**Franchise Agreement Template**

**This Franchise Agreement ("Agreement") is made and entered into as of [Date] by and between:**

* **[Name of Franchisor],** a [Type of entity] duly organized and existing under the laws of Kenya, with its principal place of business at [Address] ("Franchisor"), and
* **[Name of Franchisee],** a [Type of entity] duly organized and existing under the laws of Kenya, with its principal place of business at [Address] ("Franchisee").

**WHEREAS,** Franchisor owns and operates a franchised business system for offering [Nature of business] under the registered trademarks [List of trademarks] ("Trademarks") and other intellectual property ("Intellectual Property"); and

**WHEREAS,** Franchisee desires to acquire a franchise to operate a [Type of franchise] business under the Franchisor's system in the territory of [Territory] ("Territory");

**NOW, THEREFORE,** in consideration of the mutual covenants contained herein, the parties agree as follows:

**1. Grant of Franchise**

1.1 Franchisor grants to Franchisee, and Franchisee accepts, a non-exclusive franchise to operate one [Type of franchise] business within the Territory.

1.2 The term of this Agreement shall be [Number] years, commencing on the Effective Date (defined below) and ending on [Date]. Franchisee may have the right to renew this Agreement for additional terms upon mutually agreeable terms and conditions.

1.3 In consideration of the foregoing, Franchisee shall pay to Franchisor the following fees:

\* \*\*Initial Franchise Fee:\*\* [Amount], payable within [Number] days of the Effective Date.

\* \*\*Royalty Fee:\*\* [Percentage] of Gross Sales (defined below), payable monthly.

\* \*\*Marketing Fee:\*\* [Percentage] of Gross Sales, payable monthly.

**2. Franchisee's Obligations**

2.1 Franchisee shall:

\* Operate the franchise business in accordance with the Franchisor's Operating Manual and all other franchise standards and procedures.

\* Maintain the franchised premises in a clean, safe, and attractive condition and in accordance with Franchisor's specifications.

\* Hire, train, and supervise qualified personnel in accordance with Franchisor's standards.

\* Use the Trademarks and Intellectual Property only in accordance with this Agreement and applicable laws.

\* Market and promote the franchise business in accordance with Franchisor's marketing guidelines.

\* Maintain accurate financial records and provide them to Franchisor as required.

\* Comply with all applicable laws and regulations.

**3. Franchisor's Obligations**

3.1 Franchisor shall:

\* Provide Franchisee with the Operating Manual and all other necessary training materials.

\* Offer ongoing operational and marketing support to Franchisee.

\* Protect and maintain the integrity of the Trademarks and Intellectual Property.

\* Develop and improve the franchise system for the mutual benefit of all franchisees.

\* Assist Franchisee in complying with applicable laws and regulations.

**4. Intellectual Property**

4.1 Franchisor owns all right, title, and interest in the Trademarks and Intellectual Property.

4.2 Franchisee is granted a non-exclusive, non-transferable license to use the Trademarks and Intellectual Property solely within the Territory and for the term of this Agreement.

4.3 Franchisee agrees to comply with all Franchisor's guidelines and instructions regarding the use of the Trademarks and Intellectual Property.

**5. Marketing and Advertising**

5.1 Franchisee shall participate in the Franchisor's national marketing program and contribute [Percentage] of Gross Sales to the marketing fund.

5.2 Franchisee may also engage in local marketing and advertising activities, subject to Franchisor's prior written approval.

**6. Financial Provisions**

6.1 "Gross Sales" means all revenue generated by Franchisee from the operation of the franchise business.

6.2 Franchisee shall pay all fees and royalties on time and in accordance with this Agreement.

6.3 Franchisor shall provide Franchisee with annual financial statements audited by an independent auditor.

**7. Term and Termination**

7.1 This Agreement may be terminated by either party upon [Number] days' written notice for:

\* Material breach of this Agreement by the other party, which is not cured within [Number] days' written notice.

\* Insolvency or bankruptcy of the other party.

\* Force majeure events making performance of the Agreement impracticle or commercially unreasonable.

7.2 Upon termination of this Agreement, all rights and obligations of the parties under this Agreement shall cease, except:

\* Franchisee's obligation to pay any outstanding fees and royalties to Franchisor.

\* Franchisor's right to enforce its intellectual property rights.

\* Other provisions that are expressly stated to survive termination.

**8. Dispute Resolution**

8.1 Any dispute arising out of or relating to this Agreement shall be settled through the following methods:

\* \*\*Negotiation:\*\* The parties shall first attempt to resolve the dispute amicably through negotiations in good faith.

\* \*\*Mediation:\*\* If negotiation fails, the parties may agree to mediation by a neutral third party.

\* \*\*Arbitration:\*\* If mediation fails or is not chosen, the dispute shall be submitted to binding arbitration in accordance with the rules of the Arbitration Centre of the Nairobi Chamber of Commerce and Industry.

**9. Confidentiality**

9.1 Both parties agree to keep confidential all confidential information disclosed by the other party during the term of this Agreement.

9.2 "Confidential Information" includes, but is not limited to, the Operating Manual, marketing plans, financial information, and customer lists.

9.3 Each party shall take reasonable precautions to protect Confidential Information from unauthorized access, disclosure, use, or modification.

**10. Warranties and Disclaimers**

10.1 Franchisor disclaims all warranties, express or implied, with respect to the franchise business, the Trademarks, and the Intellectual Property.

10.2 Franchisee acknowledges that it is relying solely on its own investigation and judgment in entering into this Agreement.

**11. Notices**

11.1 All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered personally, sent by registered or certified mail, return receipt requested, postage prepaid, or sent by reputable overnight courier service, addressed as follows:

\* If to Franchisor:

[Name of Franchisor]

[Address]

\* If to Franchisee:

[Name of Franchisee]

[Address]

**12. Entire Agreement**

12.1 This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous communications, representations, or agreements, whether oral or written.

**13. Amendments**

13.1 This Agreement may be amended only by a writing signed by both parties.

**14. Severability**

14.1 If any provision of this Agreement is held to be invalid or unenforceable, such provision shall be struck and the remaining provisions shall remain in full force and effect.

**15. Waiver**

15.1 No waiver of any provision of this Agreement shall be effective unless in writing and signed by the party against whom the waiver is sought to be enforced.

**16. Counterparts**

16.1 This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**17. Governing Law**

17.1 This Agreement shall be governed by and construed in accordance with the laws of Kenya.

**18. Signatures**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**[Signature of Franchisor]**

**[Name and Title]**

**[Signature of Franchisee]**

**[Name and Title]**