



Sip'n'Dip Australia

Franchise Agreement - Key Points

[Subject to change - Updated 16/11/2019]

Pricing

Franchisee's must agree to any and all existing and future price guarantee clients. Artists may set their own rates beyond guarantee clients and are not limited to a pricing structure.

The Coffee Club Guarantee

"the coffee club guarantee" terms and conditions of trading to ensure the Coffee Club group receives a constant and reliable experience and price from all Sip 'n' Dip branded franchisees as we roll them out across their network of stores.

In return the Coffee Club will promote Sip 'n' Dip and their Artists and assist in filling classes and taking bookings. This agreement is subject to change and any changes will be communicated to artists via email and our intranet.

Leagues Club Guarantee

We are presently in negotiations with a group of clubs based in Brisbane and Ipswich.

The Soul Nook Collective Guarantee

We have an agreed rate for collaborative 'Sip 'n' Paint luxury picnics.

Franchise Fee

The upfront fee for a sip n dip franchise is \$7000 and the term is 3 years, this includes all set up costs including:

- Startup pack (equipment and supplies)
- Advertising pack (marketing material, business cards, banners, uniforms etc)
- Website (booking system, hosting, domain name etc)
- Digital Marketing Plan (information on your patch, perspective clients and connecting with them)

Royalties or Ongoing Franchise Fees

Sip 'n' Dip Franchisees are required to pay a \$500 AUD registration fee annually to Sip 'n' Dip Australia (this fee is paid via direct debit monthly) for the rights to using the brand name, our intellectual property, our roadmap to success and all other assets associated with sip 'n' Dip. This fee is indexed with inflation annually.

Royalties are paid monthly at 10% of gross takings as reported by the franchisees.

Marketing fee

2% of monthly takings is contributed to a national audited marketing fund which is used to promote sip n dip via our group Facebook page.

Social Media

Facebook

Sip 'n' Dip Australia consolidates their customer base under www.facebook.com/sipndipaustralia, franchisees are not permitted to create sip'n'dip Facebook pages and must post via the group page.

Instagram

Sip 'n' Dip Australia allows franchisees to create and run a Sip'n'Dip branded Instagram pages these must be branded sip 'n' dip in accordance with our brand guidelines. This page will remain the property of sip 'n' dip Australia.

Google my Business

Sip 'n' Dip Australia allows franchisees to run a Sip'n'Dip branded Google my Business page, we will create this for you and it remains the property of sip 'n' dip australia.

All posts and pages must adhere to the group social media policy.

Websites

Sip 'n' Dip Australia owns the rights to all branded collateral, including website creation. We offer discounted duplication of our prototype artist sites.

Websites provided include:

- Domain name
- Web Hosting
- Branded email address
- Booking and payment collection system
- Check-in system
- Online chat system and mobile app
- Blog
- Online marketing distribution list
- Automated customer reminder emails

Sip 'n' Dip Australia will consolidate franchise distribution lists with our greater database at regular intervals. Franchisees are responsible for upkeep of their sites ongoing.

Required Purchases of Products or Services

Brand Collateral

To ensure consistent branded touchpoints across all sip n dip businesses, any and all marketing collateral must be created and printed via sip'n'dip Australia direct. We have negotiated competitive rates with wholesale suppliers and trade printers, including but not limited to:

- Loyalty Cards
- Business Cards
- Uniforms
- Flyers
- Car/vehicle signage
- Aprons
- Advertising boards /corflute signage
- Gift Certificates
- Magnets
- Pull up mini banners for store fronts
- Flag banners / pull up banners

Graphic Design Services

We use Think Tank Branding Solutions group services at a negotiated rate of \$75 an hour.

Photography Services

We use Jaana Brown Photography services at a negotiated rate of \$150 an hour.

Art Supplies

Artists are required to purchase all art supplies via Sip 'n' Dip Australia

Sip 'n' Dip Australia will extend into new suppliers and or update their supplier list at regular intervals, Artists are required to adhere to the changes as they are announced.

Sip 'n' Dip Suite of Services

Sip & Dip Franchisees are required to advertise on their websites the full suite of services including "Sip 'n' Craft" classes offered by our Sip'n'Craft Franchises.

Third party providers include but are not limited to:

- Soap Making Classes
- Candle Making Classes
- Resin Earring Making Classes
- Card Making Classes
- Jewelry Making Classes

Franchisee's receive a 10% kick back for each attendee at these classes and our third party providers operate across all patches. Requests can be made from venues via the franchisee or via head office to host at their venue.

Sip'n'Paint Picnics

We offer Sip'n'Paint Picnics all over South East Queensland in cases of these bookings, we have negotiated a rate with our Supplier 'The Soul Nook Collective'.

Patch

Sip 'n' Dip Australia has created exclusive zone trading maps in conjunction with a business analyst to identify key trading locations and perspective trade partners, once agreement is in place we share this data with you. This is also to assist in establishing a lucrative trade grounds and no to minimal overlap of artist territory. Patches are exclusive with the exception of Sip 'n' Craft classes.

Your patch is included in your agreement.

Gift Certificate Program

Gift certificates are purchased through head office, franchisees are reimbursed through head office when certificates are presented to you as payment for a class. Certificates are value based (\$) and can go towards any and all services offered at any sip 'n' dip franchise.

Loyalty Card Program

Sip 'n' Dip has a shared loyalty card program that operates across all patches, artists are required to provide a loyalty card to all class participants and sign off each class. The program offers the 6th class free (whichever their 6th class turns out to be).

Loyalty cards must be honored across all franchisees.

Refunds

It is the artist's discretion as to if they wish to offer a refund. For guarantee clients, we offer no show refunds, for all other clients we encourage a nil refund policy.

Class look and feel / delivery

Sip 'n' Dip Franchisee's are required to provide the same look and feel for their classes, this includes ensuring that the class is set up promptly before customers arrive and include (but are not limited to):

- Black table cloths
- Black Metal Mont Marte Easels
- Coffee Aprons
- 1 Rag per artist
- 1 water pail per artist
- 1 Mark free canvas per artist
- Wooden art easel for teaching the class
- Paint brush set per artist
- Chalk per artist
- Speaker & Headset
- Adequate spacing between artists

Artists must wear a sip n dip branded uniform shirt during all dealings with clients and follow the general script for any given class. Classes must be set up in accordance with our procedure manual and is subject to change as our process and procedures improve.

Conclusion of agreements

At the end of a sip 'n' dip franchise agreement term, both parties will assess suitability to continue and 6 months before termination of the contract a new offer will be made or agreement to terminate will be confirmed. At the conclusion of a franchise agreement between the franchisee and sip n dip Australia, all branded assets (website, social media accounts, email address, marketing distribution, uniforms, lists etc) are required to be returned to Sip 'n' Dip Australia. There is a fee of \$500 to terminate your agreement to cover administration.

Sip 'n' Dip Franchisees that terminate their contract with Sip 'n' Dip are no longer allowed to trade in their patch or offer similar services to those in our suite for a period of 365 days. A non-compete contract is required to be signed at the time of commencing trade as a sip n dip artist.

This document is subject to change; updates will be communicated via email.