



STANDARD TERMS FOR CLIENT ENGAGEMENTS

OVERVIEW

These terms apply to any particular matter that we undertake for a client. The phrase “these terms,” when used below, means the following Standard Terms for Client Engagements. In these terms, we use the term “you” to refer to our client(s); that term does not refer to or include any other person (see section 2, below). References to “us,” “we,” “our,” and the “firm” are references to Franchise Starters Group Inc.

By engaging us, or by continuing to engage us or obtain advice or services from us, you hereby agree to these terms, including any amendments made to them from time to time. If, at any time, you do not wish to continue to be bound by these terms (subject to certain limitations contained below, including those in section 6), you may terminate your engagement of the firm by notice given in writing. However, these terms will continue to apply to advice or services provided up to the time that such notice is received by us.

1. NATURE OF OUR ENGAGEMENT

For each matter for which you engage us, we will provide you with business services that in our professional judgment are reasonably necessary and appropriate to carry out the particular engagement.

These terms apply to all matters that we undertake for you. However, if we also set out in an engagement letter the details of a particular matter that we undertake for you the terms of that letter, to the extent that they conflict with these terms, will apply to that matter.

We will not provide business advice or services except as described in these terms and in any engagement letter we may send you.

2. OUR REPRESENTATION OF YOU

Our representation of you will not include representing related persons or entities, such as individuals or other persons who are, for example, shareholders, directors or officers of a corporation, or its parent, subsidiaries or affiliates, related corporate entities, partners of a partnership or participants in a joint venture, or members of a trade association or other organization. In acting for you, we are not acting for or taking on any obligations to any such related persons or entities, and no other fiduciary relationship will exist between us and any of them.

3. INSTRUCTIONS

For clients that are organizations (such as corporations), we will accept instructions from anyone in your organization who has apparent authority in connection with the particular matter, unless you instruct us otherwise.

4. UNDERTAKING TO PRESERVE CONFIDENTIALITY

We will not misuse or, subject to applicable law, our professional and ethical obligations and your instructions, disclose your confidential information. Because we owe this duty to all our clients, we will not disclose to others information we hold in confidence for you (even where such confidential information may be relevant to our representation of those others) or disclose to you information we hold in confidence for others (even where such confidential information would be relevant to our representation of you).

5. IDENTIFICATION OF POTENTIAL CONFLICTS

We will conduct a review of our records at the beginning of each new matter and will contact you if we identify a potential conflicting interest in representing you in the particular matter.

We do not normally consider ourselves to have a conflicting interest because we represent other clients, including any business competitor, customer, or supplier of yours, on whose behalf we are asserting business positions or arguments that may be inconsistent with those you are asserting or may wish to assert, or who in another matter is adverse in interest to an entity you have a relationship with (through ownership, contract, or otherwise). Unless you have asked us to perform a conflict search against a particular person or entity, our conflict search will not necessarily identify any issues arising from our representation of that person or entity.

6. REPRESENTATION OF OTHER CLIENTS

We wish to avoid any circumstances in which you would consider our representation of another client to be inconsistent with our obligations to and understandings with you.

However, by engaging us in accordance with these terms, you are also agreeing that, while you are our client, you will permit us to represent other clients in other matters, that may be adverse to your interests, provided that: (a) no such matter is the same as or directly related to any matter in which we are representing you or have represented you; and (b) we protect your relevant confidential information. In this latter regard, you acknowledge that, if we establish a confidentiality screen in a timely manner, that screen will be sufficient protection of your confidential information.

By giving this consent, you are waiving any conflict that may exist as a result of the “duty of loyalty.” This provision will survive the termination of the engagement between you and us, and the firm may rely upon this consent to represent other clients in matters adverse to you in the future.

We are relying on the consent described above in agreeing to represent you in each matter. Except as described above, we will not seek any further consent from you or consult with you before advising, acting for, or representing another client with interests that may be adverse to yours. If you have any questions concerning the implications of providing this consent, we recommend that you seek advice from independent legal counsel (which may include your in-house counsel, if applicable).

If we learn that we are engaged in a matter that creates a conflict of interest or a potential conflict of interest and you have not already given your consent to us, we may ask for your consent to our continuing to act on terms satisfactory to all concerned.

7. INABILITY TO RECEIVE INSTRUCTIONS

We will make our best efforts to contact you in advance of any relevant date to advise you of your options concerning any action that may need to be taken. Very occasionally, however, we may be unable, or it may be impracticable, to receive timely instructions from you about a possible course of action where the decision required is time-sensitive, and the failure to act may have a negative impact on your matter. In such a case, you authorize us to take whatever steps we consider appropriate in the circumstances. We will, in such a case, take the minimum steps necessary and promptly advise you as to what we did and why.

8. TERMINATION

You may at any time give us written notice to terminate your engagement of us. On termination, you will pay to us all unpaid fees and disbursements incurred in the ordinary course of our representation of you. Subject to our professional and ethical obligations, we may at any time terminate our representation of you for any reason, including as a result of conflicts of interest that arise or unpaid fees and disbursements. Termination of our engagement, by you or by us, does not affect your responsibility to pay for fees and disbursements incurred to the date of termination or necessarily incurred afterwards as part of the orderly termination of our engagement.

Unless our engagement has already terminated, our representation of you in a particular matter will end when you receive our final statement of account. Upon termination of a matter, please advise us if you wish us to return to you any documentation you gave us. Otherwise, we will deal with it (and any work product created for you) in accordance with our records retention practices, which may differ from your practices. Unless you

advise us otherwise in writing, we may retain or destroy any such records as we deem appropriate.

Once our work on a particular matter has been completed, we will not advise you as to subsequent developments relating to that matter. The fact that we may subsequently send you information without charge or include you in general mailings will not change the fact that our engagement has been terminated.

9. ELECTRONIC COMMUNICATIONS

During the course of our engagement on any particular matter, we may exchange electronic versions of documents and emails with you using commercially available software. Unfortunately, the available technology is vulnerable to attack by viruses and other destructive electronic programs. As a result, while we have sought to take countermeasures, our system may occasionally reject a communication you send us; alternatively, we may send you something that your system rejects. Accordingly, we cannot guarantee that you will receive all electronic communications and documents that we send you, or that they will always be virus-free. We make no promises relating to the delivery or security of any electronic communications between us. You consent to our sending you electronic communications, including confidential documents, unencrypted.

10. PRIVACY

In the course of our engagement, you may provide to us (and we may collect) personal information that is subject to applicable privacy protection laws. On your behalf, we will collect, use, or disclose that personal information, as appropriate, in the ordinary course of providing our services to you and for those purposes described in our privacy policy.

11. STANDARD FEES

Our fees will differ depending on what model you have selected.

If you have are a client using our Fee-Per-Service model, our fees are based on our assessment of the reasonable value of our services which may in some cases be fixed fees based on a particular project, or in other cases variable fees to assist in work of a general nature.

To assist us in determining that value, we assign standard hourly rates to each of our professionals, based on their specific expertise and level of experience, and record the time they spend and the services they provide on each matter. These rates may change from time to time. If you would at any time like to know the hourly rates of the professionals working on your matter, please let us know and we would be happy to provide them to you.

We would be pleased, for any particular matter, to provide an estimate of fees and disbursements that we anticipate will be incurred and to provide updated estimates as the matter progresses. Because of the inherent difficulty of predicting the amount of time a particular matter will require and the course the engagement will take, the estimate will be an approximation only. Our actual fees and disbursements may vary, possibly significantly, from the estimate. Estimates are based on the circumstances as we understand them at the time and on assumptions about events that will affect the scope and nature of our work.

If you are a client using our Brand Development Model, our fees are not billed per service rendered. Instead, our time, expertise, and intellectual property will be offered in form of an investment and will follow the terms of a separate agreement negotiated on a case-by-case basis.

12. DISBURSEMENTS

Our fees in a particular matter do not include our disbursements, which, if incurred, will be billed in addition to our fees for services. They typically include such things as printing and reproduction costs, messenger and express delivery charges, postage and courier charges, travel expenses.