

FRANCHISE SET UP COSTS AND FEES

| ITEM DESCRIPTION | | AMOUNT (R) |
|--|---------|-------------------|
| Initial Franchise Fee | | 91 000.00 |
| Access to intellectual property, Training Assisting with setting up of franchise Legal cost Menus Products | | |
| Establishment Cost | | 334 000.00 |
| Fixtures, Fittings, Equipment, Computer Equipment Set-up Costs Electrical Plumbing Working drawing Fernridge site assessment Operations Manuals Uniforms Pre-opening Operating Expenses | | |
| Total Investment Required | | 425 000.00 |
| Initial Fee (IF) | 91 000 | |
| Establishment Cost (EC) | 334 000 | |

NOTE: These costs are estimates based on actual costs incurred and may vary depending on size and location of store

INITIAL FRANCHISE FEE

This fee is payable to the franchisor on the date on which the franchise agreement is signed. This fee covers the cost of the following:

Access to intellectual property

Training

Assisting with setting up of franchise

Menus

Legal cost

Products

SET-UP COST

The set-up cost are for the items needed and their cost, required for setting up a **MAKOYA FISH & CHIPS** outlet.

Ongoing Payments

Royalty (Management Services) Fee

A monthly royalty fee of R3 500-00 is payable to the franchisor. This fee is payable for:

- The continued use of the franchisor's intellectual property.
- Ongoing support, advice and administration.
- Ongoing development of the system.

Marketing ("Advertising") Fee

The contribution to the marketing fund is R1 500-00 per month. This contribution will be used amongst others:

- To develop the franchise concept through advertising and other marketing methods.
- To develop promotional material for use by the franchisee.
- To contribute to an annual franchise conference.

Floor Layout/Design

Planning to be done by the Corporate Franchise
Division