



Head Office: D109 1st Floor | Franchising Enquiries
Tel: 011 048 2808 | 071 609 8792 | www.africanhotplate.co.za

APPLICATION FORM, LOI & CONFIDENTIALITY I.R.O AFRICAN HOTPLATE FRANCHISE

The hereinafter mentioned Prospective Franchisee ("the Applicant") has expressed interest in acquiring an AFRICAN HOTPLATE Franchise and by doing so would receive the non-exclusive rights to trade under the name, logo and colours of AFRICAN HOTPLATE.

Name & Surname of Principal Shareholder, Member or Sole Trader:

Name of Company, Close Corporation/Trust:

Registration / Trust No:

ID No: _____ ID No: _____

Take note that we can approve you as a franchisee however we cannot guarantee that the landlord will allow you to proceed in taking over the franchise if you are not a SA Citizen.

Contact Number: (Cell) _____

(E-mail) _____

Preferred area:

*(Where do you want to open your store?) **

Physical Address of the Applicant:

Postal Address of the Applicant:

** SUPPORTING DOCUMENTS TO ACCOMPANY YOUR LETTER OF INTENT:*

- *Certified Copies of ID (All Members, Directors, Trustees)*
- *Company Registration / Trust Documents*
- *Proof of Residence of all Members, Directors, Trustees)*
- *3 Months Bank Statements*
- *Copy of All Shareholder Certificates*
- *If married In Community of property (Spouse must also send copy of his/her ID)*
- *Franchising Financial Elements 2018 Application Fee:*
- *Application fee to show commitment to actually wanting to acquire an African Hotplate and to compensate for the costs of interviews and in-store assessment, etc. This amount is partially refunded (no interest applicable) in the event of the potential applicant withdrawing during this process as per our terms and conditions.*

The Franchise Fee includes:

- *The right to use and operate under the African Hotplate name and concept*
- *Initial owner and staff training;*
- *Assistance with site selection and evaluation*
- *Initial legal costs incurred in conclusion of the Franchise Agreement*
- *Assistance with Lease negotiations*
- *This fee is payable upfront as a deposit pending conclusion of the negotiations and is non-refundable after signature of the franchise agreement. Any costs incurred prior to signature of the Franchise Agreement (in the event that the transaction is not consummated for any reason) will be deducted from this upfront payment prior to a refund being processed. These costs may include, without limitation:*
- *Franchisee assessment costs*
- *Site feasibility studies*
- *Costs associated with Lease negotiations or applicable lease deposits or lease fees*
- *Training*
- *Any other costs incurred and/or disbursements made in respect of the transaction*
- *Establishment Costs: Please note that certain costs that may be specific to the proposed site/location are not included. This would include costs such as travelling*

and accommodation of the Franchisee and staff during the relevant training period (bearing in mind that the training may be some distance from the proposed site).

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*Amount Payable: Franchise fee / set up cost (R450 000.00- R600 000.00) (Excl. VAT) *
This is dependable on size and based on maximum threshold of 120sqm maximum.*

Different rates will apply outside of RSA Payable as follows:

If applicant has funds available for full set up costs, the joining fees applicable will be R50 000.00 (Ex Vat) and if applicant requires in-house funding a joining fee of R100 000.00 (Ex Vat) is applicable to accommodate funding costs.

A 45 day notice period shall be applicable in respect to any refunds and in the event that either Party cancels the present Letter of Intent and which cancellation shall be in writing.

A R5 000.00 administrative fee shall be deducted from any deposit upon any Cancellation/Refund request as contemplated in the Letter Of Intent)

Before store is set up, a scope of works quotation is generated by Franchisor and final Invoice after set up is complete. This may result is scope of works quotation differing from final invoice if any other additional work is carried out to complete store to our specification.

- 1. This offer is made by the Applicant with the full understanding of the Terms and Conditions set out in this document. Should AFRICAN HOTPLATE not accept this expression of interest, the Applicant shall be automatically released from his obligations in terms hereof and the deposit paid to AFRICAN HOTPLATE shall be refunded to the following account:*

Account Holder: _____

Bank: _____

Branch: _____


Branch Code: _____

Account Number: _____

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(Shop fitting/Electrical/Plumbing & Design Fee, Excludes council submissions for approvals) for a 120m² store R600000.00 (Excl VAT) (R1750 per m² excl VAT extra for larger size stores will be invoiced, for payment by the Franchisee. The full set up cost is payable at least 45 days prior to shop fitting. Please note that these amounts do not include any Transport charges, which will be for the Franchisees account.

The following costs are not included in the setup costs and will be for the Franchisees account:

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- *Gas Installations*
 - *Point of Sale installations and Rentals*
 - *Additional ducting for extraction systems longer than 10m.*
 - *Ceilings and Shopfronts*
 - *3 Phase Electricity installations*
 - *All installations regarding the White box spec*
 - *Additional and specialised Drainage systems*
 - *Geyser and Hot water supply*
 - *Council submissions.*
 - *Should a franchisee request a feasibility study, they will be quoted accordingly.*

*** Make provision for working capital (to be used for Rental / Deposit / Salaries) R 80 000.00 dependant on site size.*

Are you applying for funding Yes () No ()

All payments should be made into the following account and proof of payment must be e-mailed to Benson Muneri info@africanhotplate.co.za

*Account Name: CFF (PTY) Ltd Bank: Standard Bank Branch: Centurion– 012645
Account: 303307811 Ref: (Your name and Surname)*

A monthly Royalty fee of R3500.00 (Ex Vat) is payable to AFRICAN HOTPLATE

CRITICAL NOTES: Minimum unencumbered cash contribution by franchisee: (i.e. available cash before borrowed funds based on average investment) 50% The relevant VAT component must be paid to African hotplate prior to commencement with the project and claimed back by the Franchisee from SARS in due course – the VAT amount would either need to be funded by the Franchisee over and above the cash outlined above, or funded by an alternate financier on a "bridging" basis pending payment by SARS

This offer is made subject to the following terms and conditions:

- 2. The evaluation of the personal details of, questionnaire responses by and personal interview with the Applicant. AFRICAN HOTPLATE has the sole right to accept or decline this letter of intent.*
- 3. In the event that AFRICAN HOTPLATE accepts this letter of intent, a standard formal and comprehensive Franchise Agreement will be entered into.*
- 4. Payment shall be made by the Applicant as detailed above. Payment shall be by EFT in favour of AFRICAN HOTPLATE, and AFRICAN HOTPLATE reserves the right to effect clearance of the payment before undertaking any of its obligations.*

- Secrecy: 1. The Applicant acknowledges that: 1.1. The system under which AFRICAN HOTPLATE operates ("the System") is the sole and beneficial property of AFRICAN HOTPLATE. The Applicant has no rights in the:-*
- System. 1.2. Neither the Applicant nor any of its employees have any prior knowledge of the System or any aspect of the intellectual property, including without limitation all know-how and trade secrets pertaining to the business and affairs of AFRICAN HOTPLATE, or to the manner in which AFRICAN HOTPLATE renders its services.*
- 2. The Applicant undertakes to: 5 2.1. Keep secret all information, records, guides and, in particular, any training files, documentation and information as well as all other information supplied by or obtained from AFRICAN HOTPLATE in relation to the manner in which AFRICAN HOTPLATE operates, the System and/or its business. 2.2. Not*

divulge or permit the disclosure of the manner in which AFRICAN HOTPLATE operates, the System and, in particular but without limitation, the contents of any training files to any third party other than employees employed by the Applicant to conduct AFRICAN HOTPLATE business and then only to extent absolutely necessary.

- *3. The Applicant shall, should this letter of intent not be accepted by AFRICAN HOTPLATE or at the request of AFRICAN HOTPLATE, forthwith return to AFRICAN HOTPLATE the Franchise Agreement/Training Manual as well as any other written information supplied by or obtained from AFRICAN HOTPLATE.*
- *The Applicant declares that the information supplied herein or attached hereto, is true and complete in every aspect and is aware that should any information be found to be false or incomplete this could lead to the refusal of this application.*

▪ *Signed at _____ on _____ day*
of _____ 2018.

▪ *As Witness: Name:*

▪ *Address:*

▪ *For and on behalf of the Applicant Signed at _____ on*
_____ day of _____ 2018.

▪ *As Witness: Name:*

▪ *Address:* _____

▪ _____ *For and on behalf of AFRICAN HOTPLATE*