses, as well as any applicable wages, salaries, and benefits for the Operating Principal and any of Franchisee's employees being trained.

4. All Franchisee employees operating in a fee earning capacity will be required to attend Reed's Essential Recruitment Skills Exhibit of courses either in person or via an online platform. Attendance is mandatory and subject to Sections 9.2 and 20.2(xvii) of the Franchise Agreement.

5. Reed will run further training courses as it deems necessary in its sole discretion. Reed will designate these courses as mandatory or optional; if mandatory, you must attend. There will be no charge for these courses, unless otherwise set forth herein.

6. Reed reserves the right to hold training courses in other countries from time to time.

7. Training may also be delivered via online platforms (e.g., MS Teams) in Reed's sole discretion.

8. To the extent that an on-demand learning platform is offered, the Franchisee will be able to access Reed's online training platform (the Learning Management System or LMS) on demand and at no additional cost.

9. To the extent that "lunch and learn" courses are offered, the Franchisee and its employees will be able to attend Reed's "lunch and learn" online courses live or on demand at no additional cost.

10. All courses and content will be in the English language only.

11. All training content and collaterals are Reed's Intellectual Property.

12. The Franchisee and selected senior staff of Franchisee will be able to access Reed's Elevate management development digital content at no additional cost. However, to the extent Franchisee elects, in Franchisee's sole discretion, to attend Reed's Elevate management development course in person, Franchisee will be required to pay Reed a fee equal to Reed's then-current pricing for its in-person Elevate training. will assess a fee for this training.

13. Reed will consult with the Franchisee to agree the best curriculum of courses available on Reed's LMS for the Operating Principal and the Franchisee's employees.

14. Reed shall determine, in its sole discretion, (a) if, when, why and how any training will be provided and (b) what subjects that will be covered by any training it provides.

15. Reed shall determine, in its sole discretion, the audience for any training event and such audience may be a limited group of franchisees or a bigger group of franchisees which might include all U.S. or international franchisees simultaneously.

16. In addition to training, Reed will provide ongoing field support from time to time, as further set out in The Manual. Reed reserves the right to modify this support from time to time in its sole discretion. This may include training sessions provided on an ad hoc basis.

Exhibit 7 Marketing Support

Reed shall provide you with marketing support throughout the term of your franchise agreement. Reed shall determine, in its sole discretion, the type, amount, frequency and manner of such support in its sole discretion, but such support may include any or all of the following:

- Creating and providing access to relevant country-level social media accounts, as determined by Reed.
- Providing access to digital collateral templates and offering advice to promote the opening of your REED Business (including pantone, templates, logos and brand guidelines so you can produce, at your own cost, any necessary stationary, promotional gifts, signage or similar items).
- Creating and maintaining a presence for you and your REED Business within the reedglobal.us website.
- Setting up and optimizing your REED Business in Google MyBusiness (including reviews generation process)
- Providing you with access to Reed Franchise Partnerships Marketing Hub, Reed's web-based portal for marketing collaterals and advice.
- Providing templates for press releases announcing the opening of your REED Business.
- Offering ongoing advice and support as we deem appropriate during the term of your franchise agreement.
- Providing market mapping services within your RIG;
- Assisting you with the generation of a Year One Marketing Plan.
- Provide you with our logo and brand guidelines.
- Provide you with a bespoke "e-brochure" for your REED Business.

The Franchisee has a responsibility, at its sole cost and expense, to utilize these resources and support to promote and raise awareness of the Franchisee's Business.

Franchisor has sole and absolute discretion over all marketing support it provides including but not limited to decisions regarding creative concepts, media channels and placement, frequency, and manner. With the exception of the microsite we establish for your Branded Business and the Year One Marketing Plan we assist you in preparing, Franchisor's marketing support as set forth in the list above shall be general in nature and is intended to support the international franchise system; such support will not be specific Franchisee's RIG or the country, region, or state in which the Franchisee does business.

Exhibit 8 System License

1. Definitions and interpretation

1.1 All definitions used in the Franchise Agreement shall apply to this License.

1.2 The following definitions shall apply:

Authorized Users: the Operating Principal, and employees of the Franchisee from time to time.

Franchisee Data: all data inputted or generated by or on behalf of the Franchisee when using the System.

Data Protection Laws: all applicable privacy and data protection laws and regulations as they may be amended or replaced from time to time.

1.3 In this License, the words “including”, “include”, “in particular” shall be interpreted with the words “without limitation” after them, and a reference to legislation is to such legislation as amended or re-enacted from time to time.

2. The System

2.1 Reed will make the System available to the Franchisee.

2.2 Reed grants to the Franchisee a right for the Authorized Users to access and use the System for the purposes of the Franchisee’s Business.

3. Franchisee obligations

3.1 The Franchisee shall provide Reed with:

(a) all necessary co-operation in relation to this License; and

(b) all reasonable access to such information in connection with this License as may be required by Reed.

3.2 The Franchisee shall not, and shall procure that Authorized Users do not:

(a) attempt to modify, create derivative works from, republish, transmit, or distribute all or any portion of the System in any form or media or by any means, or reverse compile, disassemble, reverse engineer or otherwise reduce to human-perceivable form all or any part of the System;

(b) license, sell, rent, lease, transfer, assign, distribute, display, disclose, or otherwise commercially exploit, or otherwise make the System available to any third party for any use not permitted by this License; or

(c) transmit any content which is obscene, indecent, pornographic, seditious, offensive, discriminatory according to applicable laws, defamatory, threatening, liable to incite racial hatred, menacing, blasphemous or in breach of any third-party intellectual property rights during the course of its use of the System.

3.3 Franchisee is solely responsible for understanding all applicable and Data Protection Laws and ensuring that Franchisee's Business complies with the same. Franchisee acknowledges and agrees that Data Protection Laws are complex and constantly evolving and agrees that it shall regularly consult with a legal advisor regarding its obligations under all applicable Data Protection Laws.

3.4 The Franchisee is responsible for maintaining the confidentiality of any login information associated with any account used to access the System. Accordingly, the Franchisee is responsible for all activities that occur under the Franchisee's account(s).

4. Confidential information

4.1 The Franchisee agrees not to disclose or allow to be disclosed to any third party, whether during or at any time after the Term, any confidential information about the System.

4.2 The restriction in Section 0 does not apply to any disclosure which is required by applicable laws, court order, government, or regulatory authority, or to any information which is already in, or comes into, the public domain otherwise than through the Franchisee's unauthorized disclosure.

5. Data protection

5.1 The Franchisee shall be the Data Controller of all Personal Data entered by the Franchisee into the System (as such terms are defined under the Data Protection Laws).

5.2 The parties agree to comply with their respective obligations under the Data Protection Laws, and to the extent required, to provide such information, advice and assistance to the other party, to enable it to comply with its obligations under the Data Protection Laws.

6. Intellectual property rights and Franchisee Data

6.1 The Franchisee shall own and retain ownership of all right, title and interest in and to all Franchisee Data and shall have sole responsibility for the legality, reliability, integrity, accuracy and quality of all such Franchisee Data.

6.2 Reed or its third-party licensors shall retain ownership of all intellectual property rights in the System.

7. Indemnity and limitation of liability

7.1 The Franchisee shall indemnify Reed, Reed Group, their respective officers and directors and principals, as well as their respective agents, heirs, administrators, successors and assigns (collectively “Indemnitees”) against claims, actions, proceedings, losses, damages, expenses and costs (including without limitation court costs and reasonable legal fees) arising out of or in connection with the Franchisee’s and/or the Authorized Users’ use of the System.

.

7.2 Except as expressly and specifically provided in this License:

(a) The Franchisee assumes sole responsibility for ensuring that it complies with its own processes, its statutory duties and its obligations (whether contractual or otherwise) to its clients and candidates;

(b) Indemnitees shall have no liability for any damage caused by errors or omissions of the Franchisee in using the System;

(c) all warranties, representations, conditions and all other terms of any kind whatsoever implied by statute or common law are, to the fullest extent permitted by applicable law, excluded from this License; and

(d) the System is made available to the Franchisee and each Authorized User on an "as is" and “as available” basis.

7.3 Save to the extent prohibited by law, Reed’s duties hereunder are to the Franchisee and not to each Authorized User, and the Franchisee therefore agrees to procure that each Authorized User shall raise any concerns in relation to this License with the Franchisee and not with Reed directly.

8. Term and Termination

8.1 Subject to the rights of termination in this Section 0, this License is effective during the Term.

8.2 Reed may terminate this License if the Franchisee commits a material breach of this License and, if the breach is capable of remedy, fails to remedy such breach within 14 days of receipt of written notice.

8.3 In the event that the Franchise Agreement is terminated for any reason, this License shall also be terminated.

8.4 On termination or expiration of this License for any reason:

(a) all licenses granted under this License shall immediately terminate and the Franchisee shall immediately cease all use of the System;

(b) the Franchisee shall return and make no further use of any equipment, property, documentation and other items (and all copies of them) issued by Reed;

(c) Reed may destroy or otherwise dispose of any of Franchisee Data in the System unless Reed receives, no later than ten days after the effective date of the termination of this License, a written request for the delivery to the Franchisee of the then most recent back-up of Franchisee Data. Reed shall use reasonable commercial endeavours to deliver the back-up to the Franchisee within 30 days of its receipt of such a written request, provided that the Franchisee has, at that time, paid all fees and charges outstanding under the Franchise Agreement (including this License). The Franchisee shall pay all reasonable expenses incurred by Reed in returning or disposing of Franchisee Data; and

(d) any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination, including the right to claim damages in respect of any breach of this License which existed at or before the date of termination shall not be affected or prejudiced.

9. Miscellaneous

9.1 This License may only be varied by a document signed by both parties.

9.2 No term of this License shall be enforceable by a person who is not a party to this License.

9.3 This License is governed by and construed in accordance with the laws of New York. The parties irrevocably submit to the exclusive jurisdiction of the state courts of New York and the Federal District Court for the Southern District of New York.

Exhibit 9 Mandatory Policies

- Anti-bribery and Anti-corruption Policy
- Data and Privacy Policy
- Modern Slavery and Human Trafficking Policy
- Reed's Manual

Exhibit 10 Contract Details

1 Operating Principal: [Name(s) and Address(es), Ownership %)]

2 Non-operating Principals: [Name(s) and Address(es), Ownership %)]

3 Commencement Date:

4 Initial Franchise Fee:

5 Initial Term:

6 Initial Royalty Fee (if applicable):

7 Initial Gross Receipts Threshold (if applicable):

8 Ongoing Royalty Fee Exhibit:

- Level 1: Level 1 royalty fee varies in accordance with initial term length set forth in #5 above (*please mark applicable royalty rate*).

  ☐ 10% of Gross Receipts up to USD $750,000 per annum (if 10 year term)

  ☐ 12% of Gross Receipts up to USD $750,000 per annum (if 5 year term)

- Level 2: 7.5% of Gross Receipts USD $750,000.01 - $1,500,000 per annum
- Level 3: 5% of Gross Receipts USD $1,500,000.01 - $2,500,000 per annum
- Level 4: 2.5% of Gross Receipts USD $2,500,000.01 - $3,500,000 per annum
- Level 5: 1% of Gross Receipts over USD $3,500,000.01 per annum

9 Bank Account:

Bank:

Address:

Account name:

Sort code:

Account number:

IBAN No:

10 Recommended Minimum Pricing

11 Insurances

11.1 As of the Commencement Date, the Franchisee shall obtain and thereafter maintain insurance policies issued by an authorized insurance company that maintains a financial strength rating with A.M Best or similar rating agency of "A" or better and shall provide limits of liability of not less than the following: broad form commercial general liability and contractual liability coverage with limits of liability of USD 5,000,000 each occurrence; this insurance may not have a deductible or self-insured retention of over $5,000.

11.2 In addition, the Franchisee shall obtain and thereafter maintain insurance policies issued by an authorized insurance company that maintains a financial strength rating with A.M Best or similar rating agency of A-/VIII and shall provide limits of liability of not less than the following:

11.2.1 workers' compensation and employer's liability insurance (in conformance with the statutory requirements of the jurisdiction where any work is to be performed or where Franchisee employees are located), unemployment insurance and state-disability insurance (as required by governing law);

11.2.2 Errors and omissions insurance and employment practices with limits of liability of USD 1,000,000 each accident;

11.2.3 commercial automobile liability insurance for all vehicles including contractual liability with limits of liability of USD 1,000,000 each person and USD 1,000,000 each occurrence combined single limit; and

11.2.4 Professional Liability/Cyber Liability with at least a $2,000,000 limit;

11.2.5 professional indemnity insurance with limits of liability of USD 5,000,000 each occurrence; and

11.2.6 If you elect to lease commercial space, you must obtain property insurance as well in limits that are acceptable to us. If you engage in any construction, refurbishment or remodeling of the office, you must obtain builders' and/or contractor's insurance (as applicable) and performance and completion bonds in forms and amounts acceptable to us.

11.3 The Franchisee may achieve the policy limits through policies that are placed as primary, excess or umbrella policies. Any excess or umbrella policy must be materially as broad as the underlying policies.

11.4 The Franchisee agrees to the following:

11.4.1 to keep the insurance policies in effect until 3 years after final completion of the Services;

11.4.2 to provide written notice at least thirty (30) days prior to any cancellation, material alteration or expiration of the policies;

11.4.3 to endorse the Franchisee's insurance to provide that such insurance shall be primary and non-contributing as respects to any and all insurance maintained by Reed; and

11.4.4 that Reed shall be named as additional insured and Insurers agree to provide a severability of interest endorsement in all liability policies providing coverage as if each named insured or additional insured were the only named insured and coverage applies separately to each insured against whom claim is made or "suit" is brought.

11.5 The terms of coverage shall be evidenced by certificates of insurance reflecting the required insurance coverages which shall be freely available to Reed and subject to audit and verification by Reed upon demand during normal business hours.

12 Minimum Annual Royalty:

☐ **STANDARD**:

- $7,500 in Year 1
- $10,000 in Year 2
- $15,000 in Year 3 and every subsequent Year

☐ **NON-STANDARD MAR**:

If you are granted a RIG that is larger than a typical RIG, we may increase your MAR. If we do so, your MAR will be as specified here:

[INSERT INCREASED MAR IF APPLICABLE]

Exhibit 11

PERSONAL GUARANTY AND SUBORDINATION AGREEMENT

The following persons:_____ (individually and collectively, the "undersigned" or "Guarantor"), to induce Reed Franchise Partnerships, LLC, Reed Group and their affiliates ("Reed" or "Franchisor") to enter into or permit assignment of a certain Franchise Agreement, dated _____ (including all exhibits, the "Franchise Agreement"), with _____ _____("Franchisee"), hereby unconditionally, personally, jointly and severally, agrees to be bound by all of the obligations of Franchisee under the Franchise Agreement, including any amendments thereto or renewals thereof, whenever made, and absolutely, irrevocably and unconditionally guarantees to Reed and its successors and assigns that all of Franchisee's obligations under the Franchise Agreement will be punctually paid and performed. The undersigned acknowledges and agrees that Franchisor has entered into the Franchise Agreement with Franchisee solely on the condition that each owner of Franchisee, and each owner's spouse, be personally obligated and jointly and severally liable with Franchisee (and with each other owner of Franchisee) for the performance of each and every obligation of Franchisee (and its owners) under: (i) the Franchise Agreement, including any amendments thereto or extensions or renewals thereof, and (ii) each and every other agreement entered into by Franchisee in connection with the Franchise Agreement (the Franchise Agreement and all aforementioned agreements are collectively referred to as the "Reed Agreements"). Without limiting the generality of the foregoing, the undersigned acknowledge and agree that each individual is personally bound by the confidentiality restrictions, the covenant against competition, and the indemnification obligations set forth in the Franchise Agreement.

The undersigned expressly waives notice of the acceptance by Reed to or for the benefit of Franchisee, of the purchase of inventory and goods by Franchisee, the maturing of bills and the failure to pay the same, the incurring by Franchisee of any additional future obligations and liability to Reed, and any other notices and demands.

This Personal Guaranty will not be affected by the modification, extension, or renewal of any agreement between Reed and Franchisee, the taking of a note or other obligation from Franchisee or others, the taking of security for payment, the granting of an extension of time for payment, the filing by or against Franchisee of bankruptcy, insolvency, reorganization or other debtor relief afforded Franchisee under the Federal Bankruptcy Act or any other state or federal statute or by the decision of any court, or any other matter, whether similar or dissimilar to any of the foregoing; and this Personal Guaranty will cover the terms and obligations of any modifications, notes, security agreements, extensions, or renewals.

The obligations of the undersigned will be absolute and unconditional in spite of any defect in the validity of the Franchisee's obligations or liability to Reed, or any other circumstances whether or not referred to in this Personal Guaranty that might otherwise constitute a legal or equitable discharge of a surety or guarantor.

This is an irrevocable, unconditional and absolute guaranty of payment and performance and the undersigned agrees that his, her, or their liability under this Personal Guaranty will be immediate and will not be contingent upon the exercise or enforcement by Reed of whatever remedies it may have against the Franchisee or others, or the enforcement of any lien or realization upon any security Reed may at any time possess. Without limiting the foregoing, upon default by Franchisee or notice from Franchisor, the undersigned will immediately make each payment and perform each obligation required of Franchisee under the Reed Agreements. The undersigned acknowledges that Franchisor is not required to proceed first against the Franchisee, but may proceed first against the undersigned or any of them alone or concurrent with proceeding against Franchisee.

The undersigned hereby waives the following: (i) notice of amendment of the Reed Agreements and notice of demand for payment or performance by Franchisee of any obligation under the Reed Agreements; (ii) presentment or protest of any instrument and notice thereof, and notice of default or intent to accelerate with respect to the indebtedness or non-performance of any of Franchisee's obligations under the Reed Agreements; (iii) any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability; (iv) the defense of statute of limitations in any action hereunder or for the collection or performance of any obligation; (v) any and all rights to payments, indemnities and claims for reimbursement or subrogation that the undersigned may have against Franchisee arising from the undersigned's execution of and performance under this Personal Guaranty; (vi) any defense based on any irregularity or defect in the creation of any of the obligations or modification of the terms and conditions of performance thereof; (vii) any defense based on the failure of Franchisor or any other party to take, protect, perfect or preserve any right against and/or security granted by Franchisee or any other party; and (viii) any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

The undersigned agree that any current or future indebtedness by Franchisee to the undersigned will always be subordinate to any indebtedness owed by Franchisee to Reed. The undersigned will promptly modify any financing statements on file with state agencies to specify that Reed' rights are senior to those of Guarantor.

The undersigned further agree that as long as Franchisee owes any money to Reed (other than royalty payments that are not past due) Franchisee may not pay and the undersigned may not accept payment of any part of any indebtedness owed by Franchisee to any of the undersigned, either directly or indirectly, without the consent of Reed.

In connection with any litigation or arbitration to determine the undersigned's liability under this Personal Guaranty, the undersigned expressly waives his, her, or its right to trial by jury and agrees to pay costs and reasonable attorney fees as fixed by the court or arbitrator.

The undersigned jointly and severally agree to pay all attorneys' fees, costs and expenses (including any and all amounts or other fees owed under the terms of the Franchise Agreement, along with any associated interest on such amounts, that are determined to be owing to Franchisor due to underreporting by Franchisee) incurred by Franchisor in enforcing this Personal Guaranty, whether or not suit or arbitration action is

filed, and if suit or arbitration action is filed, then through trial or arbitration, as applicable, and all appeals, and also in any proceedings or matter in Bankruptcy Court, and to assume all liability for all losses, costs, attorneys' fees, and expenses that Franchisor incurs as a result of a default by Franchisee, including those fees and expenses incurred in a bankruptcy proceeding involving Franchisee.

The undersigned hereby waive any right to trial by jury that they may have in any action brought by Franchisor related, directly or indirectly, to this Personal Guaranty and/or the Reed Agreements, or the negotiation of the Personal Guaranty and/or the Reed Agreements. The undersigned hereby acknowledge that this Personal Guaranty does not grant or create in the undersigned any interests, rights or privileges in the Reed Agreements, or any other franchise or franchise agreement.

If this Personal Guaranty is signed by more than one individual, each person signing this Personal Guaranty will be jointly and severally liable for the obligations created in it. This Personal Guaranty will remain in full force and effect until all obligations arising out of and under the Reed Agreements, including all renewals and extensions, are fully paid and satisfied.

The Personal Guaranty may be executed in duplicate, and each copy so executed shall be deemed an original. This Personal Guaranty may also be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. A signed copy of this Personal Guaranty transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Personal Guaranty. You agree that the electronic signatures or digital signatures (each an "e-Signature") of any party to this Personal Guaranty shall have the same force and effect as manual signatures of such party and such e-Signature shall not be denied legal effect or enforceability solely because it is in electronic form or an electronic record was used in its formation. You agree that an e-Signature of either party is intended to: (i) authenticate the signature, (ii) represent the party's intent to sign, and (iii) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. You agree not to contest the admissibility or enforceability of either party's e-signature.

Dated: _____

IN WITNESS TO THE FOREGOING, the undersigned have signed this Personal Guaranty.

GUARANTORS:

By:_____
Print Name:_____, individually

By:_____
Print Name:_____, individually

Exhibit 12

REED FRANCHISE PARTNERSHIPS, LLC

GENERAL RELEASE AGREEMENT

THIS GENERAL RELEASE (the "**Release**") is made and entered into on this _____ day of _____, 20___ (the "**Effective Date**"), by and between: Reed Franchise Partnerships, LLC, a Delaware limited liability company ("**Franchisor**" or "**Reed**"); and __ _____a [resident of] [corporation organized in] [limited liability company organized in] _____and having offices at _____ [("**Franchisee**")] [("**Transferor**")].

BACKGROUND:

A. Franchisor and [Franchisee][Transferor] are parties to a Franchise Agreement dated _____ (the "**Franchise Agreement**"); and

B. Franchisor and Franchisee have agreed, pursuant to the Franchise Agreement, [to renew or extend Franchisee's rights under Section 3 the Franchise Agreement (the "**Renewal Transaction**")] [to permit a transfer pursuant to Section 18 of the Franchise Agreement (the "**Transfer Transaction**")] [to permit a relocation pursuant to Section 16 of the Franchise Agreement (the "**Relocation Transaction**")], and in connection with the [Renewal Transaction] [Transfer Transaction] [Relocation Transaction], Franchisor and [Franchisee] [Transferor] have agreed to execute this Release, along with such other documents related to the approved [Renewal Transaction] [Transfer Transaction] [Relocation Transaction].

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

1. Release. [Franchisee] [Transferor], its officers and directors and Principals, and their respective agents, heirs, administrators, successors and assigns (the "**Franchisee Group**"), hereby forever release and discharge, and forever hold harmless Franchisor, its current and former affiliates and predecessors, and their respective shareholders, partners, members, directors, officers, agents, representatives, heirs, administrators, successors and assigns (the "**Franchisor Group**") from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which [Franchisee] [Transferor] and/or its Principals had, have or may have against any member of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Franchise Agreement, the relationship created by the Franchise Agreement, or the development, ownership or operation of the Reed franchise. The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense or damages (actual or

consequential) including, without limitation, reasonable attorneys', accountants' and expert witness fees, costs of investigation and proof of facts, court costs and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor or other third party now has, ever had, or hereafter would or could have, as a result of, arising from or relating to the Franchise Agreement or the Reed franchise. The Franchisee Group and its Principals represent and warrant that they have not made an assignment or any other transfer of any interest in the claims, causes of action, suits, debts, agreements or promises described herein.

2. General Terms.

2.1. This Release shall be binding upon, and inure to the benefit of, each party's respective heirs, representatives, successors, and assigns.

2.2. This Release shall take effect upon its acceptance and execution by each of the parties hereto.

2.3. This Release may be executed in duplicate, and each copy so executed shall be deemed an original. This Release may also be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. A signed copy of this Release transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Release. You agree that the electronic signatures or digital signatures (each an "e-Signature") of any party to this Release shall have the same force and effect as manual signatures of such party and such e-Signature shall not be denied legal effect or enforceability solely because it is in electronic form or an electronic record was used in its formation. You agree that an e-Signature of either party is intended to: (i) authenticate the signature, (ii) represent the party's intent to sign, and (iii) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. You agree not to contest the admissibility or enforceability of either party's e-signature.

2.4. The captions in this Release are for the sake of convenience only, and shall neither amend nor modify the terms hereof.

2.5. This Release constitutes the entire, full, and complete agreement between the parties concerning the subject matter hereof, and supersedes all prior agreements and communications concerning the subject matter hereof. No other representations have induced the parties to execute this Release. The parties agree that they have not relied upon anything other than the words of this Release in deciding whether to enter into this Release.

2.6. No amendment, change, or variance from this Release shall be binding on either party unless in writing and agreed to by all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Release in duplicate on the day and year first above written.

Reed Franchise Partnerships, LLC.	**FRANCHISEE**
Franchisor	
By:	By:
Name:	Name:
Title:	Title:

Exhibit 13

FORM OF NON-DISCLOSURE AND NON-COMPETE AGREEMENT

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This Nondisclosure and Noncompetition Agreement is made effective as of _____, 20____ by _____[Name], residing at _____ in the State of _____ ("Confidant").

NOW THEREFORE, in exchange for 1) his or her training by Reed Franchise Partnerships LLC or its affiliates ("Reed" or "Reed Group") to operate a franchised Reed Franchise under the mark "Reed" (the "Reed Franchise"), 2) the grant of a franchise by Reed to a company in which he or she has an ownership interest (the person or entity that receives such a grant from Reed shall be referred to herein as "Franchisee"), or 3) his or her employment by Reed or one of its franchisees, Confidant agrees as follows:

1. Nondisclosure of Trade Secrets and Confidential Information

Confidant agrees, during the term of the Franchise Agreement and following termination, expiration or assignments of the Agreement, not to disclose, duplicate, sell, reveal, divulge, publish, furnish or communicate, either directly or indirectly, any Trade Secret or other Confidential Information of Reed to any other person or entity unless authorized in writing by Reed. Confidant agrees not to use any Trade Secrets or Confidential Information for his or her personal gain or for purposes of others, whether or not the Trade Secret or Confidential Information has been conceived, originated, discovered or developed, in whole or in part, by Confidant or represents Confidant's work product. If Confidant has assisted in the preparation of any information that Reed considers to be a Trade Secret or Confidential Information or has himself or herself prepared or created the information, Confidant assigns any rights that he or she may have in the information as its creator to Reed, including all ideas made or conceived by Confidant.

2. Definition of Trade Secrets and Confidential Information

For purposes of this Agreement, the terms "Trade Secrets" and "Confidential Information" mean any and all knowledge, techniques, processes or information made known or available to Confidant that Reed treats or designates as confidential, whether existing now or created in the future, including but not limited to information relating to the Reed branded business, the Franchisee's business, the method, the system, and/or the services, training processes, client information, marketing plans and materials, manuals and instructional materials describing Reed's methods of operation, including Reed's Manual; all concepts or ideas in, or reasonably related to Reed's business that have not previously been publicly released by Reed; and any other information or property of any kind of Reed that may be protected by law as a Trade Secret, confidential or proprietary. The Trade Secrets and Confidential Information described in this Agreement are the sole property of Reed.

3. Return of Proprietary Material

Upon termination of franchise ownership or employment by Reed or a Reed franchisee, Confidant shall surrender to Reed all materials considered proprietary by Reed, technical or non-technical, whether or not copyrighted, which relate to Trade Secrets, Confidential Information or conduct of the operations of Reed.

Confidant expressly acknowledges that any such materials of any kind given to him or her are and will remain the sole property of Reed.

4. Solicitation of Employees

Confidant further agrees that he or she will not, directly or indirectly, for the twelve months preceding and subsequent to the termination or expiration of Confidant's (a) franchise agreement (if Confidant is the Franchisee, Franchisee Operating Principal or other principal of Franchisee) or (b) employment relationship (if Confidant is an employee of Franchisee), (i) employ or seek to employ any person who is employed by Reed, its affiliates or its franchisees, (ii) induce any person who is employed by Reed, its affiliates or its franchisees to leave his or her employment, without the prior written approval of the Reed or (iii) furnish to, or for the benefit of any competitor of Reed, the name of any person who is employed by Reed or by any franchisee of Reed.

5. Noncompetition

Confidant agrees and covenants that because of the confidential and sensitive nature of the Confidential Information and because the use of the Confidential Information in certain circumstances may cause irrevocable damage to Reed, Confidant will not, until the expiration of twelve months after the termination of the employment relationship between Confidant and Reed or the Reed franchisee that employs him or her, or termination of the ownership interest of Confidant in the Reed franchise:

(a) divert or attempt to divert (i) any current or prospective business or clients of Confidant (or Confidant's employer), Reed Group or any Reed Group franchisee, or (ii) any current or prospective business or clients from within Confidant (or Confidant's employer's) RIG, to any competitor, by direct or indirect inducement or otherwise; or

(b) own, maintain, engage in, be employed by, act as a consultant or independent contractor for, loan money to, or have any interest in, directly, indirectly or through any corporations or through any related parties, (i) any business or enterprise that is within a 100-mile radius of the geographic boundaries of the RIG and is considered to be competitive with Confidant's (or Confidant's employer's) RIG; or (ii) any business or enterprise that is within a 50-mile radius of the geographic boundaries of any business operated by Reed Group or any Reed Group franchisee.

6. RIG Defined

For the avoidance of doubt, all references to a "RIG" in this Nondisclosure and Noncompetition Agreement are intended to (and shall have) the same meaning as the definition of RIG in the Franchise Agreement signed by Franchisee with Reed Franchise Partnerships, LLC. The RIG refers to the scope of the franchised business in terms of roles, industry and geography. To the extent Confidant is an employee of Confidant and/or was not a signatory to the Franchise Agreement with Reed Group that defines the RIG, all references to a "RIG" shall be intended to mean as follows:

_[Reed to insert definition of RIG for non-signatories of the FA]_____

7. Saving Provision

Confidant agrees and stipulates that the agreements and covenants not to compete contained in this agreement are fair and reasonable in light of all the facts and circumstances of the relationship between Confidant and Reed. However, Confidant and Reed are aware that in certain circumstances courts have refused to enforce certain agreements not to compete. Therefore, in furtherance of the provisions of the preceding paragraph, Confidant and Reed agree that if a court or arbitrator declines to enforce the provisions of the preceding paragraph, that paragraph shall be considered modified to

restrict Confidant's competition with Reed to the maximum extent, in both time and geography, which the court or arbitrator finds enforceable.

8. Irreparable Harm to Reed

Confidant understands and agrees that Reed will suffer irreparable injury that cannot be precisely measured in monetary damages to its Trade Secrets if Confidential Information or proprietary information is obtained by any person, firm or corporation or is used in competition with Reed. Accordingly, Confidant agrees that it is reasonable and for the protection of the business and goodwill of Reed for Confidant to enter into this Agreement. Thus, if there is a breach of this Agreement by Confidant, Confidant consents to entry of a temporary restraining order or other injunctive relief and to any other relief that may be granted by a court having proper jurisdiction.

9. Binding Effect

This Agreement will be binding on Confidant's heirs, executors, successors and assignees as though originally signed by these persons.

10. Execution.

This Agreement may be executed in duplicate, and each copy so executed shall be deemed an original. This Agreement may also be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement. You agree that the electronic signatures or digital signatures (each an "e-Signature") of any party to this Agreement shall have the same force and effect as manual signatures of such party and such e-Signature shall not be denied legal effect or enforceability solely because it is in electronic form or an electronic record was used in its formation. You agree that an e-Signature of either party is intended to: (i) authenticate the signature, (ii) represent the party's intent to sign, and (iii) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. You agree not to contest the admissibility or enforceability of either party's e-signature.

11. Applicable Law

The laws of the state where Confidant lives will govern the validity of this Agreement. If any provision of this Agreement is void or unenforceable in that State, the remainder of the Agreement will be fully enforceable according to its terms.

CONFIDANT

_____
[Name of Confidant]

By: _____
[Confidant's signature]

Exhibit 14

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENT

(ELECTRONIC FUNDS TRANSFER/DIRECT DEBITS)

The undersigned depositor ("Depositor") authorizes Reed Franchise Partnerships, LLC, and/or Reed Specialist Recruitment Ltd. ("Reed") to request debit entries and/or credit correction entries to the Depositor's checking and/or savings account(s) indicated below and the depository ("Depository") to debit the account according to Reed's instructions.

Depository	Branch
Street Address, City, State, Zip Code	
Bank Transit/ABA Number	Account Number

This authorization is to remain in full force and effect until Depository has received joint written notification from Reed and Depositor of the Depositor's termination of the authorization in a time and manner that will give Depository a reasonable opportunity to act on it. In spite of the foregoing, Depository will give Reed and Depositor thirty (30) days' prior written notice of the termination of this authorization. If an erroneous debit entry is made to Depositor's account, Depositor will have the right to have the amount of the entry credited to the account by Depository, if within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to the entry or forty-five (45) days after posting, whichever occurs first, Depositor has sent Depository a written notice identifying the entry, stating that the entry was in error, and requesting Depository to credit the amount of it to the account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

Depositor	Depository
By:	By:
Title	Title
Date	Date

Please attach a voided check for the account from which funds will be withdrawn. If the account is not established at the time of signing, a check will be required prior to the commencement of pre-sale operations.

Initial: _____ **Date: _____**

Franchisee

Initial: _____ **Date: _____**

Reed Franchise Partnerships, LLC

EXHIBIT D
TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

Reed Company Confidential

REED FRANCHISE PARTNERSHIPS LLC
FINANCIAL STATEMENTS
JUNE 30, 2025

REED FRANCHISE PARTNERSHIPS LLC
TABLE OF CONTENTS

Independent Auditor's Report	**Page 1-2**
Balance Sheets	**Page 3**
Statements of Operations and Member's Equity	**Page 4**
Statements of Cash Flows	**Page 5**
Footnotes	**Page 6 - 8**

MUHAMMAD ZUBAIRY, CPA PC

Certified Public Accountant
646.327.7013

INDEPENDENT AUDITOR'S REPORT

To the Member of
Reed Franchise Partnerships LLC

Opinion

We have audited the financial statements of Reed Franchise Partnerships LLC, which comprises the balance sheets as of June 30, 2025 and 2024, and the related statements of operations, and changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Reed Franchise Partnerships LLC as of June 30, 2025 and 2024. and the results of its operations and its cash flows for the for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Reed Franchise Partnerships LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Reed Franchise Partnerships LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit 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 Reed Franchise Partnerships LLC's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Reed Franchise Partnerships LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Muhammad Zubairy, CPA PC
Westbury, NY
August 13, 2025

REED FRANCHISE PARTNERSHIPS LLC
BALANCE SHEETS

ASSETS

	YEARS ENDED JUNE 30	
	2025	2024
Current Assets		
Cash	$ 54,813	$ 47,208
Accounts Receivable	51,894	16,508
Total current assets	106,707	63,716
Total Assets	$ 106,707	$ 63,716

LIABILITIES AND MEMBERS' EQUITY

Current Liabilities		
Accounts payable and accrued expenses	$ 6,122	$ —
Due to related party	152,238	131,072
Contract liability	2,550	2,550
Total Current Liabilities	160,910	133,622
Contract liability, net of current	19,238	21,788
Member's Equity	(73,441)	(91,694)
Total Liabilities and Member's Equity	$ 106,707	$ 63,716

See notes to financial statements

REED FRANCHISE PARTNERSHIPS LLC
STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY

	YEARS ENDED JUNE 30	
	2025	2024
Revenues		
Royalties	$ 66,700	$ 14,530
Franchise fees	2,550	13,179
Other	725	1,035
	69,975	28,744
Selling, general and administrative expenses	51,722	60,954
Net Income	18,253	(32,210)
Member's Equity - Beginning	(91,694)	(59,484)
Member's contribution	—	—
Member's Equity - Ending	$ (73,441)	$ (91,694)

See notes to financial statements

REED FRANCHISE PARTNERSHIPS LLC
STATEMENTS OF CASH FLOWS

	YEARS ENDED JUNE 30	
	2025	2024
Cash Flows from Operating Activities:		
Net Loss	$ 18,253	$ (32,210)
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in assets and liabilities		
Accounts payable and accrued expenses	6,122	—
Accounts receivable	(35,386)	(16,508)
Due to related party	21,166	36,534
Contract Liability	(2,550)	24,338
	7,605	12,154
Net Increase in Cash	7,605	12,154
Cash - Beginning of Year	47,208	35,054
Cash - End of Year	$ 54,813	$ 47,208

See notes to financial statements

1. THE COMPANY

Reed Franchise Partnerships LLC has been formed in July 2021 as a single member Delaware limited liability company. The company's sole member is Reed Specialist Recruitment Limited, a company registered in England. The company offers franchise rights to operate permanent placement service businesses under the REED trademark for placement of full-time employees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting-The accompanying financial statements have been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

Franchise Arrangements-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate permanent placement service businesses under the REED trademark for placement of full-time employees for a specified number of years.

Concentration of Credit Risk-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents and franchisee accounts receivable. The balances in the Company's bank accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of $250,000 as of June 30, 2024. The Company maintains its cash and cash equivalents with accredited financial institutions. The Company reviews the credit history of its franchisees before extending credit. The Company establishes its allowances based upon factors including the credit risk of specific franchisees, historical trends, and other information.

Use of Estimates-The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

Taxes on Income- The Company has elected to be treated as a limited liability company for Federal and Delaware State tax purposes. Income for the Company passes directly through to its member and is reported on the member's income tax returns. Therefore, there is no provision or liability for federal income taxes.

3. REVENUE RECOGNITION

In May 2014, the FASB issued a new accounting standard ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)", that attempts to establish a uniform basis for recording revenue to virtually all industries' financial statements. The revenue standard's core principle is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration expected to be received for those goods or services. Additionally, the new guidance requires enhanced disclosure to help financial statement users better understand the nature, amount,

3. REVENUE RECOGNITION (cont'd)

timing and uncertainty of the revenue recorded. The Company adopted ASC 606 for fiscal year ending December 31, 2020.

The new standard will change how the Company records initial franchise fees from franchisees and brand development fees. Under Legacy GAAP, franchise fees, which are non-refundable, were recognized as income when substantially all services to be performed by the Company and conditions relating to the sale of the franchise were performed or satisfied, which generally occurred when the franchisee commenced operations.

The new standard requires that the franchise fee received from customers be allocated to each separate and distinct performance obligation. The following services ("distinct performance obligations") are typically provided by the Company prior to the opening of a franchise location: management training for the new franchisee and selected staff.

4. CONTRACT LIABILITIES

In compliance with the Financial Accounting Standards Board ("FASB") new accounting standards for revenue recognition ("Topic 606"), the Company records its non-refundable franchise fees, net of amounts earned based on allowable direct services, as deferred revenues, to be recognized over the life of the franchise agreement. The non-refundable franchise fees received but not yet earned as of June 30, 2025 and 2024 were $21,788 and $24,388 respectively.

5. RELATED PARTY TRANSACTIONS

The Company periodically receives funds to its related parties. These receipts are due upon demand and do not bear interest. At June 30, 2025 and 2024 the amount due to related party totaled $152,238 and $131,072 respectively.

6. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events were evaluated though August 13, 2025, the date at which the financial statements were available to be issued.

REED FRANCHISE PARTNERSHIPS LLC
FINANCIAL STATEMENTS
JUNE 30, 2024

REED FRANCHISE PARTNERSHIPS LLC
TABLE OF CONTENTS

Independent Auditor's Report	**Page 1-2**
Balance Sheets	**Page 3**
Statements of Operations and Member's Equity	**Page 4**
Statements of Cash Flows	**Page 5**
Footnotes	**Page 6 - 8**

MUHAMMAD ZUBAIRY, CPA PC

Certified Public Accountant
646.327.7013

INDEPENDENT AUDITOR'S REPORT

To the Member of
Reed Franchise Partnerships LLC

Opinion

We have audited the financial statements of Reed Franchise Partnerships LLC, which comprises the balance sheets as of June 30, 2024 and 2023, and the related statements of operations, and changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Reed Franchise Partnerships LLC as of June 30, 2024 and 2023. and the results of its operations and its cash flows for the for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Reed Franchise Partnerships LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Reed Franchise Partnerships LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit 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 Reed Franchise Partnerships LLC's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Reed Franchise Partnerships LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Muhammad Zubairy, CPA PC
Westbury, NY
October 16, 2024

REED FRANCHISE PARTNERSHIPS LLC
BALANCE SHEETS

ASSETS

	YEARS ENDED JUNE 30	
	2024	2023
Current Assets		
Cash	$ 47,208	$ 35,054
Accounts Receivable	16,508	—
Total current assets	63,716	35,054
Total Assets	$ 63,716	$ 35,054

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities		
Due to related party	$ 131,072	$ 94,538
Contract liability	2,550	—
Total Current Liabilities	133,622	94,538
Contract liability, net of current	21,788	—
Member's Equity	(91,694)	(59,484)
Total Liabilities and Member's Equity	$ 63,716	$ 35,054

See notes to financial statements

REED FRANCHISE PARTNERSHIPS LLC
STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY

	YEARS ENDED JUNE 30	
	2024	2023
Revenues		
Royalties	$ 14,530	$ 2,029
Franchise fees	13,179	1
Other	1,035	—
	28,744	2,030
Selling, general and administrative expenses	60,954	64,360
Net Loss	(32,210)	(62,330)
Member's Equity - Beginning	(59,484)	2,846
Member's contribution	—	—
Member's Equity - Ending	$ (91,694)	$ (59,484)

See notes to financial statements

REED FRANCHISE PARTNERSHIPS LLC
STATEMENTS OF CASH FLOWS

	YEARS ENDED JUNE 30	
	2024	2023
Cash Flows from Operating Activities:		
Net Loss	$ (32,210)	$ (62,330)
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in assets and liabilities		
Accounts receivable	(16,508)	—
Due from related party	—	2,746
Due to related party	36,534	94,538
Contract Liability	24,338	—
	12,154	34,954
Net Increase in Cash	12,154	34,954
Cash - Beginning of Year	35,054	100
Cash - End of Year	$ 47,208	$ 35,054

See notes to financial statements

1. THE COMPANY

Reed Franchise Partnerships LLC has been formed in July 2021 as a single member Delaware limited liability company. The company's sole member is Reed Specialist Recruitment Limited, a company registered in England. The company offers franchise rights to operate permanent placement service businesses under the REED trademark for placement of full-time employees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting-The accompanying financial statements have been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

Franchise Arrangements-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate permanent placement service businesses under the REED trademark for placement of full-time employees for a specified number of years.

Concentration of Credit Risk-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents and franchisee accounts receivable. The balances in the Company's bank accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of $250,000 as of June 30, 2024. The Company maintains its cash and cash equivalents with accredited financial institutions. The Company reviews the credit history of its franchisees before extending credit. The Company establishes its allowances based upon factors including the credit risk of specific franchisees, historical trends, and other information.

Use of Estimates-The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

Taxes on Income- The Company has elected to be treated as a limited liability company for Federal and Delaware State tax purposes. Income for the Company passes directly through to its member and is reported on the member's income tax returns. Therefore, there is no provision or liability for federal income taxes.

3. REVENUE RECOGNITION

In May 2014, the FASB issued a new accounting standard ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)", that attempts to establish a uniform basis for recording revenue to virtually all industries' financial statements. The revenue standard's core principle is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration expected to be received for those goods or services. Additionally, the new guidance requires enhanced disclosure to help financial statement users better understand the nature, amount,

3. REVENUE RECOGNITION (cont'd)

timing and uncertainty of the revenue recorded. The Company adopted ASC 606 for fiscal year ending December 31, 2020.

The new standard will change how the Company records initial franchise fees from franchisees and brand development fees. Under Legacy GAAP, franchise fees, which are non-refundable, were recognized as income when substantially all services to be performed by the Company and conditions relating to the sale of the franchise were performed or satisfied, which generally occurred when the franchisee commenced operations.

The new standard requires that the franchise fee received from customers be allocated to each separate and distinct performance obligation. The following services ("distinct performance obligations") are typically provided by the Company prior to the opening of a franchise location: management training for the new franchisee and selected staff.

4. CONTRACT LIABILITIES

In compliance with the Financial Accounting Standards Board ("FASB") new accounting standards for revenue recognition ("Topic 606"), the Company records its non-refundable franchise fees, net of amounts earned based on allowable direct services, as deferred revenues, to be recognized over the life of the franchise agreement. The non-refundable franchise fees received but not yet earned as of June 30, 2024 and 2023 were $24,388 and $0 respectively.

5. RELATED PARTY TRANSACTIONS

The Company periodically receives funds to its related parties. These receipts are due upon demand and do not bear interest. At June 30, 2024 and 2023 the amount due to related party totaled $131,072 and $94,538, respectively.

6. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events were evaluated though October 16, 2024, the date at which the financial statements were available to be issued.

EXHIBIT E
TO THE DISCLOSURE DOCUMENT

TABLE OF CONTENTS OF THE CONFIDENTIAL OPERATIONS MANUAL

The Reed Franchise Partnerships Manual

Part One – The Reed Recruitment System

1. An Introduction to Reed

2. Phone and digital

3. The Reed recruitment pathways

4. Developing a candidate pipeline

5. Interviewing candidates

6. Referrals and professional endorsements

7. Business development

(A) The sales structure and question funnel

(B) Gatekeepers

(C) Candidate-led BD

(D) Ad chasing

(E) The goals, problems, needs approach

(F) Client eshots – candidate-led

(G) Client eshots – news and market intelligence led

(H) Professional endorsements and BD

8. Taking the job order and fee negotiation

9. Candidate sourcing

(A) Databases

(B) Advertising

(C) Attracting passive candidates – headhunting

(D) Referrals

(E) Eshots and emails

10. Shortlisting and securing interviews

11. Managing the recruitment process – prep and debrief

12. Managing counteroffers

13. Offer management

14. Aftercare

15. Objection handling

16. Selling retained recruitment solutions

17. Client meetings

18. Account development

19. Conclusion

Part Two – Operations

1. Introduction and using this manual

2. Reed's purpose and values

3. Reporting processes with Reed Franchise Partnerships

4. Office support service level agreements

5. Your new office inventory

6. Setting up your office and office premises

7. Pre-opening to-do list

8. Business planning

9. Managing your business' finances

10. Route map for weeks 1 – 26

11. Route map for months 7 – 12

12. The RIGs system

13. Client ownership

14. Candidate Ownership

15. The One Reed referral programme

16. Terms of business

17. The RFP representative council

18. The RFP grievance procedure

19. The Reed Franchise Partnership Annual Awards programme

20. The RFP vendor programme

21. Media handling

22. Social media best practice

23. A guide to data protection and GDPR

Part Three – People

1. Using this manual

2. Hiring staff

3. Onboarding staff

4. Training and coaching staff

5. Remuneration and rewards

6. Career development plans

7. Performance management

8. When people leave

9. HR policies

EXHIBIT F
TO THE DISCLOSURE DOCUMENT

LIST OF CURRENT FRANCHISEES
LIST OF FRANCHISES
THAT HAVE LEFT THE REED U.S. SYSTEM

LIST OF REED's FRANCHISED OUTLETS
As of June 30, 2025

State	Franchisee Name	Franchisee Address	Franchisee Phone Number
FL	Critical Velocity Talent Solutions LLC	808 Berkeley Street, Boca Raton, FL, 33487	786 821 4993
FL	Turner Talent Acquisition LLC	15 Lakeview Circle, Ormond Beach, FL 32174	386 895 1479
FL	Elidel International LLC	13575 NW 5th Court, Pembroke Pines, FL 33018	954.671.0386
FL	Appalachian Talent Acquisition LLC	7901 4th St N #20309 St Petersburg FL 33702	865 420 6860
LA	CCP Consulting LLC	1936 Highpoint Place, Haughton, LA, 71037	907 230 7653
NH	The Talent Xpert LLC	510 Daniel Webster Hwy, Unit 111 Merrimack, NH 03054	919 819 6821
NV	Professional Talentsource LLC	5545 Mountain Vista St Str E, Las Vegas, Nevada, 89120	215 370 0262
TX	Gente Recruitment LLC	5900 Balcones Drive Suite 100, Austin, TX 78731	832 490 9109
TX	Boxer Consulting LLC	2013 Marysol Trail, Cedar Park, TX 78613	409 939 9852
TX	Parsan Wade Search LLC	539 W. Commerce St #598 Dallas, TX 75208	469 305 2554
TX	Clearfork Staffing Solutions LLC	4608 Collinwood Ave, Fort Worth, TX, 76107	817 769 9440
TX	Halo Hiring Solutions LLC	8808 Priest River DR Round Rock, TX 78681	512 968 2055

Franchisees with Signed Franchise Agreements but Outlet Not Open
As of June 30, 2025

Name	Address	Telephone

N/A

List of Former Franchisees As of June 30, 2025

Franchisees who have had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year, or who have not communicated with us within 10 weeks of the date of this disclosure document:

Franchisee Name	**Franchisee Address**	**Franchisee Phone Number**
Your Next Move Consulting	8209 Spring Breeze Court, Orlando, FL 32829	407 923 7156

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT G
TO THE DISCLOSURE DOCUMENT

GENERAL RELEASE LANGUAGE

REED FRANCHISE PARTNERSHIPS LLC

GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

REED FRANCHISE PARTNERSHIPS LLC ("we," "us," or "our") and the undersigned, _____ ("you" or "your"), currently are parties to a certain _____ ***[Franchise]*** (the "**Agreement**") dated _____, 20___. You have asked us to take the following action or to agree to the following request: [***insert as appropriate for renewal or transfer situation]***_____ _____ _____ _____ _____.

We have the right under the Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, directors, officers, principals, employees, and affiliated entities (collectively, the "Releasing Parties"), hereby forever release and discharge us and our current and former officers, directors, shareholders, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the "REED's Parties") from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, "Claims") that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the REED's Parties (1) arising out of or related to the REED's Parties' obligations under the Agreement or (2) otherwise arising from or related to your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the REED's Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the REED's Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

[Signature Page Follows]

Reed FRANCHISE PARTNERSHIPS LLC

By:_____

Title:_____

Date:_____

[Name of Franchisee]

By:_____

Title:_____

Date:_____

_____

[Name of Owner]

_____

[Signature]

Date:_____

EXHIBIT H
TO THE DISCLOSURE DOCUMENT

STATE ADDENDA AND AGREEMENT RIDERS

NASAA REQUIRED MODIFICATIONS TO ITEM 22 OF THE FDD –

IN ADDITION TO CERTAIN STATE SPECIFIC ADDENDA THAT FOLLOW, THE FOLLOWING LANGAUGE SHALL BE APPLICABLE IN CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ADDENDUM TO REED
FRANCHISE DISCLOSURE DOCUMENT AND
FRANCHISE AGREEMENT
FOR THE
STATE OF CALIFORNIA

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

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

a. The franchisor, any person or franchise broker in Item 2 of the FDD is (or not) 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 such association or exchange.

b. California Business and Professions Code 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. In accordance therewith, franchisor shall not, upon termination or nonrenewal of a franchise, be entitled to offset amounts owed to franchisee by amounts owed to franchisor unless the franchisee agrees to the amount owed or the franchisor has received a final adjudication of any amounts owed. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

c. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.).

d. The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

e. The franchise agreement requires binding arbitration. The arbitration will occur in New York, New York with the costs being borne by the 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 20040.5, 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.

f. The franchise agreement requires application of the laws of New York. This provision may not be enforceable under California law.

g. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

h. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 Through 31516). Business and Professions Code Section

20010 Voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

i. OUR WEBSITE HAS NOT BEEN REIVEWED OR APPROVED BY THE CALIFRONIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.DFPI.ca.gov.

j. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

k. Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.

l. Reed Franchise Partnerships, LLC has complied with the terms of Corporations Code Section 31109.1.

m. California's Franchise Investment Law (Corporations Code section 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the Franchise Investment Law.

m. Section 18.11 of the Franchise Agreement shall be amended to add the following sentence at the end:

> *"In accordance with Cal. Corp. Code § 31126, and notwithstanding anything to the contrary set forth herein, Franchisor must notify prospective franchisees of the approval or disapproval of their transfer application within 60 days after receiving the information required from the franchisee. The franchisor's notice must be in writing and delivered to the prospective franchisee by email, courier, or certified mail. If the prospective franchisee's application is denied, the franchisor's notice must set forth the reasons for the disapproval."*

n. Item 5 of the Disclosure Document shall be amended to add the following:

> "*The California Department of Financial Protection and Innovation has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the*

development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open."

i. Section 4.1 of the Franchise Agreement shall be amended to add:

"Fee Deferral: The California Department of Financial Protection and Innovation has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business."

FRANCHISOR:
REED FRANCHISE PARTNERSHIPS LLC

By: _____
Name: _____
Title: _____

Delivery Address:
REED FRANCHISE PARTNERSHIPS LLC
C/O BH Registered Agents, LLC, 1105 N market Street, 11th Floor, Wilmington, New Castle County, Delaware 19801

FRANCHISEE:

By: _____
Name: _____
Title: _____

Address:
_____
_____

FRANCHISEE:

By: _____
Name: _____
Title: _____

Address:
_____
_____

ADDENDUM TO REED
FRANCHISE DISCLOSURE DOCUMENT AND
FRANCHISE AGREEMENT
FOR THE
STATE OF NEW YORK

NEW YORK

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 SERVICES OR 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 ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

1. The following is to be added at the end of Item 3:

With the exception of what is stated above, the following applies 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.

2. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for a 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.

3. 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.

4. 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 the franchisee by Article 33 of the General Business Law of the State of New York

5. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 *et seq.*), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

FRANCHISOR:
REED FRANCHISE PARTNERSHIPS LLC

By: _____
Name: _____
Title: _____

Delivery Address:
REED FRANCHISE PARTNERSHIPS LLC
C/O BH Registered Agents, LLC, 1105 N market Street, 11th Floor, Wilmington, New Castle County, Delaware 19801

FRANCHISEE:

By: _____
Name: _____
Title: _____

Address:
_____
_____

FRANCHISEE:

By: _____
Name: _____
Title: _____

Address:
_____
_____

AMENDMENT TO REED
FRANCHISE DISCLOSURE DOCUMENT FOR THE
STATE OF ILLINOIS

By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

Illinois law governs the Franchise Agreement.

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 of an agreement 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.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Fee Deferral: Item 5 of the Franchise Disclosure Document, Section 4.1 of the Franchise Agreement is hereby amended to state that the Initial Franchise Fee will be deferred until the Franchisor completes all of its training and other initial obligations to Franchisee and the Franchisee is open for business. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

You may be required to attend training at locations outside of the United States. If such training is required, you must pay for all travel costs and living expenses.

AMENDMENT TO REED
FRANCHISE AGREEMENT FOR THE
STATE OF ILLINOIS

Illinois law governs the Franchise Agreement.

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, arbitration may take place outside of Illinois.

Franchisees' 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.

Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

Fee Deferral: Item 5 of the Franchise Disclosure Document, Section 4.1 of the Franchise Agreement is hereby amended to state that the Initial Franchise Fee will be deferred until the Franchisor completes all of its training and other initial obligations to Franchisee and the Franchisee is open for business. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

You may be required to attend training at locations outside of the United States. If such training is required, you must pay for all travel costs and living expenses.

Notwithstanding the foregoing, no statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISOR:
REED FRANCHISE PARTNERSHIPS LLC

By: _____
Name: _____
Title: _____

Delivery Address: REED FRANCHISE PARTNERSHIPS LLC

C/O BH Registered Agents, LLC, 1105 N market Street, 11th Floor, Wilmington, New Castle County, Delaware 19801

FRANCHISEE:

By: _____
Name: _____
Title: _____

Address:

_____
_____

FRANCHISEE:

By: _____
Name: _____
Title: _____

Address:

_____
_____

EXHIBIT I
TO THE DISCLOSURE DOCUMENT

FRANCHISE DISCLOSURE REPRESENTATION

PRE-CLOSING QUESTIONNAIRE

[*To be completed by Franchisee and all Owners before signing Franchise Agreement – Not to be completed if you are located, or your franchised business will be located in any of the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington or Wisconsin]*]**

As you know, you and Reed Franchise Partnerships LLC (the "Franchisor") are about to enter into a franchise agreement for the development, opening and operation of a REED franchised business. The purpose of this Questionnaire is to determine if any improper sales practices have occurred, including, whether any statements or promises were made to you Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question. **The answers you provide in this Questionnaire are material to Franchisor and Franchisor is relying on all such answers in agreeing to enter into a franchise relationship with you.**

1. Have you received and personally reviewed Franchisor's Franchise Disclosure Document?

Yes____ No____

2. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?

Yes____ No____

3. Have you received and personally reviewed the REED Franchise Agreement and all accompanying Exhibits?

Yes____ No____

4. Has any employee or other person speaking on behalf of Franchisor made any statement, representation or promise concerning the revenue, profits or operating costs of a REED Business operated by Franchisor or any of its affiliates?

Yes____ No____

5. Has any employee or other person speaking on behalf of Franchisor made any statement, representation (aside from the disclosure provided in Item 19 of the FDD) or promise concerning the revenue, profits or operating costs of a REED Business operated by a franchisee?

Yes____ No____

6. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning any REED Business that is contrary to, different from, or in addition to, the information contained in the Disclosure Document?

Yes____ No____

7. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the amount of money you may earn or revenue you may derive in operating a REED Business?

Yes____ No____

8. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning the amount of revenue a REED Business will generate?

Yes____ No____

9. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the costs you may incur in operating a REED Business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No____

10. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a REED Business?

Yes____ No____

11. Has any employee or other person speaking on behalf of Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No____

12. Do you understand that Franchisor's approval of a Reed Office location for the Reed Business does not constitute an assurance, representation or warranty of any kind as to the successful operation or profitability of the Reed Business at the location?

Yes____ No____

13. Do you understand that the approval of Franchisor of a financing plan for operation of the Reed Business does not constitute any assurance that such financing plan is favorable, or not unduly burdensome, or that the Reed Business will be successful if the financing plan is implemented?

Yes____ No____

14. Do you understand that in all dealings with you, the officers, directors, employees and agents of Franchisor act only in a representative capacity and not in an individual capacity and such dealings are solely between you and Franchisor?

Yes____ No____

If you have answered "Yes" to any of questions 4 through 11, please provide a full explanation by attaching an additional page. You understand that your answers are important to us and that we will rely on them.

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

PROSPECTIVE FRANCHISEE/APPLICANT:

By:_____
Print Name:_____
Date:_____

By:_____
Print Name:_____
Date:_____

EXHIBIT J

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:

State	Effective Date
California	Pending.
Illinois	Pending.
New York	Pending.

In states that do not require a franchise registration or exemption filing, the effective date of this disclosure document is: October 7, 2025

EXHIBIT K

RECEIPTS

ITEM 23

RECEIPT

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 Reed Franchise Partnerships LLC offers you a franchise, it must provide this disclosure document to you 14 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.

New York, and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Reed Franchise Partnerships LLC 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C., 20580 and the appropriate state administrator listed in Exhibit A. Reed Franchise Partnerships LLCs' agents for service of process are also listed in Exhibit B.

Issuance Date: October 7, 2025

The franchise sellers for this offering are: Rob Barklamb, c/o Reed Franchise Partnerships LLC, 1105 N. Market Street, 11th Floor, Wilmington, DE 19801 Tel: 302 485 0584 and Toby Moyse, c/o Reed Franchise Partnerships LLC, 1105 N. Market Street, 11th Floor, Wilmington, DE 19801, Tel: 302 485 0584.

I received a disclosure document from Reed Franchise Partnerships LLC issued October 7, 2025 (or the date reflected on the State Effective Dates page) that included the following Exhibits:

State Appendix to Disclosure Document

A. List of State Agencies
B. List of Agents for Service of Process
C. Franchise Agreement
D. Financial Statements
E. Table of Contents of the Confidential Operations Manual
F. List of Franchisees and Franchisees that have Left the System
G. General Release Language
H. State Addenda and Agreement Riders
I. Franchise Disclosure Representation

DATED:_____

SIGNED: _____,
individually and/or as an officer, member, or
partner of_____,
(a _____corporation)
(a _____ partnership)
(a _____ limited liability company)

NAME:_____
ADDRESS:_____
PHONE:_____

[Date, Sign, and Return to Reed Franchise Partnerships LLC]

ITEM 23

RECEIPT

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 Reed Franchise Partnerships LLC offers you a franchise, it must provide this disclosure document to you 14 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.

New York, and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Reed Franchise Partnerships LLC 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C., 20580 and the appropriate state administrator listed in Exhibit A. Reed Franchise Partnerships LLCs' agents for service of process are also listed in Exhibit B.

Issuance Date: October 7, 2025

The franchise sellers for this offering are: Rob Barklamb, c/o Reed Franchise Partnerships LLC, 1105 N. Market Street, 11th Floor, Wilmington, DE 19801, Tel: 302 485 0584 and Toby Moyse, c/o Reed Franchise Partnerships LLC, 1105 N. Market Street, 11th Floor, Wilmington, DE 19801, Tel: 302 485 0584.

I received a disclosure document from Reed Franchise Partnerships LLC issued October 7, 2025 (or the date reflected on the State Effective Dates page) that included the following Exhibits:

State Appendix to Disclosure Document

A. List of State Agencies
B. List of Agents for Service of Process
C. Franchise Agreement
D. Financial Statements
E. Table of Contents of the Confidential Operations Manual
F. List of Franchisees and Franchisees that have Left the System
G. General Release Language
H. State Addenda and Agreement Riders
I. Franchise Disclosure Representation

DATED:_____

SIGNED: _____,
individually and/or as an officer, member, or
partner of_____,
(a _____corporation)
(a _____ partnership)
(a _____ limited liability company)

NAME:_____
ADDRESS:_____
PHONE:_____

[Date, Sign, and Keep for Your Own Records]