

The Clothesline Diet Club

STEPS TO FOLLOW FOR A THE CLOTHESLINE DIET CLUB FRANCHISE

DATE: _____

APPLICANT NAME: _____

Step 1 Make an enquiry

Step 2 Receive initial information and sign confidentiality

Step 3 Obtain franchisee info pack

Step 4 Initial phone/skype interview

Step 5 Make an application and pay deposit

Step 6 Receive disclosure document

Step 7 Investigate the franchise

Step 8 Study options/ locations etc

Step 9 2nd meeting – confirm territory/site

Step 10 Seek legal advice/ accounting advice
confirm business structure /Pty Ltd company

Step 11 Obtain finance approval if required

The Clothesline Diet Club

Step 12 Make franchise offer

Step 13 Secure site/ lease etc

Step 14 Receive “final disclosure” and signing documents

Step 15 Sign agreements and pay franchise fees etc. (you must wait a clear 14 days after receipt of final documents before signing.)

Step 16 Complete fitout of the building

Step 17 Two weeks training

Step 18 The Clothesline Diet Club Franchise opens for business

The Clothesline Diet Club

STEPS TO FOLLOW FOR A THE CLOTHESLINE DIET CLUB FRANCHISE

A guide to the steps to be taken in evaluating and purchasing a franchise. The dates will be agreed between us to ensure that the time frames are sensible and allow sufficient time to complete all tasks without undue pressure. Do not rush any of these steps; take the time to do things properly.

1.0 INITIAL CONTACT, FROM ADVERT OR OTHER MEANS. PHONE/SKYPE CALL FOLLOWING THE INFORMATION BROCHURE MAIL OUT.

The initial opportunity for you to look at a current THE CLOTHESLINE DIET CLUB franchise and to gain insight and measure your level of interest. Imagine yourself owning this THE CLOTHESLINE DIET CLUB franchise. Take the time to ask questions and make sure you understand the way things work. Take particular notice of the professional and friendly image that is projected.

Planned _____ / _____ /2017 Completed _____ / _____ /2017

*If this business interests you and is within your budget then you will need to seek more detailed information. We will also want to know things about you, even at this early stage. Be prepared to provide your own detailed story in the form of a **Franchise Application Form**.*

NOTE: You will be required to sign a simple Deed of Confidentiality document at this stage so that the Franchisor can ensure the confidentiality of their information.

2.0 COMPLETE 'FRANCHISEE APPLICATION AND INFORMATION FORM'

A summary of your personal, career, and financial background, to enable an assessment of your suitability as a future Franchisee with THE CLOTHESLINE DIET CLUB.

Planned _____ / _____ /2017 Completed _____ / _____ /2017

Note; you must return the completed form to the franchisor prior to step 4.0

3.0 INITIAL DEPOSIT

We request an initial deposit of \$2500, which is paid and placed, into our solicitors Trust Account as an illustration of your commitment to us. This and any subsequent

The Clothesline Diet Club

deposit monies are fully refundable should you wish to withdraw from the purchase of the franchise, (subject to the non-refundable monies and cooling-off costs as outlined in the Disclosure Document). Ask for this to be explained to you if you are uncertain of the amounts.

Planned / /2017 _____ Completed / /2017 _____

4.0 FRANCHISOR INTERVIEW

This is an open and frank "get to know you" session in which both parties are assessing their comfort with the other and gathering more information (More than one meeting is usual).

Planned / /2017 _____ Completed / /2017 _____

Prepare for the meetings before you attend. We will expect you to be asking detailed questions and seeking information on the present and future prospects for the group. The discussion must be two sided, both parties have a role to play in a Franchise relationship, so prepare well. Being in business for oneself can be quite demanding at times so some aspects of your personal or family life may be discussed too.

Subsequent to this meeting and after further investigation, you will be advised in writing if your initial application has been successful and we will then either proceed to the next stage or refund your deposit as is relevant.

5.0 GERNERIC FRANCHISE DISCLOSURE DOCUMENTS

We will provide you with all of the formal documentation. This is an opportunity to study the facts about the business and the people involved. You will need these to give to your advisors for your comfort and future security. The Franchise Code requires you to have these documents for 14 days prior to entering into an agreement. **However, as these documents will not yet be personalised with your information they are regarded as the "initial disclosure information" not the final signing documents and final disclosure.** This will come after t you have taken advise and have made your franchise "offer"

Planned / /2017 _____ Completed / /2017 _____

6.0 INVESTIGATION OF FRANCHISE

You will now have the opportunity to investigate the Franchise in greater detail. This will involve processing several things concurrently. In addition to the legal aspects and your responsibilities as a franchisee, this will also include a time spent fully investigating all aspects of the business, speaking with existing operators and understanding the supply chain

In addition, this will require you to evaluate all suitable locations for your The Clothesline Diet Club store and with the assistance of The Clothesline Diet Club management, select a location and discuss all lease arrangements. Whilst The

The Clothesline Diet Club

Clothesline Diet Club will have site selection criteria the final decision of a sites suitability will be up to you and your advisors so decide carefully.

Planned / /2017 Completed / /2017

7.0 FINANCE APPLICATION

You will need to lodge a finance application for any borrowings anticipated as well as applying for any leasing or HP. finance that might be appropriate in the overall funding package for you.

If finance is required, you should not progress until you have clear financial approval.

Planned / /2017 Completed / /2017

8.0 FINANCIAL STUDY AND LEGAL ADVICE

You and your Accountant and Lawyer should assess the opportunity in relation to your own personal circumstances and with regard to your own financial structure. ***This is a specific recommendation of the Franchising Code of Conduct.*** We will require a certificate from your Accountant and Lawyer to the effect that you have had advice in these areas. You will have discussed Minimum Performance Criteria by this stage.

Planned / /2017 Completed / /2017

9.0 FRANCHISE OFFER

After obtaining advice and investigating the franchise fully the final decision to proceed requires you to make an official Franchise Offer which nominates the Pty Ltd you will enter into Franchise Agreement, store location and commencement date etc. After you and your Accountant and Lawyer having accessed the opportunity in relation to your own personal circumstances are now ready to proceed.

Planned / /2017 Completed / /2017

10.0 FINAL INTERVIEW AND AGREEMENT DISCUSSIONS

Here is where we discuss your Franchise Offer work out all the detailed specifics of the handover and training schedule prior to drawing up the official franchise documents Having agreed on the location, lease and commencement date, we will help you work out the opening up date and all processes required e.g EFTPOS, telephone, banking, staff recruitment etc to have in place prior to opening date

Planned / /2017 Completed / /2017

The Clothesline Diet Club

11.0 FRANCHISE AGREEMENT and PROPERTY LEASES

We issue the Final Disclosure and all documents for signing. We require that you seek independent legal advice prior to signing any of these agreements. Make sure you engage a lawyer who understands Franchising and Property leases. There are issues that relate to both and experience in advising on them is necessary. This step will help you better understand both your rights and obligations within the franchise. ***This is a specific recommendation of the Franchising Code of Conduct.*** We will require a certificate from your legal advisor to the effect that you have had advice in this area. You must have these documents for a further 14 days prior to signing the Franchise Agreement and other related documents.

Planned / /2017 Completed / /2017

12.0 LIFTING THE CONDITIONS and EXECUTION OF ALL DOCUMENTS

As each step in this process is taken, you will be required to lift or release any conditions that have arisen. Once you are satisfied with all the conditions that you applied then, subject to that, you will be ready to proceed toward settlement and full payment for your franchise. This involves the signing of the Franchisee Agreement and any Lease and other associated franchise documents and payment of all outstanding monies including the Initial Franchise Establishment Fee and Premises development fee. At this point, all lease and insurance arrangements must be in place and written confirmation of that received by us. The property lease must be signed. You must be prepared for organising the many details involved in the opening of your Outlet / Premises. We will assist you with this process.

Planned / /2017 Completed / /2017

13.0 PLANT AND EQUIPMENT / FITOUT

The Clothesline Diet Club will oversee and assist you with all aspects of the building fitout. As most The Clothesline Diet Club franchise sites will be brand new installations, the fitout should be completed within a short space of time as per the pre-determined handover date for that location.

If the opportunity that you are considering is already an established business you may wish to inspect any equipment etc that may form part of the contract of sale, to confirm that you are familiar with its condition.

Planned / /2017 Completed / /2017

The Clothesline Diet Club

14.0 TRAINING – 2 - 3 WEEKS

Over the next two to three weeks we will show you how to operate a THE CLOTHESLINE DIET CLUB franchise as per the training and handover schedule. This will usually be happening at the same time that the store fitout is being completed, so that you can commence the business as soon as possible after construction sign off is received.

Planned / /2017 Completed / /2017

15.0 TIME FOR WORK

You have got the “key to the door” and now you will be enthusiastically embracing all the training and hard work that is involved in getting into your own business. But don't forget you're in business for yourself, but not by yourself. We are with you all the way. You will have joined a team with who you can look forward to many years of excitement and reward - all part of franchising in Australia today. Additional assistance will be provided as required and as per the Operations manual.

Planned / /2017 Completed / /2017