

EXHIBIT "A"

FRANCHISE AGREEMENT

Franchisee's Legal Name

Franchisee's Address & Postal Code

Franchisee's Telephone Number

Franchisee's E-mail Address

-And -

ROCHE FINANCIAL CORPORATION

P.O. BOX 92193 2900 WARDEN AVE
TORONTO ONTARIO
M1W3Y9
Phone 647-222-2688

Dated , 2

FRANCHISE AGREEMENT

BETWEEN:

ROCHE FINANCIAL CORPORATION, of the City of Toronto, in the Province of Ontario, Canada,

(hereinafter called the “**Franchisor**”)

-AND -

_____, of the City of _____, in the Province of _____,
Franchisee’s Legal Name Ontario, Canada.

(hereinafter called the “**Franchisee**”)

BACKGROUND

Franchisor has developed and owns a specialized system for the establishment, development, operation and marketing of franchised businesses operating under the business name **The Roche Financial Group** which provide financial planning, tax planning, tax return preparation and filing, and related bookkeeping and financial statement preparation, and the marketing of financial products and services to the public; the Roche System.

Franchisee wishes to obtain a franchise from the Franchisor to adopt and use the Roche System and subject to the terms and conditions of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants, conditions and agreement hereinafter set forth, the parties hereto hereby covenant and agree to and with each other as follows:

1. DEFINITIONS

1.1 In this Agreement the following expressions shall, unless the subject matter or context is inconsistent therewith, have the respective following meanings:

“**Advertising Fund**” means a fund maintained by the Franchisor to which contributions determined on a proportionate basis by the Strategic Enterprise Team are made by the Franchisees and Agents from time to time;

“**Agent**” means a qualified individual who has entered into an Agent Agreement with the Franchisor which permits him to provide Financial Planning Services to clients of the Franchisee’s Franchised Region;

“**Agreement**” means this Franchise Agreement made between the Franchisor and the Franchisee named herein as such agreement may be amended, abridged, extended or renewed from time to time;

“**Assignee**” means an assignee approved by the Franchisor in accordance with **Section 14** hereof;

“**Base Year Dollar Volume**” means the dollar volume of business achieved by the Franchisee for the year immediately preceding the effective year of this agreement and set out on “**Schedule H**” of this agreement;

“**Client Files**” means those records of tax returns, financial statements, financial plans, client account opening statements, Know Your Client forms, and any other records relating to work performed for clients stored either electronically or in paper form on the Franchised Premises or elsewhere;

“**Disclosure Document**” means the disclosure document which the Franchisor is required to provide to the Franchisee under the *Arthur Wishart Act (Franchise Disclosure), 2000*, as amended;

“**Effective Date**” means the date specified under **Schedule “D”** attached that the Franchisor and Franchisee have confirmed and agreed as being the date that the Franchise Agreement is in full force and effect;

“**Financial Period**” means any two-week accounting period (or any stub period thereof) as determined by the Franchisor from time to time for the purpose of reporting and calculating Net Sales Receipts;

“**Financial Planning Services**” means the gathering of all financial information related to a client’s current situation including assets, liabilities, income, their current cost of living considered under various scenarios of health, work status, and family circumstances, including debt servicing, insurance and other items. It also includes a discussion of the client’s short, medium and long-term goals and objectives and other procedures set out in the Franchisor’s Policy & Procedure Manual. All of the foregoing being compiled in the Franchisor’s financial planning software. It also includes working through the process with the client in cooperation with an Agent and the placement of investment and insurance products for the client;

“**Financial Products**” includes among other things, mortgages, banks accounts, GICs & Credit Cards;

“**Franchised Business**” means the business which is established and operated as the Roche System by the Franchisee under this Agreement;

“**Franchise Fees**” or “**Franchise Fee**” means the fees payable pursuant to **Section 5** or as otherwise payable hereunder;

“**Franchised Region**” means the region as described in **Schedule “A”** attached hereto;

“Level 1 Franchise” means a franchise where the Franchisee fulfills its obligations under the franchise by working with a head office **Agent**;

“Level 2 Franchise” means a **Level 1 Franchise** which is owned by a Level 1 Franchisee and an **Agent**;

“Master Franchise” means a franchise for a geographic area that includes multiple subfranchise opportunities which is owned by a **Level 2 Franchisee**;

“Marks” means any and all registered and unregistered trademarks, trade names, logos and designs including, but not limited to the word mark **“THE ROCHE FINANCIAL GROUP”** and any and all design marks thereof, owned or used by the Franchisor which may from time to time be designated by the Franchisor to be used to identify the services and/or product offered by the Franchised Business;

“Managing Shareholder or Managing Partner” means the shareholder or partner who has been designated by the corporation or the partnership to manage the Franchised Business and fulfill its obligations under the Franchise Agreement;

“Net Sales Receipts” means all revenues excluding GST and excluding fees paid to the Franchisee by the Franchisor for the Franchisee’s provision of services to the Agent. For clarity, Net Sales Receipts (NSR) shall include any and all fees, charges, bonuses, overhead allocations, or other sources of income, whether direct or indirect, whether contingent or otherwise, received in consideration of the provision of taxation, accounting, bookkeeping, financial and estate business and personal planning and/or consulting services from any source whatsoever during the Term, the Renewal Term, if any, and any Renewals thereof;

“Payment Date” means the date on which any amount which is required to be paid by Franchisee to Franchisor under this Agreement, becomes payable;

“Policies and Procedures Manual” means any document issued by the Franchisor and amended from time to time, containing the standards, requirements, practices, processes, operating specifications, operating procedures, programs, financial products and displays, the remuneration grid for fees payable to the Franchisee for services to the Agent and techniques of the Roche System in effect from time to time which govern the establishment and operation of the Franchised Business along with information regarding the Franchisee’s obligations in accordance herewith;

“Premises” means the office from which the Franchised Business is carried on within the Franchised Region; the location of which is as set out in **Schedule “D”** attached hereto; **“Region”** means the Franchised Region;

“Renewal Term” means any renewal term of this Agreement as specified in **Section 3.3**;

“Roche System” means the distinctive format and methods and procedures of conducting a financial services business, special designs and colour schemes for signs, office layouts and equipment now or in the future developed owned by the Franchisor, detailed in the Policies and

Procedures Manual as amended from time to time, and in this Agreement, and used by the Franchisees for the operation of the Franchised Business;

“Royalty Fees” means the fees as calculated in accordance with and under **Schedule “G”** attached and forming part hereof;

“Strategic Enterprise Team” means a team comprised of representatives chosen by the Franchisor from amongst the candidates presented by the Franchisees and Agents of each geographic district in which there are located Franchised Regions, and as further defined in the Policies and Procedures Manual; and

“Term” means the initial term of this Agreement as specified in **Section 3.2** and where applicable, includes any **Renewal Term** as specified in **Section 3.3**.

2. INTERPRETATION

2.1 In this Agreement, unless there is something in the subject matter or context inconsistent therewith:

- (a) words in the singular number include the plural and such words shall be construed to include the plural;
- (b) words in the plural include the singular and such words shall be construed to include the singular; and
- (c) words importing the use of any gender shall include all genders where the context or party referred to so requires, and the rest of the sentence shall be construed as if the necessary grammatical and terminological changes had been made.

2.2 **The following Schedules shall form part of this Agreement:**

Schedule “A” - Description of the Franchised Region

Schedule “B” - Ownership of the Franchisee

Schedule “C” - Text of Wording for Inclusion in Franchisee’s Lease of the Franchised Premises

Schedule “D”- Franchise Fees and acknowledgment and acceptance of Franchisee

Schedule “E” - Certificate of Incumbency, Affidavit of Officers, Directors, Shareholders, Partners

Schedule “F” - Master Franchise clauses if applicable

Schedule “G” - Royalty Fees

Schedule “H” - Special Provisions for Existing Business

Schedule “I” - Approval of Existing Premises

3. GRANT, TERM AND RENEWAL TERM

3.1 In consideration of the initial Franchise Fee, the Franchisor grants to the Franchisee and the Franchisee accepts from the Franchisor for the duration of the Term and any subsequent Renewal Terms, subject at all times to the terms and conditions of this Agreement, a exclusive, right, license and privilege to operate a Franchised Business in the Franchised Region utilizing the Roche System and Marks and providing those products and services which the Franchisor shall designate from time to time.

3.2 Subject to any right of earlier termination, the Term of this Agreement shall commence on the Effective Date and shall remain in full force and effect until the close of business on December 31st immediately following the 10th annual anniversary of the Effective Date of this Agreement.

3.3 Provided that the Franchisee is not then in default, and subject to **Section 12**, this Agreement is deemed to be renewed on expiry of the initial Term and on each successive five (5) year anniversary date thereof. Franchisee agrees to sign on any anniversary date the Franchisor’s then current Franchise Agreement signed by other Franchisees. Franchisor must provide the Franchisee with a copy of the then current Franchise Agreement no later than June 30th preceding the expiry date of the Term or Renewal Term.

4. OWNERSHIP

The Franchisee represents and warrants that the information set out in **Schedule “E”** as to the ownership of the Franchisee is correct in all respects. The Franchisee will promptly notify the Franchisor in writing of any changes in its ownership. All Officers, Partners and Shareholders agree to be bound by the terms of this Franchise Agreement and have signed **Schedule “E”**.

5. FRANCHISE AND ROYALTY FEES

5.1 The Franchisee will pay to the Franchisor as a Franchise Fee, the sum set out on **Schedule “D”** in accordance with the terms set out on **Schedule “D”**.

5.2 The Franchisee shall pay to the Franchisor the Royalty Fees. The Franchisee shall be accountable to the Franchisor for all Net Sales Receipts collected by the Franchised Business during each Financial Period. Royalty Fees shall be due and payable to the Franchisor no later than the first Friday following the end of each applicable Financial Period. Where the Franchisee fails to pay any Royalty Fee by its Payment Date, the Franchisee will be charged a late payment charge equal to ten percent (10%) of the unpaid amount. Unpaid balances which remain due and owing more than thirty (30) days past their Payment Date will be subject to an overdue interest charge of two percent (2%) per month on the outstanding unpaid balance due thereof.

6. PREMISES OF THE FRANCHISED BUSINESS

6.1 The Franchisee will operate the Franchised Business only at those locations in the Franchised Region which are approved in writing by the Franchisor from time to time, which approval will not be unreasonably withheld.

6.2 The Franchisee will not relocate the Premises of any Franchised Business without the prior written approval of the Franchisor, which approval will not be unreasonably withheld.

6.3 The Franchised Business will be operated using only those office designs and layout formats which are approved by the Franchisor from time to time.

6.4 The Franchisee will at all times (i) maintain the Premises of the Franchised Business in a clean and attractive condition; (ii) give prompt, professional, courteous, ethical and efficient service to the public; (iii) never act outside of his level of competence without bringing in professional help from the Franchisor's head office; (iv) generally operate the Franchised Business in compliance with the Franchisor's Policies and Procedures Manual in effect from time to time and adopt Franchisor's suggested price grid so as to preserve, maintain and enhance the reputation and goodwill of the Franchisor, the Roche System and the Marks.

6.5 The Franchisee agrees and undertakes to open and commence operation of the Franchised Business in the Premises within sixty (60) days of the Effective Date hereof.

7. POLICIES AND PROCEDURES

Franchisor acknowledges that in order to develop and operate an efficient, effective, and professional franchise network, Franchisor has in the past and intends in the future to issue from time to time policies and procedures which shall form part of the Policies and Procedures Manual and which establish reasonable standards for the operation of the Roche System and which clarify the terms of its Franchise Agreement. The Policies and Procedures Manual shall be provided on loan to Franchisee. Franchisee acknowledges that compliance with the Policies and Procedures Manual is a reasonable and necessary requirement of participation in the Roche System and agrees to comply with all such Policies and Procedures Manual as issued or amended from time to time. The Franchisor shall have the right to add, modify, withdraw or otherwise revise any Policies or Procedures Manual from time to time to maintain the goodwill associated with the Roche System and the Marks, provided that no such addition, modification, withdrawal or revision shall alter unreasonably the Franchisee's rights or obligations under this Agreement. The Franchisee acknowledges that the Franchisor is the owner of all proprietary rights in and to the Roche System and that the information disclosed in the Policies and Procedures Manual constitutes Franchisor confidential information. Without the prior written consent of the Franchisor, the Franchisee shall not disclose, in whole or in part, the contents of the Policies and Procedures Manual to any person, except to employees of the Franchisee for purposes related solely to the operation of the Franchised

Business, nor shall the Franchisee reprint, reproduce or use the Policies and Procedures Manual in whole or in part for any purpose except in connection with the operation of the Franchised Business or the instruction of employees in the operation of the Franchised Business. All policies and procedures issued by Franchisor from time to time are incorporated into this Agreement by reference.

8. USE OF MARKS

8.1 So long as the Franchisee continues to operate the Franchised Business and is not in breach of this Agreement and subject to the provisions of this Section, the Franchisee will have the right to use and display the Marks in the conduct of the Franchised Business.

8.2 The Franchisee will operate the Franchised Business utilizing the Marks in accordance with Franchisor's applicable Policies and Procedures issued from time to time.

8.3 The Franchisee will use the Marks only in connection with the Franchised Business and for no other purpose. All renderings of the Marks will be accompanied by a notice indicating the ownership of the Marks by the Franchisor, in such form as the Franchisor may require from time to time.

8.4 The Franchisee will use the Marks only in the Franchised Region, and only in association with the products and services of the Franchised Business in a manner which conforms in nature and quality, and to those standards, methods, procedures, techniques and specifications as may be set by Franchisor in its sole discretion, and communicated to Franchisee from time to time.

8.5 The Franchisee will not use in its corporate or partnership name any of the Marks, or any confusingly similar name or modification thereof.

8.6 The Franchisee will immediately notify the Franchisor of any infringement of, or challenge to the Franchisee's use of any of the Marks, and the Franchisor will have the sole discretion to take such action as it deems appropriate.

8.7 All signs, business cards, stationery, folders, envelopes, brochures, kiosks and advertisements used by the Franchisee in conducting the Franchised Business will conform to the specifications of the Franchisor as to artwork, lettering, colours, size, construction and overall appearance and must be approved in advance by the Franchisor.

8.8 The Franchisee will, if requested to do so by the Franchisor, execute in such form as may be required by the Franchisor, a consent to the use of the Marks, by other Franchisees carrying on business in the Province in which the Franchised Business is located or elsewhere.

8.9 The Franchisee shall diligently and fully exploit the Franchisee's rights in this Franchised Business in every manner by opening as many offices as the Franchised Region will economically support and by personally devoting the Franchisee's best efforts.

9. OBLIGATIONS OF THE FRANCHISOR

The Franchisor shall:

- (a) periodically consult with the Franchisee in connection with the operation of the Franchised Business and also upon request by the Franchisee, at other reasonable times;
- (b) periodically communicate its know-how, new developments, techniques and improvements in areas which are pertinent to the operation of the Franchised Business;
- (c) make available to the Franchisee all additional services, facilities, rights and privileges which the Franchisor makes generally available from time to time to all of its Roche System Franchisees;
- (d) supply at Franchisor's expense such folders, envelopes, brochures, letterhead, business cards and other items as Franchisor may determine;
- (e) provide on loan to Franchisee copies of the Policies and Procedures Manual in printable electronic format, and all tax, financial planning and bookkeeping software as Franchisor deems appropriate for the operation of the Franchised Business;
- (f) provide the Franchisee with training courses and instruction with respect to the Roche System, T1 tax preparation, the basic principles of financial planning, the use of all tax and financial planning software, and the operation of the Franchised Business. Such training to be provided at Franchisor's expense within a reasonable distance of the location of the Franchised Business, save and except for the cost of text books, tuition to educational institutions, and Franchisee's travel, accommodation, meals, and other incidental out-of-pocket expenses, which shall be paid by the Franchisee;
- (g) provide to the Franchisee, at Franchisor's expense, an Agent to assist the Franchisee in the carrying out of its obligation to provide financial planning services to clients of the Franchised Region;
- (h) in consideration of the Franchisee providing assistance to the Agent as set out in **Section 10**, the Franchisor shall pay to the Franchisee a fee calculated in accordance with the Policies and Procedures Manual;
- (i) organize a Strategic Enterprise Team comprised exclusively of representation from amongst the Agents and Franchisees put for by the members which will meet periodically to create models of the future and to formulate strategies and design integrated systems to support the Franchisor's existing models and strategies. This team will get input from everyone in the company, and everyone's input will be considered. When new models, strategies and systems have been devised, accepted by Franchisor and implemented, they will be communicated clearly to all Franchisees and Agents for the benefit of the entire company;
- (j) provide the Franchisee with initial assistance with the set up and/or lay out of the Premises, computers, software installation and configuration, training on the use of Franchisor's T1

software, the techniques for conducting client and financial planning interviews, training on the provisions of the Income Tax Act as it applies to individuals, the systems and procedures for the completion of and electronic filing of income tax returns, training on the use of the Franchisor's financial planning software and the Basic Principles of Financial Planning and such other knowledge and hands on instruction as the Franchisor deems necessary to enable the new Franchisee to operate the Roche System Franchised Business; and

- (k) administer the advertising fund developed and managed by the Strategic Enterprise Team.

10. OBLIGATIONS OF THE FRANCHISEE

10.1 The Franchisee shall:

- (a) ensure that all persons engaged or employed by the Franchised Business will comply with the Terms and Conditions of this Agreement;
- (b) ensure that the Franchised Business is at all times under the direct, on-premises supervision of the Franchisee, or, where the Franchisee is absent from the Premises due to illness, vacation or other similar cause, under the supervision of a trained and competent employee of the Franchisee. The Franchisee will keep the Franchisor informed at all times of the identity of any employee who is acting as a temporary manager of the Franchised Business;
- (c) devote its full time and attention to the Franchised Business, and will at all times faithfully, honestly and diligently perform or cause to be performed the obligations of the Franchisee under this Agreement, and will continuously exert its best efforts to promote and enhance the Franchised Business, the Roche System, and the goodwill of the Marks;
- (d) not conduct any business other than the Franchised Business from the Premises of the Franchised Business without the prior written consent of the Franchisor and not during the Term, operate, manage, own or have direct or indirect interest as a proprietor, officer, director, shareholder, partner, owner or otherwise, in any tax or financial planning, or business similar to the Franchised Roche System business other than the Franchised Business, without the prior written approval of the Franchisor;
- (e) not without the prior written consent of the Franchisor, advertise, publish or circulate any documents or other material relating to the Roche System, the Franchised Business or the Marks other than in compliance with this Agreement and the Policies and Procedures Manual;
- (f) in order to ensure uniformity of operations throughout the Roche System franchised regions comply with the Policies and Procedures Manual relating to the operation of the Franchised Business including, without limitation:
 - (i) general appearance of employees and Premises of the Franchised Business;
 - (ii) use of the Marks;
 - (iii) use and retention of business records and documents;

- (iv) protection of personal information of clients and employees of the Franchised Business;
- (v) provide services using the designated trade name of Franchisor within the Franchised Region at prices generally being charged for professional services and published as the Franchisor's suggested price grid only such services as the Franchisee and the Franchisee's employees have been trained to competently provide to the public using the trade name of Franchisor by successful completion of the training provided by the Franchisor;
- (g) secure, maintain and enforce all required licenses, permits, registrations and certificates relating to the operation of the Franchised Business and operate the Franchised Business in full compliance with all applicable laws, by-laws and regulations;
- (h) adhere in all dealings with clients, suppliers and the public to professionally acceptable standards of honesty, integrity, fair dealing and ethical conduct;
- (i) permit and authorize the Franchisor from time to time to obtain on behalf of the Franchisee and at the Franchisee's sole expense, all telephone numbers, fax, Internet connections and Yellow Pages directory listing for the Franchised Business, and, not use in the conduct of the Franchised Business any telephone numbers, fax, Internet connections or directory listings other than those ordered by the Franchisor;
- (j) obtain from Franchisor and maintain an adequate supply of Franchisor-approved brochures, pamphlets and special promotional materials on display and available to be given to clients and distribute the Franchisor's approved brochures in accordance with the Policies and Procedures Manual;
- (k) remit promptly, in accordance with the terms of this Agreement, to the Franchisor, by the applicable Payment Date, any and all Franchise Fees, Royalty Fees, and any other royalty fees or charges due to the Franchisor under this Agreement, and any additional fees or charges incurred for any products, supplies or services furnished by the Franchisor at the Franchisee's request;
- (l) pay promptly when due all fees, taxes, accounts and indebtedness of any kind levied against the Franchisee in the conduct of the Franchised Business including without limitation, errors and omissions insurance coverage;
- (m) not engage in any activity or practice which results or may be reasonably anticipated to result in litigation or in public criticism of the Franchisor or the tax preparation, planning and financial planning professions generally;
- (n) indemnify and save harmless the Franchisor and all other Roche System Franchisees from all liabilities, claims, debts, demands, suits, actions, losses, costs (including legal fees and disbursements), damages, and expenses whatsoever which may be suffered or brought, or made against the Franchisor or any other Roche System Franchisee by any person, firm, or corporation, arising out of or as a consequence of the failure of the Franchisee to comply with any term or condition of this Agreement; and (ii) where the Franchisor acquires the Franchised Business

pursuant to **Section 13.2, Section 12.5 or Section 12.6**, indemnify and save harmless the Franchisor from all losses, costs, liabilities and expenses whatsoever (including legal fees and disbursements) which may be incurred by the Franchisor on its own account or for the benefit of the Franchised Business during the period from the date of such termination to the expiry of the noncompetition period set out in **Section 15**;

(o) cause accurate books and records of account (including electronic records) to be maintained and keep the current and immediately preceding year records on the Premises (separate from any other books and records the Franchisee may be required to maintain), in accordance with the terms of this Agreement, or as prescribed by the Franchisor from time to time, and as required by applicable legislation, in which will be entered all matters relating to income and expenditures of the Franchised Business. The Franchisor reserves the right to establish a uniform list of accounts and a uniform bookkeeping system and reporting system for all of its Franchisees, and in such event, the Franchisee will maintain its books and records in the manner required by the Franchisor;

(p) provide Franchisor with a daily report of Net Sales Receipts plus GST for the Franchised Business and to cause a daily backup of the Franchisee's Client Files using the Franchisor's web based system, or such other method as Franchisor may from time to time require;

(q) permit Franchisor's representatives at Franchisor's expense, on not less than forty eight (48) hours prior notice, to inspect during business hours the Franchised Business, including without limitation, the inventory, work in progress, Client Files, fixtures and equipment, the books and records and bank statements of income and expenses, of the Franchised Business, and to make copies of the aforementioned books and records, inventory, work in progress and Client Files, whether in hard copy or electronically readable form, and to remove all such copies from the Premises of the Franchised Business;

(r) permit Franchisor's representatives, without notice, to inspect the Franchisee's Premises, methods of operation and compliance with the Roche System, and the fixtures and equipment in the ordinary course of business during normal business hours;

(s) actively participate in, contribute to and cooperate with any advertising and promotion campaign instituted or approved by the Strategic Enterprise Team and the Franchisor, and adopt only advertising copy or sales promotion plans in the Franchised Business which have been approved by the Franchisor;

(t) acquire and maintain at Franchisee's expense such equipment, systems, communications facilities, furniture, fixtures and supplies as are required by the Franchisor from time to time;

(u) supply and install at Franchisee's expense signage as approved and required by the Franchisor from time to time;

(v) ensure that any lease which it enters into for the lease of premises to be used by the Franchised Business shall include the wording set out in **Schedule "C"** subject to such changes or modifications as may be required by the Landlord, and provided that any such changes or modifications shall be subject to the prior written approval of the Franchisor which approval will not be unreasonably withheld. To manage a situation where a lease exists which does not contain

the wording of **Schedule “C”**: (i) the Franchisee undertakes and shall make its best efforts to obtain either an amendment to the lease so as to include provisions similar in its intent to those set out in **Schedule “C”** attached hereto or, failing which, (ii) to notify the Landlord pursuant to the notice provisions set forth in this lease that the Franchisor shall irrevocably receive copies of any and all notices that the said Landlord may send to the Franchisee, and, that in the event of a default, at the Franchisor’s option, the Franchisor is irrevocably appointed as the Franchisee’s lawful agent for the purpose of continuing the operation of the Franchised Business in the Premises and that the Franchisee irrevocably directs and consents that the Landlord permit the Franchisor to take all remedies allowed the Franchisor under the default provisions of the Franchise Agreement, and that the Franchisee shall make no claims whatsoever against the Landlord for so permitting, and further, that the Franchisee shall indemnify and hold the Landlord harmless for allowing the Franchisor to exercise its remedies against the Franchisee with respect to the Premises;

(w) (i) provide financial planning services to clients and assist the Agent with the placement of insurance and investment products on behalf of the client; and (ii) where the Franchisee or the software identifies a client’s need for a financial planning service, and/or financial, investment or insurance products, the Franchisee will provide the client with the Franchisor’s written or Internet sources of information; offer to commence the preparation of a financial plan with the client and upon completion of the portion of the plan that the Franchisee has been trained to complete, organize a meeting between the client, the Franchisee and the Agent in order to enable the Agent to complete the financial plan for the client and place the investment or insurance products;

(x) Franchisee will assist the Agent in servicing the financial needs of the client by providing, at the Franchisee’s cost and expense, the following support services to the Agent:

- (i) upon receipt of notice from the Agent, access to the Premises during normal working hours, and permission to share a desk, chairs and working area on the Premises suitable for meeting and conducting business with clients;
- (ii) assistance in booking and scheduling appointments for the Agent; responding to client calls, inquiries and requests; administering client accounts and Client Files in the Premises; assist the Agent with the processing of client orders for the purchase or sale of financial, investment and insurance products;
- (iii) participate in meetings between clients or prospective clients and the Agent when appropriate;
- (iv) with the consent of the client or prospective client, provide access to such financial and personal information that may be in the custody of the Franchisee as may reasonably be required by the Agent; and
- (v) review client financial plans developed by the Agent in order to assess their tax effectiveness.

(y) ensure that all Franchisee’s employees sign an annual employment contract in the form prescribed by the Franchisor; and

(z) maintain and store all current year and immediately preceding year Client Files on the Premises at all times.

10.2 The Franchisee shall register that he/it is carrying on business under the name and style of "Roche Financial Group" or such other trade name as the Franchisor may direct and maintain such registration current during the term of this franchise agreement.

10.3 The Franchisee shall open a bank account using the trade name "Roche Financial Group" or such other trade name as the Franchisor may direct and shall deposit all revenues from the operation of this franchise into that account. These deposits shall be reconciled to the franchisor's on line royalty reporting system.

11. INSURANCE

11.1 The Franchisee shall, upon opening the Franchised Business, acquire and thereafter maintain at all times in full force and effect, such insurance as may be required by the terms of any lease, and, in any event, the Franchisee shall acquire and maintain in effect not less than the following coverages in the following minimum amounts:

- (a) employer's liability and worker's compensation coverage as prescribed by law;
- (b) comprehensive general liability coverage on an occurrence basis from an insurer approved by the Franchisor with at least Five Million Dollars (\$5,000,000.00) coverage on a per occurrence basis, or such other amount as may be prescribed by Franchisor from time to time, on the following risks: (i) bodily injury to or death of one of more persons; and (ii) damage or destruction to property; and
- (c) if required by the Franchisor, errors and omissions coverage in an amount prescribed by the Franchisor and provided by an insurance carrier designated by the Franchisor.

11.2 The Franchisee hereby authorizes and permits the Franchisor to administer and purchase the required minimum general liability insurance. However, the Franchisor, by placement of the required minimum general liability insurance, assumes no premium expenses nor guarantees any losses sustained. The Franchisor may relieve itself of all obligations with respect to such administration of the required insurance coverage by giving not less than ten (10) days prior written notice to the Franchisee whereupon the Franchisee shall thereafter provide, furnish and maintain all such required general liability insurance.

11.3 The Franchisee shall name the Franchisor and such other intermediaries as Franchisor may designate as co-insured on all policies of general liability insurance and all errors and omissions insurance coverage and shall furnish the Franchisor with duplicate policies or certified copies of policies required herein if the Franchisor has not purchased such insurance as provided under **Section 11.2** prior to taking possession of the Franchised Business. Evidence of payment of premiums shall be delivered to the Franchisor at least thirty (30) days prior to the expiration dates of each existing policy of insurance. All

policies of insurance shall, at the request of the Landlord, include as additional insured, any landlord or owner of the Premises upon which the Franchised Business is located.

12. TERMINATION

12.1 Any termination of this Agreement will not relieve the Franchisee of any unfulfilled monetary or other obligations created under this Agreement unless agreed to in writing by the Franchisor.

12.2 This Agreement may be terminated at any time by Franchisee upon no less than twelve (12) months written notice in advance subject to the terms and conditions herein contained in this Agreement.

12.3 This Agreement may be terminated by the Franchisor on the occurrence of any of the following events of default where such default continues unremedied for a period of thirty (30) days or more after delivery of a written notice of default thereof to the Franchisee:

(a) where the Franchisee fails to perform any of its obligations under the Agreement or as set out in the Policies and Procedures Manual;

(b) where the Franchisee's operation of the Franchised Business fails to meet the minimum operating standards established by the Franchisor in the Policies and Procedures Manual;

(c) if the Franchisee engages in any conduct or practice which, in the reasonable opinion of the Franchisor, reflects unfavourably upon, or is detrimental or harmful to the Marks, the Roche System or the goodwill or reputation of the Franchisor or any other Roche System Franchisee;

(d) if any act of the Franchisee or of any party employed by or working in the Franchised Business causes the revocation or suspension of any license or permit which the Franchisee is required by law to maintain in good standing;

(e) if the Franchisee fails to conduct and operate the Franchised Business in accordance with applicable laws and regulations;

(f) if the Franchisee purports to assign this Agreement, its interest hereunder or shall, directly or indirectly, make any other assignment which is regulated by **Section 14** without fully complying with the applicable requirements of **Section 14**, or

(g) if the Franchisee gives notice to the Franchisor of its intention to assign its rights under **Section 14.1** and the Franchisor refuses such consent, and notwithstanding such refusal the Franchisee assigns or attempts to assign such rights;

(h) if the Franchisee is habitually late in paying the amounts payable in accordance with **Section 5.2**;

(i) if the Franchisee fails to pay fees for the provision of telephone, fax, and Internet services to the Premises;

(j) if the Franchisee fails to maintain its lease in good standing or if the Franchisee shall cause or suffer (voluntarily or involuntarily) the Franchisee's right of possession as Tenant or sub-Tenant of the Premises to be terminated prematurely at any time for any cause whatsoever or by reason of lapse of time;

(k) if a party obtains a judgment against the Franchisee which remains unsatisfied by the Franchisee thirty (30) days after all rights of appeal by the Franchisee have been exhausted;

(l) the Franchisee ceases to operate the Franchised Business at the approved Premises, or fails to keep the Franchised Business open for business on the business days and during the business hours required by the Franchisor; and

(m) if the Franchisee shall deny the Franchisor the right to inspect the office upon notice pursuant to **Section 10 (q)** or at all reasonable times during business hours pursuant to **Section 10 (r)**.

AUTOMATIC TERMINATION

12.4 This Agreement and the rights conferred upon the Franchisee hereunder will terminate upon the happening of any of the following events:

(a) the death or incapacity of the Franchisee or the managing shareholder in the case of a Corporate Franchisee, or the managing partner in the case of a partnership;

(b) if the Franchisee becomes bankrupt or insolvent, a receiver is appointed to take possession of the Franchised Business or property, or any part thereof, the Franchisee makes a general assignment for the benefit of its creditors; or

(c) if the Franchisee is a corporation or partnership and there is any change in the ownership of the Franchisee, or in the officers, shareholders or partners thereof as the case may be, or in the respective interests of any of them in the Franchisee, unless the Franchisor has given its consent to the change prior to the Effective Date of the change.

12.5 TERMINATION BY DEATH OR INCAPACITY

(a) Upon the death or incapacity (as defined in **Section 12.5 (b)** herein) of the Franchisee, or if the Franchisee is a corporation, the Managing Shareholder, or if a partnership, the Managing Partner, the provisions of **Section 13** and **Section 14** shall apply.

(b) Franchisee will be deemed to be incapacitated in the event that the Franchisee is unable to operate the business..

12.6 TERMINATION BY NOTICE FROM FRANCHISEE UNDER SECTION 12.2

In the event the Franchisee elects to terminate the franchise under **Section 12.2**, or the Franchisee has provided notice of his intent not to sign the Franchisor's then current Franchise Agreement on any renewal date the following rules apply:

(a) The Franchisee may voluntarily and Franchisor shall immediately and continuously search for a qualified purchaser for the Franchised Region and endeavor to complete a sale prior to the expiration of the notice period which notice period shall extend in the case of a notice of intent not to sign the Franchisor's then current Franchise Agreement for twelve (12) months following such notice and in such case the existing Franchise Agreement shall be deemed renewed for this additional period.

(b) If at the end of the twelve month period neither party has been able to locate an acceptable Assignee and complete an assignment to a successor Franchisee, the Franchisee may elect to continue to operate the franchise until a successor Franchisee is assigned the Franchised Business in which case the existing Franchise Agreement shall be deemed renewed for a term ending immediately upon transfer to the successor Franchisee or the date on which the Franchisee elects not to continue to seek a successor Franchisee whichever comes earlier.

(c) If the Franchisee provides notice of intent not to continue operating the Franchised Business at the end of the first twelve month notice period or during any extension thereof then upon delivery of such notice, it must immediately comply with **Section 13.1**.

(d) The Franchisor may exercise its rights under **Section 13.1** and the provisions of **Section 13.2** shall not apply. In any event the Franchisor shall accept the Franchisee's computers and Client Files, both paper and electronic, as full settlement of its damages suffered as a result of Franchisee not continuing to operate the Franchised Business until an Assignee could be found.

(e) The Franchisee acknowledges and agrees in the event that it exercises its right under **Section 12.6 (c)** that the goodwill value of the Franchised Business is nil as a result of the inability to locate a qualified Assignee within the period that the Franchisee was willing to devote to finding such an Assignee for the Franchised Business and the Franchisee hereby forfeits any future right to the Net Sales Receipts or the future value of the Franchised Business.

13. PROCEDURES AFTER TERMINATION FOR CAUSE, DEATH OR INCAPACITY

Franchisee's Obligations

13.1 Upon termination of this Agreement, all rights of the Franchisee hereunder will cease, the Franchisee shall cease to be an authorized ROCHE FINANCIAL GROUP Franchisee and the Franchisee shall:

(a) vacate the Premises from which the Franchised Business is operated and permit the Franchisor immediate occupancy of the Premises (including to take any and all means reasonably necessary to gain access and control of the Premises and it shall not be deemed to be a trespasser in so doing) for the purpose of carrying on the Franchised Business for the benefit of the Franchisor for a period of thirty (30) days following termination during which thirty day period the Franchisor may:

- (i) exercise its rights under the Franchisee's lease as set out at **Schedule "C"** attached hereto or under the provisions of **Section 6** hereof, and/or its right to purchase the business under **Section 13.2**;
 - (ii) determine the amount to be paid to the Franchisee as an amount payable upon termination in accordance with **Section 13.2**;
 - (iii) continue to operate the Franchised Business;
 - (iv) exercise its right to inspect in accordance with **Section 10 (q)** the inventory, work in progress, the fixtures and equipment and the books, records and Client Files of the Franchised Business and to make copies of the aforementioned books and records, inventory, work in progress and Client Files, whether in hard copy or electronically readable form, and to remove all such copies from the Premises of the Franchised Business; and
 - (v) if the Franchisee operates the Franchised Business from his home or any location owned by the Franchisee, the Franchisor shall be entitled to remove all computers, hard drives, Client Files whether paper or electronic, and anything indicating that the business is operated as a Franchised Business, and relocate same to another location acceptable to the Franchisor;
- (b) not remove any books and records of account stored at the Premises (or if the books and records or Client Files are not stored on the Premises, return them promptly to the Premises to remedy a violation of **Section 10 (z)**), or any equipment, furniture and fixtures, Client Files, computers, hard drives, cabinets or any stationery, brochures, Policies and Procedures Manual, software, envelopes and folders, supplied or loaned by the Franchisor, from the Premises;
- (c) promptly deliver to the Franchisor a final accounting reflecting the Franchisee's Net Sales Receipts to the expiration or termination date showing all amounts owing to the Franchisor under this Agreement;
- (d) promptly pay the Franchisor all amounts then owing by the Franchisee to the Franchisor;
- (e) promptly pay the Franchisor when due all Royalty Fees or other amounts owing to the Franchisor as of the date of expiration or termination;
- (f) immediately and permanently discontinue use in any manner of the Marks and any word, name or Mark authorized or prescribed containing the designation THE ROCHE FINANCIAL GROUP, or any other designation or Mark, indicating or tending to indicate that the Franchisee is a ROCHE FINANCIAL GROUP Franchisee;
- (g) promptly surrender to the Franchisor at the Premises all signs, stationery, letterhead, forms, Policies and Procedures Manual, printed matter and advertising containing the Marks or any similar names or Marks or designation or Mark indicating or tending to indicate that the Franchisee is a ROCHE FINANCIAL GROUP Franchisee;

- (h) immediately and permanently discontinue all advertising indicating that the Franchisee is a ROCHE FINANCIAL GROUP Franchisee;
- (i) promptly return to the Franchisor at the Premises the Policies and Procedures Manual and all software loaned or otherwise supplied by the Franchisor;
- (j) refrain from doing anything that would indicate that the Franchisee is or ever was a ROCHE FINANCIAL GROUP Franchisee;
- (k) store in a safe, dry place, all books, records and reports required by the Franchisor under this Agreement for a period of not less than one (1) year after any expiry or termination of this Agreement and allow the Franchisor to make inspections of the Franchisee's books, records and reports as aforesaid on forty eight (48) hours prior written notice during normal business hours within such one (1) year period for the purpose of verifying that all Royalty Fees have been paid; and
- (l) when requested to do so by the Franchisor, promptly execute such documents and instruments and take such steps as the Franchisor may reasonably require in order to terminate or discontinue, or at the Franchisor's option, transfer or assign to the Franchisor, any telephone number, facsimile number, e-mail address, domain name registration, or any Yellow Pages trade publication, or promotional or other listing used by the Franchisee in connection with the Franchised Business which may have been set up in compliance with or in contravention of the terms of this Agreement, and failing which the Franchisee hereby appoints the Franchisor as its lawful Power of Attorney to execute any and all documents necessary to give effect to the intent of this Section.

13.2 Franchisor's Obligations

13.2 The Franchisor shall:

(a) Determine the amount to be paid to the Franchisee as the amount payable on termination of the Franchised Business. The amount payable on termination shall be determined to be an amount equal to seventy percent (70%) of the sum of the Net Sales Receipts reported by the Franchisee and verified by the Franchisor from examination of the records of business and the fees paid by the Franchisor to the Franchisee for services to the Agent for the previous year ended December 31st, subject to the adjustment provided in **Section 13.2 (f)**. The Franchisor shall pay the Franchisee an amount equal to forty percent (40%) of the amount payable on termination within ninety (90) days following termination of this Agreement less any other moneys owing to the Franchisor by the Franchisee. The Franchisor shall take immediate reasonable steps to locate a purchaser for the Franchised Business. If within one year of termination of this Agreement a suitable purchaser has been found and a sale has been completed within a reasonable time thereafter, the amount payable on termination shall be adjusted to agree with the proceeds of sale to the new Franchisee and the Franchisor shall pay over to the terminated Franchisee the net proceeds of sale to the new Franchisee less:

- (i) Franchisor's reasonable costs associated with the sale;

- (ii) any claim for damages by the Franchisor;
- (iii) forty percent (40%) of the purchase price paid above; and
- (iv) a holdback of fifteen percent (15%) of the amount thereof which amount shall be payable by the Franchisor to the Franchisee on the second anniversary following December 31st of the year of termination of the Franchised Business. If the Franchisee breaches the provisions of **Section 15** and such breach has not been remedied within thirty (30) days of notice then the Franchisor may retain the entire holdback as damages. Doing so shall not prejudice Franchisor's right to seek additional damages if any.

(b) If the Franchisor has been unable after reasonable efforts to successfully complete the sale of the terminated Franchised Business to a qualified purchaser within one year of termination the forty percent (40%) paid to the Franchisee as provided shall constitute the full and final settlement with the Franchisee with respect to the termination of the Franchised Business. Nothing shall prevent the Franchisee or his representative from seeking a qualified purchaser acceptable to the Franchisor during this one year period subject to the provisions of **Section 14**.

(c) During the thirty (30) day occupancy of the Premises as provided in **Section 13.1 (a)**, the Franchisor shall have the right to operate and manage the Franchised Business from the Premises for the benefit of the Franchisor. The Franchisee shall at all times cooperate fully with the Franchisor and take such steps as are reasonable and necessary in the circumstances to preserve the value, integrity and condition of the assets and goodwill of the Franchised Business. If the Franchisor occupies the Premises the Franchisor shall be fully responsible for the normal rent, including common area costs and realty taxes for the Premises, and all fees for telephone, fax and Internet services during the occupancy period, and shall be entitled to any revenues from the operation of the business during that period. The amount payable on termination includes full payment for all furniture, fixtures, signage, computer equipment, hard drives and Client Files, both paper and electronic.

(d) If the Franchisor does not wish to continue the business after examining the records, and accordingly does not exercise its rights under the lease agreement, it may so notify the Franchisee within thirty (30) days of termination in which case the Franchisor shall be relieved of any obligation to continue the business or to pay the Franchisee any amount as damages upon termination and the Franchisee shall be free to deal with the business as he sees fit including occupying the Premises, in which case the Franchisee shall remain solely responsible for his obligations under the lease agreement; and carrying on business under any name other than any names or trademarks used by the Franchisor in competition with the Franchisor. The Franchisee shall immediately, if he has not already done so, comply with **Section 13.1 (c) through (I)**. The Franchisor may franchise the Franchised Region to a new Franchisee.

(e) In determining the purchase price on termination of the Franchised Business under **Section 13.2 (e)** following a termination of this Agreement, the Franchisor shall have due regard for:

- (i) the seasonal nature of the business, and

- (ii) the ability of the Franchised Business to generate sufficient Net Sales Receipts to cover expenses incurred in the normal course during the period from the date of termination to January 31st of the year following the year of such termination.

In recognition of the foregoing the parties agree that the amount determined to be the purchase price in accordance with **Section 13.2 (a)** shall be reduced by an amount equal to the monthly occupancy cost including rent plus common area costs and realty taxes, and the telephone, fax and Internet lines times the number of months from the termination date to January 31st of the year following termination.

- (f) The Franchisor shall be entitled to recover from the amount payable on termination its Royalty Fees lost as a result of the Franchisee's failure to comply with the terms of this Agreement in the event of termination for cause provided that such losses can be reasonably established.

14. ASSIGNMENT

14.1 Assignment by the Franchisee:

- (a) This Agreement, the Franchisee's rights and interest hereunder and the property and assets owned and used by the Franchisee in connection with the Franchised Business, may not be sold, assigned, transferred or encumbered in whole or in part in any manner whatsoever by the Franchisee ("Assignment") without the prior written consent of the Franchisor which consent shall not be unreasonably withheld.

- (b) Any actual or purported Assignment occurring by the operation of law or otherwise without the Franchisor's prior written consent will be a default of this Agreement and will be null and void and/or may at the option of the Franchisor constitute grounds for termination under **Section 12.3**.

- (c) In considering a request by the Franchisee to effect an Assignment, the Franchisor will consider, among other things:

- (i) work experience education and aptitude for the Roche System;
- (ii) financial capability and background;
- (iii) character;
- (iv) ability to personally devote such time and best efforts to managing the office in accordance with the Roche System requirements;
- (v) residence in the locality of the office;
- (vi) equity interest in the office;
- (vii) conflicting interest;

- (viii) such other criteria and conditions as the Franchisor shall at such time apply in the case of an application for a new franchise to operate a Roche System office.
 - (ix) the qualifications, apparent ability and credit standing of the proposed Assignee (the “Assignee”) and,
- (d) in addition, the Franchisor will be entitled to require as a condition precedent to the granting of its consent that:
- (i) the Franchisee is not in default of this Agreement or any other Agreement with the Franchisor or any affiliate or supplier of the Franchisor;
 - (ii) the Franchisee has settled all outstanding financial or other obligations with the Franchisor, its affiliates, its Landlords and all other trade creditors of the Franchised Business;
 - (iii) the Franchisee shall deliver to the Franchisor a complete release of the Franchisor, its directors and officers, its affiliates and the directors and officers of its affiliates, from all liabilities and obligations under this Agreement of any such persons in a form satisfactory to the Franchisor;
 - (iv) the Assignee shall execute a new Franchise Agreement in the form then being used by the Franchisor, and that the Assignee execute such other documents and agreements as are then customarily used by the Franchisor in the granting of franchises;
 - (v) the Franchisee shall pay to the Franchisor its then current applicable assignment fee, which may include the Franchisor’s costs of initial training where the Franchisee is not continuing to work with the purchaser for sufficient time which will include one tax season to ensure that the successor can continue to operate the business and continue customer service, to defray the Franchisor’s reasonable costs and expenses that it would otherwise incur in connection with the Assignment;
 - (vi) the Assignment of the Franchised Business will be effected in compliance with the requirements of applicable bulk sales legislation;
 - (vii) the Franchisor’s consent to an Assignment of Franchisee’s rights and obligations under this Agreement will not of itself operate to release the Franchisee from any liability under this Agreement; and
 - (viii) any consent given by the Franchisor shall include the provision that the Assignor Franchisee shall comply with and continue to be bound by the provisions of **Section 13** and **Section 15** of this Agreement.

14.2 The Franchisee may, with the prior written consent of the Franchisor, assign its rights and obligations under this Agreement to a corporation wholly owned by the Franchisee, if the Franchisee is an individual.

FIRST RIGHT OF REFUSAL

14.3 If during the Term or any Renewal Term, the Franchisee obtains a bona fide offer, from a qualified purchaser acceptable to the Franchisor, (the "Offer") to acquire the Franchised Business which the Franchisee wishes to accept, the Franchisee will promptly give written notice thereof to the Franchisor together with a true copy of the Offer (the "Notice"). On receipt of such Notice, the Franchisor shall within thirty (30) days of receipt:

- (a) approve or reject the assignment to the purchaser subject to **Section 14.1 (c)**; or
- (b) provide notice of its intention to purchase the Franchised Business upon the same terms and conditions as those set out in the Offer, net of any commission or fee that would otherwise have been payable to a broker, agent or other intermediary, in connection with the sale of such property to the purchaser. At the Franchisor's election, the Franchisor may assign its right to purchase the Franchised Business as aforesaid to a third party of its choosing. If the Franchisor exercises its option to purchase the transaction shall be completed in accordance with the provisions of the bona fide offer.

15. NON-SOLICITATION, NON-COMPETITION AND CONFIDENTIALITY

15.1 During the Term or any Renewal Term and for a period of two (2) years (such period to be extended by any periods of violation of this Section) thereafter the Franchisee shall not:

- (a) attempt to obtain any unfair advantage over any other Roche System Franchisee or the Franchisor or any affiliate of the Franchisor by soliciting for employment any person who is, at the time of such solicitation, employed by such other Roche System Franchisee, the Franchisor or such affiliate, nor shall the Franchisee directly or indirectly induce any such person to leave their employment as aforesaid; or
- (b) divert or attempt to divert any business of, or any clients of, the Franchised Business to any competitive establishment including any establishment he may establish in breach of this Agreement, by direct or indirect inducement or otherwise.

During the Term of this Agreement or any Renewal Term, and for a period of two (2) years (such period to be extended by any periods of violation of this Section) thereafter, the Franchisee shall not individually nor in conjunction with any person, firm, partnership, corporation or other third party as principal, agent, shareholder, director, employer, employee or guarantor or in any other manner whatsoever, directly or indirectly, carry on, be engaged in, concerned with or interested in or advise in the operation of any business located in the Franchised Region or within 40 (forty) kilometers of the outer boundary of the Franchised Region which is engaged in providing financial planning, tax planning, tax return preparation and filing, and related bookkeeping and financial statement preparation and other financial products and services to business entities or the public.

15.2 Franchisee acknowledges that the Franchised Business has economic value which he has been compensated for under the provisions of **Section 13, Section 12.5 and Section 12.6** as the case may be, which value would be at risk of being seriously prejudiced in the absence of the foregoing restrictions and prohibitions. Franchisee confirms that the foregoing restrictions and prohibitions (including, without limiting the foregoing, the restrictions as to geography and time) are reasonable and valid in light of the nature of the Franchisor's business and the fact that Franchisee has been compensated and all defenses to the strict enforcement of this **Section 15** are waived by the Franchisee.

15.3 The Franchisee acknowledges that certain information relating to the operation of the Franchised Business including without limitation the standards, methods, procedures and specifications of the Roche System, the entire contents of the Policies and Procedures Manual and any revisions thereof, is derived from information disclosed to the Franchisee by the Franchisor and that all such information is confidential and a trade secret of the Franchisor. The Franchisee shall maintain the absolute confidentiality of all such information.

16. RELATIONSHIP OF THE PARTIES

The Franchisee is, and will, at all times remain an independent contractor and is not, and shall not, represent itself to be an agent, joint venturer, partner or employee of the Franchisor, or to be related to the Franchisor other than as its independent Franchisee. No representations will be made or acts taken by the Franchisee which could establish any apparent relationship of agency, joint venturer, partnership or employment and the Franchisor shall not be bound in any manner whatsoever by any agreements, warranties or representations made by the Franchisee to any other person nor with respect to any other action of the Franchisee. The Franchisee shall not make any purchase, apply for any loan or credit, or incur or permit any obligation to be incurred in the name or on the credit of the Franchisor.

17. MISCELLANEOUS

17.1 The provisions of **Sections 12, 13 and 15** herein shall survive any expiry or termination of this Agreement.

17.2 No consent or waiver, express or implied, by any party to, or of any breach of default by any other party of any or all of its obligations under this Agreement will:

- (a) be valid unless it is in writing and stated to be a consent or waiver pursuant to this Section;
- (b) be relied upon as a consent or waiver to or of any other breach or default of the same or any other obligation;
- (c) constitute a general waiver under this Agreement; or
- (d) eliminate or modify the need for a specific consent or waiver pursuant to this Section in any other or subsequent instance.

17.3 This Agreement, any documents incorporated by reference herein and any schedules hereto constitute the entire agreement between the parties pertaining to the subject matter hereof and supersede all prior agreements, understanding, negotiations and discussions with respect to the subject matter hereof whether oral or written. Except as provided herein, there are no conditions, representations, warranties, undertakings, promises, inducements or agreements whether direct, indirect, collateral, express or implied made by the Franchisor to the Franchisee.

No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the Franchisee and an authorized officer of the Franchisor.

17.4 This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns, and successors in interest.

17.5 (a) All notices, requests, demands, or other communications of any kind, that either party by the terms hereof are required or permitted to be given by one party to the other party shall be made in writing and shall be sent by personal delivery or prepaid registered mail, or transmitted by facsimile or e-mail addressed to the other party at its address or at such other address as may be given by any of them to the other in writing from time to time. All such notices, requests, demands and other communications shall be deemed to have been given and received as follows: (i) if sent by personal delivery, on the date of delivery;

(ii) if sent by mail at any time other than during a strike, lockout or other postal interruption, on the fifth day following the date of its mailing;

(iii) if transmitted by facsimile, on the date of its successful transmission; or

(iv) if transmitted by e-mail, on the date sent.

17.5 (b) Any party may at any time give to the other notice in writing of any change of address of the party giving such notice and from and after the giving of such notice the address or addresses therein specified will be deemed to be the address of such party for the purposes of giving notice hereunder.

17.6 Should any provision of this Agreement be declared or held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability will not affect the validity or enforceability of any or all of the remaining provisions of this Agreement which will continue in full force and effect and be construed as if this Agreement had been executed without the invalid or unenforceable provision.

17.7 Notwithstanding any other provision of this Agreement, upon the failure of the Franchisee to pay to the Franchisor as and when due, any sums of money, the Franchisor may, at its election, deduct any and all such sums remaining unpaid from any moneys or credit held by the Franchisor for the account of the Franchisee.

17.8 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

17.9 Each party will on the request of the other party, execute and deliver such further agreements, deeds, instruments and documents and do such further acts and things as the other party may reasonably request in order to evidence, carry out and give full force and effect to the terms, conditions, intent and meaning of this Agreement.

17.10 The Franchisee hereby represents that the Franchisee has received a copy of this Agreement and has had an opportunity to obtain independent legal advice with regard thereto prior to the Franchisee's execution thereof.

17.11 A Franchisee who wishes to sell investment and insurance products to clients instead of using the Franchisor's Agent, must be qualified and approved to do so by the Franchisor. The Franchisor will require that the Franchisee qualify and enter into the Franchisor's Agent Agreement as a condition of this approval. Franchisees who are not qualified and approved to place investment and insurance products for the client are required to use the services of a qualified and licensed Agent designated by the Franchisor to provide these services and products to clients or prospective clients of the Franchisee and no other Agent.

17.12 **Sections 13, 14 and 15** hereof inclusive are reasonable under the circumstances and are necessary to protect Franchisor's interests; and

17.13 If the Franchisee or any of its shareholders, directors, officers, partners or the Strategic Enterprise Team should develop new methods, models, strategies or anything else that in any way improve the Roche System, the Franchisee agrees if requested by the Franchisor, to transfer and assign to the Franchisor, for the sum of One dollar (\$1.00), all rights with respect to the foregoing, and to sign at the request of Franchisor any document that may be necessary or useful to transfer and assign any such right. The implementation of any new methods, models or strategies shall be done or not done solely at the discretion of the Franchisor.

17.14 Franchisor further reserves the right to make agreements with multi branch provincial or national companies, including, but not limited to, trust companies, banks, insurance manufacturers, MGAs or Dealers or any other intermediary to offer Roche System services under the name of that intermediary or The Roche Financial Group or any other name from any of their branches which may be located within the Franchised Region. Franchisor will offer Franchisee the right to operate a Roche System service from all proposed premises of such multi branch intermediaries in the Franchised Region upon the terms and conditions then outlined. Franchisee shall have thirty (30) days to accept or reject such offer. If Franchisee rejects the offer to operate a Roche System service from the premises of such multi branch intermediary, then Franchisor may operate a Roche System service from such premises or franchise the operation of services from such multi branch intermediary's premises to third parties on terms and conditions satisfactory to Franchisor.

17.15 No representation has been made by the Franchisor as to the future profitability of the Roche System.

17.16 The Franchisee agrees and recognizes that the carrying on of the Franchised Business involves a business risk as with any other trade or commerce and the Franchisor does not warrant, in any manner whatsoever, the Franchised Business nor the benefits that the Franchisee may receive therefrom, and does not make any guarantee or representation whatsoever in this regard.

**THE PARTIES HAVE DULY EXECUTED THIS AGREEMENT ON THE DATES
AFFIXED TO EACH SIGNATURE.**

(use this signature block if Franchisee is a Sole Proprietor)

ROCHE FINANCIAL CORPORATION

By:

Signature of Franchisee/Date

Ron Roche, President/Date

Name (print)

(use this signature block if Franchisee is a Corporation or Partnership)

(Franchisee legal name)

By:

ROCHE FINANCIAL CORPORATION

By:

Ron Roche, President/Date

Name/Title (Print)/Date

SCHEDULE "A"

DESCRIPTION OF THE FRANCHISED REGION

Within the City of _____, that area bounded by

_____, and serviced from

____ or such other location(s) as agreed to in writing by
the Franchisor and the Franchisee from time to time.

SCHEDULE "B"
OWNERSHIP OF THE FRANCHISEE

The Franchisee is a **Sole Proprietorship** which is owned by:

NAME:	
ADDRESS & POSTAL CODE:	
TELEPHONE NUMBER:	
FAX NUMBER:	
E-MAIL:	

SCHEDULE “C”

TEXT OF WORDING FOR INCLUSION IN FRANCHISEE’S LEASE OF THE PREMISES

“Roche Financial Corporation’s Option to Cure Tenant’s Default

The Landlord acknowledges that the Tenant operates its business as a franchise pursuant to a Franchise Agreement between Roche Financial Corporation (“Roche”) as Franchisor, and the Tenant, as Franchisee (the “Franchise Agreement”). Provided this Lease has been executed by the Tenant in a form satisfactory to the Landlord, then:

(a) If at any time during the Term, the Tenant is in default under the terms of this Lease, the Landlord shall provide Roche with written notice of such default concurrently with any notice required to be given to the Tenant. Roche shall have the right, in its sole discretion, to remedy such default within the time specified under this Lease, provided that the Landlord shall not exercise any of its rights and remedies at law or under this Lease which would permit the Landlord to terminate this Lease or re-enter the Leased Premises unless the Landlord has first given written notice of such default to Roche, and Roche has failed to cure the default within the period referred to in the preceding sentence. If Roche does remedy the defaults within the period allowed then this Lease shall be assigned by the Tenant to Roche, and Roche shall agree in writing with the Landlord to assume all of the Tenant’s covenants under this Lease and, subject to receiving such written agreement from Roche, the Landlord shall consent to said assignment.

(b) If this Lease is terminated as a consequence of any default which is incapable of cure, then Roche shall have the right, for a period of forty eight (48) hours after receipt of notification from the Landlord, to obtain a new lease from the Landlord on the same Terms and conditions as this Lease, for a Term commencing on the date of termination of this Lease and extending for the

balance of the Term, provided that Roche shall have first paid all arrears of Rent under this Lease and/or remedied any remediable defaults under this Lease.

(c) If at any time during the Term, the Franchise Agreement is lawfully terminated, then, at the option of Roche, exercised by written notice to the Landlord and the Tenant concurrently with the termination of the Franchise Agreement, all of the Tenant's right, title and interest in this Lease shall be assigned by the Tenant to Roche, and Roche shall agree in writing with the Landlord to assume all of the Tenant's covenants under this Lease and, subject to receiving such agreement from Roche, the Landlord shall consent to said assignment.

(d) Any notice required to be given to Roche hereunder shall be given in the manner set out in this Lease at the following address:

Roche Financial Corporation
PH2
255 Bamburg Circle
Toronto, ON M1W 3T6

(e) The Tenant does hereby irrevocably designate and appoint Roche as its agent to execute any documents necessary to complete any assignment contemplated herein.

(f) The Tenant acknowledges and agrees that the Landlord may rely upon any notice from Roche and shall not be required to inquire into the accuracy of the information or statements set forth therein".

**THE PARTIES HAVE DULY EXECUTED THIS AGREEMENT ON THE DATES
AFFIXED TO EACH SIGNATURE.**

(use this signature block if Franchisee is a Sole Proprietor)

ROCHE FINANCIAL CORPORATION

By:

Signature of Franchisee/Date

Ron Roche, President/Date

Name (print)

(use this signature block if Franchisee is a Corporation or Partnership)

(Franchisee legal name)

By:

ROCHE FINANCIAL CORPORATION

By:

Ron Roche, President/Date

Name/Title (Print)/Date

**SCHEDULE “D”
FRANCHISE FEES**

<u>Franchise Type</u>	<u>Franchise Fee</u>	<u>Franchise Deposit</u>
(___) Level 1 Franchise	\$12,500.00	\$ 3,000.00
(___) Level 2 Franchise	\$18,500.00	\$ 6,000.00
(___) Master Franchise	\$40,000.00	\$16,000.00

In consideration of the opportunity to adopt the Roche System and establish the Franchised Business, the Franchisee will pay to the Franchisor \$_____ (_____) plus GST, which shall be due and payable by the Franchisee to the Franchisor as follows:

- (a) \$_____ (_____) plus GST shall be payable by the Franchisee to the Franchisor as a deposit upon signing this Agreement which shall occur no earlier than fourteen (14) days and no later than twenty-one (21) days following delivery by the Franchisor to the Franchisee of the Disclosure Document, and
- (b) the balance of \$_____ (_____) plus GST shall be payable by the Franchisee to the Franchisor upon acceptance by the Franchisee of the Franchised Region as set out on **Schedule “A”** of this Agreement.

If the Franchisor has failed to secure a Franchised Region Premises or franchise opportunity acceptable to the Franchisee within twelve (12) months of execution of this Agreement, this

Agreement may, at the option of the Franchisee, be null and void and the Franchisee's full deposit shall be returned without interest or deduction.

ACKNOWLEDGMENT AND ACCEPTANCE

The Franchisee has examined the business potential of the Franchised Region and the Premises from which business will be conducted and has determined his costs of operation for rent, common area, telephone, fax, Internet and any other costs incidental to the carrying on of the Franchised Business including the capital costs of start up to his satisfaction.

The Franchisee hereby accepts the Franchised Region set out on **Schedule "A"** and the Premises located at _____

_____ and submits herewith the balance of the Franchise Fee as set out in paragraph (b) foregoing by

certified cheque or bank draft. Franchisee acknowledges and agrees that the total Franchise Fee is now fully earned by the Franchisor and is non-refundable to Franchisee.

The Franchisor acknowledges receipt of the balance of the Franchise Fee and the parties hereto acknowledge and agree that the Franchise Agreement is in full force and effect as of this _ day of _____, 20__.

THE PARTIES HAVE DULY EXECUTED THIS AGREEMENT ON THE DATES AFFIXED TO EACH SIGNATURE.

(use this signature block if Franchisee is a Sole Proprietor)

ROCHE FINANCIAL CORPORATION
By:

Signature of Franchisee/Date

Ron Roche, President/Date

Name (print)
(use this signature block if Franchisee is a Corporation or Partnership)

(Franchisee legal name)
By:

ROCHE FINANCIAL CORPORATION
By:

Ron Roche, President/Date

Name/Title Date (Print)

By:

Name/Title/Date (Print)

SCHEDULE "E"

CERTIFICATE OF INCUMBENCY

The undersigned Secretary-Treasurer (Partner) of _____ hereby certifies that the following is/are the Director/Directors (Partners) of the Corporation (Partnership):

The undersigned Secretary-Treasurer (Partner) of _____ hereby certifies that the following are the Officers, Managing Shareholder/Partner of the Corporation (Partnership):

President

Secretary

Treasurer

Managing Shareholder/Partner

SCHEDULE G
ROYALTY FEES

NET SALES RECEIPTS	ROYALTY FEE PAYABLE
On the first \$16,667.00 of Net Sales Receipts received by the Franchisee in each calendar year during which the Franchise Agreement is in effect.	30%
On all Net Sales Receipts in excess of \$16,667.00 received by the Franchisee	13%

SCHEDULE “H”

Ver 1.

SPECIAL PROVISIONS FOR EXISTING BUSINESS

Royalty Fees

In recognition of the Franchisee’s existing established “client base” the parties to the franchise agreement between Roche Financial Corporation and

_____ dated the ____ day of _____, 20____ agree that this SCHEDULE H supersedes the provisions of SCHEDULE G and SCHEDULE H included at pages 39, 40 and 41 of the franchise agreement and the following amendments to the franchise agreement shall apply:

- a) The term of the agreement as set out in **Section 3.2 shall run until the close of business on the third anniversary of the effective date.** At that time the franchisee and the franchisor shall review the profitability of the franchise for both parties and negotiate such amendments as may be required, if any. If amendments are required and a resolution cannot be reached within six months following the third anniversary then the parties agree to release each other from the franchise agreement including any provisions that survive termination save and except for clauses 13.1 (f), (g), (h), (i) and (j) and that no excess of royalties payable over service fees receivable shall be payable. If no amendments are requested within the six month period then the franchise agreement shall continue in full force and effect and the provisions of this clause shall cease. This provision supersedes any prior agreement related to the franchisee’s Right of Termination.
- b) The Franchisor guarantees that the fees paid to the Franchisee for the provision of financial services contemplated by Section 10 (x) of the franchise agreement will, on a cumulative

basis, exceed the royalties payable by the franchisee on all net sales in excess of zero calculated in accordance with this Schedule H. The minimum royalty calculated at 17% does not form part of this guarantee. The minimum royalties calculated at 17% must, each year, be paid by the franchisee to the franchisor in accordance with the provisions of Section 5.2 and after the 17% has been paid for each calendar year Royalties shall not be subject to the requirement to remit set out in Section 5.2 of the Franchise Agreement but shall be deducted from future service fees payable to the Franchisee by the Franchisor.

- c) For greater certainty the Franchisee must at the beginning of each year pay the minimum royalties provided for in this schedule in accordance with the method provided regardless of the fact that royalties payable may exceed service fees receivable at the end of the previous year.
- d) The “Base Year Dollar Volume” for the purposes of this special provisions agreement is \$_____.00.
- e) If the franchisee has elected to opt out of the requirement to use the franchisor’s tax software the following minimum royalty fees shall apply.

NET SALES RECEIPTS	ROYALTY FEE PAYABLE
On the first \$11000 of Net Sales Receipts received by the Franchisee in each calendar year during which the Franchise Agreement is in effect.	17% plus applicable taxes, the minimum royalty amount.

On all Net Sales Receipts in excess of zero up to and including the lesser of the base amount or the total dollar volume reported for the prior year	In year one 1.3%, year 1.3%, year 3 1.3%, year 4 1.3%, year 5 1.3%, year six and thereafter 1.3% plus applicable taxes.
On all Net Sales Receipts in excess of the lesser of the base amount or the total dollar volume reported for the prior year	1.3% plus applicable taxes

- f) if the franchisee has not elected to opt out of the requirement to use the franchisor's tax software the following minimum royalty fees shall apply.

NET SALES RECEIPTS	ROYALTY FEE PAYABLE
On the first \$16,667 of Net Sales Receipts received by the Franchisee in each calendar year during which the Franchise Agreement is in effect.	17% plus applicable taxes, the minimum royalty amount.
On all Net Sales Receipts in excess of zero up to and including the lesser of the base amount or the total dollar volume reported for the prior year	In year one 1.3%, year 2 1.3%, year 3 1.3%, year 4 1.3%, year 5 1.3%, year six and thereafter 1.3% plus applicable taxes.
On all Net Sales Receipts in excess of the lesser of the base amount or the total dollar volume reported for the prior year	1.3% plus applicable taxes

Attached to and forming part of the Franchise Agreement between,
_____, Franchisee and Roche Financial Corporation,
Franchisor dated the ____ day of _____, 20____.

ROCHE FINANCIAL CORPORATION

_____,
Franchisee

Franchisor

