

RUNO GROUP LTD - TERMS AND CONDITIONS

1. INTERPRETATION

1.1 Definitions:

Business Day: a day other than a Saturday, Sunday or a public holiday in England when banks in London are open for business.

Charges: The Initial fee, and the completion fee being the charges payable by the client for the supply of the Services by Runo, as set out in the contract details.

Client's Solicitor: the solicitor appointed by the client to act in connection with the sale of the Franchise

Completion: completion of a contract for the sale and purchase of the Franchise

Conditions: these terms and conditions set out in clause 1 to clause 11 (inclusive).

Contract: the contract between the client and Runo for the supply of the services in accordance with the contract details, these conditions and the schedules to the contract details.

Contract Details: the document setting out the specific details of the contract and signed by or on behalf of the parties.

Client Materials: all documents, materials, and other information supplied by the client to Runo.

Deliverables: all documents and materials developed by Runo or its agents, subcontractors and personnel as part of or in relation to the services in any form

Franchisor's Solicitor: the solicitor (if any) appointed by the franchisor to advise the franchisor in connection with the sale of the franchise

Intellectual Property Rights: all copyright and related rights, trademarks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database rights, topography rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection in any part of the world.

Known Prospect: a third party who is interested in purchasing the business or shares and who has made their interest known to the client prior to the services start date.

Services: the services, including without limitation any Deliverables, to be provided by Runo pursuant to this contract, as described in schedule 1 of the contract details.

Services Start Date: the day on which Runo is to start provision of the services, being the later of the date set out in the contract details or the date when Runo receives the initial fee in cleared funds and a copy of the contract details signed by the client and the individual.

Runo IPRs: all intellectual property rights either subsisting in the deliverables (excluding any client materials incorporated in them) or otherwise necessary or desirable to enable a client to receive and use the services.

1.2 **Interpretation:**

- (a) A reference to a statute or statutory provision is a reference to it as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, as amended or re-enacted.
- (b) A reference to **writing** or **written** includes (without limitation), email.

2. **COMMENCEMENT AND TERM**

This contract shall commence on the date set out in the contract details and shall continue, unless terminated earlier in accordance with its terms, until either party gives to the other not less than 30 days' written notice to terminate, such notice expiring on or after the first anniversary of the date of the initial payment or the date the listing agreement was signed whichever is latest.

3. SUPPLY OF SERVICES

3.1 Runo shall supply the services to the client from the services start date in accordance with this contract.

3.2 In supplying the services, Runo shall:

- (a) perform the services with reasonable care and skill;
- (b) use reasonable endeavors to perform the Services in accordance with the service description set out in the contract details; and
- (c) comply with all applicable laws, statutes, regulations from time to time in force, provided that Runo shall not be liable under this agreement if, as a result of such compliance, it is in breach of any of its obligations under this agreement.

3.3 Any dates quoted by Runo, with respect to performance of the services, are estimates only and time for performance of Runo' obligations shall not be of the essence.

4. CLIENT'S OBLIGATIONS

4.1 The client shall:

- (a) co-operate with Runo in all matters relating to the services;
- (b) provide, promptly (and in any event, within 30 days of request), such information and client materials as Runo may require, and ensure that all such information and client materials are complete and accurate in all material respects;
- (c) not mislead Runo in any matter related to the business or the services;
- (d) respond promptly (and in any event within 30 days of request) to any request by Runo for approval of the deliverables and other materials or information supplied by Runo;
- (e) be responsible for communicating with and coordinating any requirements relating to the client's bankers, solicitors, accountants or other third parties;
- (f) appoint Runo as its exclusive provider in relation to the services during the term and not appoint any other person to supply services which are the same or similar to the Services during the term without Runo prior written consent;
- (g) keep Runo fully informed of the anticipated dates for completion and or training and any delays anticipated;
- (h) allow Runo to communicate directly with the client's Solicitor on all matters relating to the services or the sale or proposed sale of the franchise;
- (i) be responsible for the costs of solicitors, accountants and all other third parties engaged by the client to assist in the sale of the business or shares.

- 4.2 If Runo's performance of its obligations under this agreement is prevented or delayed by any act or omission of the client, its agents, subcontractors, consultants or employees, Runo shall:
- (a) not be liable for any costs, charges or losses sustained or incurred by the client that arise directly or indirectly from such prevention or delay;
 - (b) be entitled to payment of the charges despite any such prevention or delay; and
 - (c) be entitled to recover any additional costs, charges or losses Runo sustains or incurs that arise directly or indirectly from such prevention or delay.
- 4.3 The Client warrants and represents to Runo that except as notified by the client to Runo in writing prior to the services start date, the statements in Schedule 2 are true.

5. INTELLECTUAL PROPERTY

- 5.1 Runo and its licensors shall retain ownership of all Runo IPRs. The client and its licensors shall retain ownership of all intellectual property rights in the client materials.
- 5.2 Runo allows the client to use Runo IPRs for the purpose of receiving and using the services in relation to the business during the term of the contract.
- 5.3 The client allows Runo to use the client materials for the term of this contract for the purpose of providing the services to the client in accordance with this contract.

6. CHARGES AND PAYMENT

- 6.1 In consideration for the provision of the services, the client shall pay Runo the charges in accordance with this clause 6.
- 6.2 All amounts payable by the client exclude amounts in respect of value added tax (VAT), which the client shall additionally be liable to pay to Runo at the prevailing rate (if applicable), subject to receipt of a valid VAT invoice.
- 6.3 Runo shall submit an invoice in respect of the Initial Fee plus VAT on or around the date of the contract. The Initial Fee is payable on the date of the contract, by electronic funds transfer to Runo's bank account set out in the contract details. Where payment of the initial fee is to be paid in instalments the contract and invoice will reflect such payments. The first payment will be due within one month after the date of this contract.
- 6.4 The Initial Fee shall be fully earned on the date of this contract and is non-refundable.
- 6.5 Runo shall submit an invoice for the completion fee plus VAT on or around the date of completion. This invoice shall be payable upon the date of completion or (if earlier) 30 days from the date of invoice.

- 6.6 Unless otherwise agreed by Runo, the completion fee shall be paid on behalf of the client by the client's Solicitor deducting such sums from the proceeds of sale and paying directly to Runo. The client shall authorise the client's Solicitor to make such deduction and payment.
- 6.7 In the event of termination or expiry of the contract for any reason Runo shall be entitled to submit an invoice in respect of the work carried out by it up to the date of termination. Such invoice shall be for the amount that Runo considers is fair and reasonable having regard to the amount of work carried out. The client shall pay such invoice within 30 days of the date of invoice, to a bank account nominated in writing by Runo.
- 6.8 In the event of completion of a sale of a franchise license at any time during the period of 12 months following the date of termination or expiry of this agreement for any reason:
- (a) to anyone introduced by Runo during the term of the contract the balance of the completion fee (less any amounts previously invoiced and paid in accordance with clause 6.8) shall be payable;
 - (b) and Runo may submit an invoice in respect of such sum. The client shall pay such invoice within 30 days of the date of invoice, to Runo' bank account set out in the contract details.
- 6.9 If the client fails to make any payment due to Runo under this contract by the due date for payment, then, without limiting Runo' remedies under clause 10:
- (a) the client shall pay interest on the overdue amount at the rate of 4% per annum above the Lloyds Bank base rate from time to time. 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 client shall pay the interest together with the overdue amount.
 - (b) Runo may suspend all services until payment has been made in full.
- 6.10 All amounts due under this agreement shall be paid by the client to Runo in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

7. LIMITATION OF LIABILITY

- 7.1 Nothing in this contract shall limit or exclude Runo's liability for:
- (a) death or personal injury caused by its negligence, or the negligence of its personnel, agents or subcontractors;
 - (b) fraud or fraudulent misrepresentation; and
 - (c) breach of the terms implied by section 2 of the Supply of Goods and Services Act 1982 (title and quiet possession) or any other liability which cannot be limited or excluded by applicable law.

- 7.2 Subject to clause 7.1, Runo shall not be liable to the client, whether in contract, tort (including negligence), for breach of statutory duty, or otherwise, arising under or in connection with this agreement for:
- (a) loss of profits;
 - (b) loss of sales or business;
 - (c) loss of agreements or contracts;
 - (d) loss of anticipated savings;
 - (e) loss of use or corruption of software, data or information;
 - (f) loss of or damage to goodwill;
 - (g) completion, delays in completion or failure to complete a sale of a franchise license;
 - (h) failure to achieve the sale price anticipated by the client; or
 - (i) any indirect or consequential loss.
- 7.3 Subject to clause 7.1, Runo's total liability to the client, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, arising under or in connection with this contract shall be limited to the greater of the charges, or (in the case of an insured loss) the amount actually paid out by Runo's insurers.
- 7.4 The conditions implied by sections 3, 4 and 5 of the Supply of Goods and Services Act 1982 are, to the fullest extent permitted by law, excluded from this agreement.

8. INDIVIDUAL

THIS CLAUSE 8 APPLIES ONLY WHERE THE CLIENT IS A LIMITED COMPANY.

- 8.1 All obligations of the client in this contract shall be deemed to be joint and several obligations of the client and the individual.
- 8.2 In consideration of Runo entering into this agreement with the client, the Individual, as primary obligor, irrevocably and unconditionally as separate and independent obligations:
- (a) guarantees the full, prompt and complete performance by the client of each of its obligations under this agreement;
 - (b) guarantees the punctual payment of all sums payable by the client under this agreement or in consequence of any breach of the provisions of this agreement;
 - (c) undertakes, immediately on demand, to perform or procure the performance of all the client's obligations referred to in clause 8.2(a) and clause 8.2(b); and

- (d) undertakes to pay to Runo, immediately on demand and unconditionally, such sum to make good all losses, damage, costs and expenses arising out of the Client's failure to perform such obligations, or pay such sums on the due date, or the Individual's failure to comply with the provisions of clause 8.2(a), clause 8.2(b) and clause 8.2(c).

9. CLIENT LIABILITY

9.1 The Client shall indemnify Runo against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by Runo arising out of or in connection with:

- (a) the client's breach or negligent performance or nonperformance of this agreement;
- (b) the enforcement of this agreement;
- (c) any claim made against Runo for actual or alleged infringement of a third party's intellectual property rights arising out of or in connection with any client Materials incorporated into the deliverables; and
- (d) any claim made against Runo by a third party arising out of or in connection with the provision of the services, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of this agreement by the client, its employees, agents or subcontractors.

9.2 This indemnity shall apply whether or not Runo has been negligent or at fault.

9.3 Nothing in this clause shall restrict or limit Runo's general obligation at law to mitigate a loss it may suffer or incur as a result of an event that may give rise to a claim under this indemnity.

10. TERMINATION

10.1 Without affecting any other right or remedy available to it, Runo may terminate this contract with immediate effect by giving written notice to the client if:

- (a) the client commits a material breach of any term of this contract which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of 14 days after being notified in writing to do so;
- (b) the client takes any step or action in connection with its entering administration, provisional liquidation or any composition or arrangement with its creditors (other than in relation to a solvent restructuring), being wound up (whether voluntarily or by order of the court, unless for the purpose of a solvent restructuring), having a receiver appointed to any of its assets or ceasing to carry on business or, if the step or action is taken in another jurisdiction, in connection with any analogous procedure in the relevant jurisdiction;

- (c) the other party suspends, or threatens to suspend, or ceases or threatens to cease to carry on all or a substantial part of its business; or
- (d) the client's financial position deteriorates to such an extent that in Runo's opinion the client's capability to adequately fulfil its obligations under this contract has been placed in jeopardy.
- (e) the client fails to pay any amount due under this contract on the due date for payment and remains in default not less than 14 days after being notified in writing to make such payment.

10.2 On termination of this contract for whatever reason:

- (a) the client shall immediately pay to Runo all of Runo's outstanding unpaid invoices and interest and, in respect of services supplied but for which no invoice has been submitted, Runo may submit an invoice, which shall be payable immediately on receipt;
- (b) termination of the contract shall not affect any of the parties' rights and remedies that have accrued as at termination, including the right to claim damages in respect of any breach of this contract which existed at or before the date of termination; and
- (c) any provision of the contract that expressly or by implication is intended to come into or continue in force on or after termination shall remain in full force and effect.

11. GENERAL

11.1 **Force majeure.** Neither party shall be in breach of this contract nor liable for delay in performing, or failure to perform, any of its obligations under this contract if such delay or failure result from events, circumstances or causes beyond its reasonable control.

11.2 **Assignment and other dealings.**

- (a) The client shall not assign, transfer, charge, subcontract, declare a trust over or deal in any other manner with any or all of its rights and obligations under this contract without Runo's prior written consent.
- (b) Runo may at any time assign, transfer, charge, subcontract, declare a trust over or deal in any other manner with any or all of its rights under this contract.

11.3 **Confidentiality.**

- (a) Each party undertakes that it shall not at any time and for a period of three years after termination of this contract, disclose to any person any confidential information concerning the business, affairs, suppliers, clients or customers of the other party or of any member of the group to which the other party belongs, except as permitted by clause 11.3(b) or (c). For the purposes of this clause, **group** means, in relation to a party, that party, any subsidiary or holding company from time to time of that party, and any subsidiary from time to time of a holding company of that party.
- (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 carrying out the party's obligations under this contract. 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 11.3; and
 - (ii) as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.
- (c) Runo may disclose the client's confidential information:
 - (i) to potential purchasers of a franchise license or territory and their professional advisors;
 - (ii) to the client's Solicitor; and
 - (iii) to third parties (such as banks) who may be able to assist with funding of a potential purchase;in connection with the supply of the services.
- (d) No party shall use any other party's confidential information for any purpose other than to perform its obligations under this contract.

11.4 **Entire agreement.**

- (a) This contract 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) 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 contract. Each party agrees that it shall have no claim for innocent or negligent misrepresentation based on any statement in this contract.

11.5 **Variation.** No variation of this contract shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

- 11.6 **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; or
 - (b) prevent or restrict the further exercise of that or any other right or remedy.
- 11.7 **Severance.** If any provision or part-provision of this contract 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 clause shall not affect the validity and enforceability of the rest of this contract.
- 11.8 **Notices.**
- (a) Any notice or other communication given to a party under or in connection with this contract 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 clause, and shall be delivered personally, or sent by prepaid first class post or other next working day delivery service, commercial courier, or email.
 - (b) A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address referred to in clause 11.8(a); if sent by prepaid first class post or other next working day delivery service, at 9.00 am on the second business day after posting; if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed; or, if sent by email, one business day after transmission.
 - (c) The provisions of this clause shall not apply to the service of any proceedings or other documents in any legal action.
- 11.9 **Third party rights.** No one other than a party to this agreement shall have any right to enforce any of its terms.
- 11.10 **No Partnership or Agency.** Nothing in this agreement is intended to, or shall be deemed to, establish any partnership or joint venture between Runo and the client, constitute Runo the agent of the client or vice versa, or authorise any party to make or enter into any commitments for or on behalf of any other party.
- 11.11 Each party confirms it is acting on its own behalf and not for the benefit of any other person save that the Individual confirms it is acting on his own behalf and on behalf of the client.

- 11.12 **Governing law.** This contract, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by, and construed in accordance with the law of England and Wales.
- 11.13 **Jurisdiction.** Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this contract or its subject matter or formation.