

Introduction

Welcome to the Gold's Gym franchise system! We prepared this Manual to equip you with vital information as a Gold's Gym franchisee as well as share brand standards and best practices related to opening and operating your Gold's Gym Facility. In this section of the Manual, we outline our mission, vision, and core values and provide an overview of the franchisor-franchisee relationship.

As you begin the journey to opening your Gold's Gym Facility, understand that you have joined a system and group that prioritizes the service and community we offer to members as well as consistency to our brand standards.



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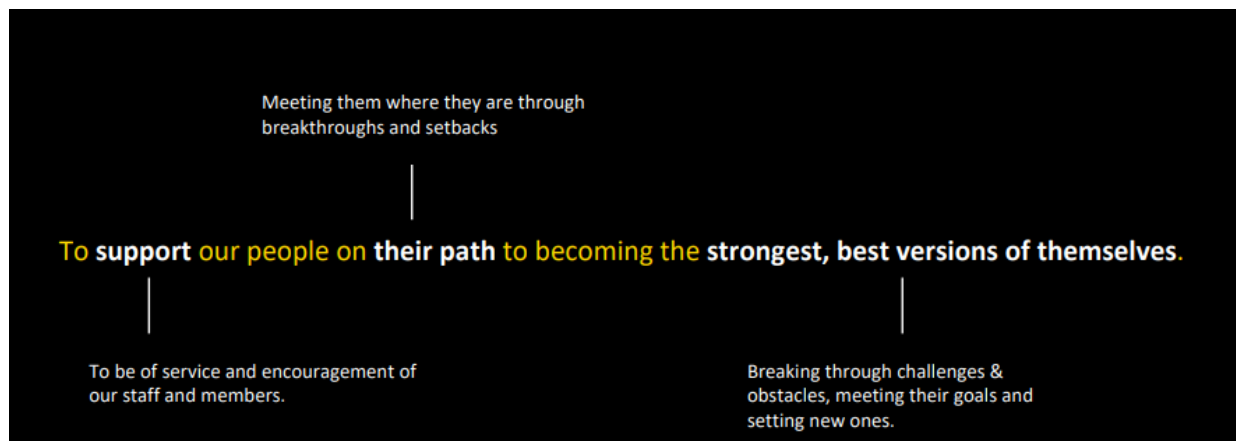
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Our Mission, Vision, and Core Values

A company's mission and vision should tell you what they hope to do and why. While it is important to know what we do, it is even more important to understand and believe in the reason we do it. Each day, every one of us shares the responsibility and challenge of providing excellence in service so we may guarantee Gold's Gym members receive the best possible fitness experience.

Mission ◀



Vision ◀

Creating a stronger, healthier world begins with us.

Core Values ◀

- **Put People First**
 - Listen
 - Make people feel seen
 - Make people feel welcome



- Give people a sense of belonging
- **Own It**
 - Take accountability
 - Do the right thing
 - Act with a sense of urgency
 - Earn trust
- **Think Bigger**
 - Invent and simplify
 - Be collaborative and communicative
 - Be curious and learn
 - Continually strive for improvement
- **Have Fun**
 - Be authentic
 - Take what you do seriously without taking yourself too seriously
 - Be creative
 - Be present
- **Deliver Results**
 - Move with a sense of purpose
 - Prioritize what has the biggest impact
 - Find solutions
 - Set goals, measure, optimize



History of the Gold's Gym Brand

In 1965, Joe Gold opened the doors to the first Gold's Gym facility in the vibrant beachfront community of Venice Beach, California. A veteran of the burgeoning bodybuilding scene, Joe Gold was not just a businessman; he was a living embodiment of the spirit of the 1950s-1980s bodybuilding community. His gym quickly became a hub for bodybuilders and fitness enthusiasts alike, attracting legendary athletes like Arnold Schwarzenegger and Franco Columbu, whom Gold mentored and promoted.

The year 1973 marked a pivotal moment in the Gold's Gym system's history when member, Ric Drasin, sketched the first concept of the iconic Gold's Gym logo on the back of a paper napkin. This logo would soon become synonymous with strength, dedication, and excellence in fitness.

The Gold's Gym system gained international fame in 1977 with the release of the groundbreaking documentary "Pumping Iron," featuring Arnold Schwarzenegger.

Pete Grymkowski, Ed Connors, and Tim Kimber were instrumental in shaping the history and growth of Gold's Gym during the 1980s and 1990s, leading the brand to unprecedented success and establishing its global presence. Pete Grymkowski and Ed Connors first crossed paths in a Florida gym in the late 1970s. Together, they purchased Gold's Gym, then located in Santa Monica, California, in 1979. Two years later, joined by Tim Kimber, a close friend of Grymkowski, they relocated the gym to its iconic Venice Beach location, known as the "Mecca of Bodybuilding" since it was the preferred gym of celebrities and pro athletes.

In 1980, the system expanded its reach with the opening of its first franchise location in San Francisco, California. This marked the beginning of a new era of growth and innovation for the company.

Continuing to lead the fitness industry, the Gold's Gym system introduced group fitness classes in 1981, nearly a decade before they became popular. This commitment to innovation and excellence propelled the system to further success, leading to the opening of its first international franchise branch in Canada in 1985.

By 1993, we reached a significant milestone, boasting one million members worldwide. Over the next decade, the Gold's Gym system continued its global expansion, establishing a presence across Asia, Europe, and the Middle East.



In 2000, we celebrated another milestone, reaching two million members and over 500 locations across the globe. This achievement solidified Gold's Gym as the world's premier fitness brand and destination.

In 2004, the Gold's system was acquired by TRT Holdings, ushering in a new chapter of growth and development for the company. Under new ownership, we continued to innovate, launching Gold's Studio in 2016, offering members access to boutique-style fitness classes.

In 2017, we introduced Gold's Amp, the first digital personal training app from a brick-and-mortar gym, further enhancing the member experience.

In August 2020, we were acquired by RSG Group GmbH, under the leadership of Rainer Schaller, founder and CEO. Rainer Schaller, a lifelong bodybuilding fan, recognized the value and heritage of the Gold's Gym brand. In acquiring the company, he made it his mission to preserve its authenticity, develop it in a contemporary way, and lead it back to its former glory.

Today, the Gold's Gym brand continues to stand as a symbol of strength, dedication, and excellence. As we honor the legacy of Joe Gold and the spirit of fitness that he embodied, we remain committed to inspiring and empowering millions more around the world. Our vision is rooted in strength, community, and empowerment, and we are dedicated to upholding these values as we continue to grow and evolve.



Your Status as an Independent Contractor

As a Gold's Gym franchisee, you hold the esteemed status of an independent contractor. This designation underscores your autonomy and entrepreneurial spirit within the Gold's Gym family. It means that while you operate under the Gold's Gym brand and adhere to its standards and guidelines, you are an independent business owner.

One important aspect of being an independent contractor is the recognition of your business identity within the gym. Signs prominently displayed around the facility, particularly near the front desk, should highlight your presence as an independent business owner. These signs serve to acknowledge your ownership of the franchise and distinguish your operation from corporate-owned and other franchised locations.

By prominently featuring signage that recognizes you as an independent business, we reinforce our commitment to supporting franchisees and fostering a collaborative environment. It also communicates to members and visitors that they are supporting a local entrepreneur when they engage with your Facility.

This recognition not only enhances your visibility within the community but also instills a sense of pride and ownership in your business. It reinforces the idea that you are not just a franchisee, but a valued partner in the Gold's Gym network, contributing to its success and growth.



Services Provided to Gold's Gym Franchisees

We are dedicated to the success of our franchisee network. For this reason, you will receive support from the Support Center. As part of this support, the following services have been developed to assist you in all aspects of operating your Gold's Gym Facility.

Approved Vendors ◀

We currently manage a Global Vendor Program (GVP), where we approve and recommend suppliers and vendors (GVP vendors) for specific goods and services necessary for gym development and operation. GVP vendors offer a range of products and services, including insurance, equipment, signage, promotional items, gym management system components, and more. Branded product licensees are also part of the GVP, producing and selling officially branded Gold's Gym merchandise to franchisees and others. We share our standards and specifications with some GVP vendors.

Design Assistance ◀

We will provide you with our Gold's Gym design guidelines, which contain sample layouts and our design requirements for a Gold's Gym Facility.

You are responsible for implementing the Facility design and fulfilling the maintenance requirements as mandated by us from time to time. Any changes made to the Facility design, layout, or relocation of the business are not permitted without prior written approval.

Development Schedule and Development Area ◀

If you meet the requirements, we may give you the opportunity to develop and operate multiple Gold's Gym facilities within a designated area under our development rights agreement or DRA. Development rights are offered to qualified candidates who have signed or will sign Franchise Agreements with us, limited to specific regions.

Before signing the Development Rights Agreement, we will agree on the development area, the number of Franchise Agreements required, and the timeframe for signing them and developing additional locations.



Franchise Agreements signed pursuant to a Development Rights Agreement, may, subject to our approval, be signed by you or your affiliated entities, defined as entities where you or your owners own over 50% of total ownership interests and have control over management and policies. Franchises granted to your affiliated entities will count towards satisfaction of your development schedule. Each Facility will require signing our current Franchise Agreement, subject to potential future changes.

Gold's Gym Advertising Advisory Committee ◀

The Gold's Gym Advertising Advisory Committee (GGAAC) works with us to give advice on advertising rules and helps us create advertising, marketing, and promotion ideas and plans that are paid from the Gold's Gym Ad Fund. Committee members are selected according to the GGAAC Structure of Governance to include both company and franchisee representatives.

Initial On-Site Assistance ◀

We may, at our option, provide you with on-site opening assistance when you first begin operating, but we are not required to do so.

Initial Training ◀

You and you Facility's general manager must attend and satisfactorily complete our initial training program on the operation of a Gold's Gym Facility before selling memberships. Training is mandatory for all franchisees except for those signing the renewal addendum. You, along with one other designated individual, must complete the training, with optional participation in studio programs incurring additional fees. Training typically occurs three times per year at our headquarters, with virtual options available.



Ongoing Training and Support ◀

During the term of your Franchise Agreement, you and your personnel, including newly hired managers and previously trained team members, may need to attend and complete training courses and programs provided by us. Training may be conducted virtually, and periodic training for your personnel may also be required.

Attendance at annual conference organized by us is mandatory for you or your general manager, with fees applicable. Failure to attend a mandatory Conference will still require payment of the full Conference Fee and may cause you to be in default of your Franchise Agreement.

Pre-Sale Authorization ◀

We will authorize you to presell memberships for your gym if you meet our requirements. Typically, before you offer or sell presale memberships:

1. We must have granted authorized to you, in writing, to do so
2. We must have approved the location and Facilities from which you will presell memberships
3. You must have completed the pre-opening training
4. You must have secured all financing and permits necessary to develop, build, and fully equip your Facility

Site Selection Assistance ◀

We will assist you in your efforts to select and obtain a site by providing guidance and evaluating information you gather on locations you are considering. Note that our acceptance is required before entering into any lease agreement. We will use our reasonable efforts to review and either accept or reject a site you propose within fifteen days after receiving your materials.

Use of Trademarks ◀

As a Gold's Gym franchisee, you will have the right to use the Gold's Gym name and designated marks at your Facility in connection with the operation of your Facility. Any use of the Gold's Gym name and brand must adhere to our standards.



Responsibilities of the Gold's Gym Franchisee and Staff

As a Gold's Gym franchisee, you have responsibilities to your members, team members, other franchisees, and to us, the franchisor. We have provided an overview of these responsibilities here.

Note that the responsibilities we have outlined are driven by our core values—the values that drive our behavior and management of the entire business.

Responsibilities to Your Members ◀

- Maintain a welcoming and respectful environment for members, treating them as part of the Gold's Gym family extension.
- Uphold brand values on social media platforms, ensuring posts and interactions reflect positively on the Gold's Gym community.
- Ensure all team members exhibit friendly and professional behavior towards members, providing excellent member service.
- Conduct thorough training for staff to ensure they are well-equipped to assist members and represent the Gold's Gym brand effectively.
- Keep the Facility clean, sanitized, and in good repair, meeting Gold's Gym standards for cleanliness and maintenance.
- Ensure all equipment is in working condition, regularly serviced, and safe for member use.
- Adhere to published operating hours, providing consistent access to the facility for members.
- Prioritize the safety and security of the Facility environment, implementing measures to protect members and staff alike.



Responsibilities to Your Team Members ◀

- Provide a safe and inclusive work environment for team members, free from harassment, discrimination, and unsafe conditions.
- Offer comprehensive training programs to empower team members with the skills and knowledge needed to excel in their roles.
- Foster a culture of empowerment, encouraging team members to take initiative, make decisions, and contribute ideas to improve the workplace.
- Maintain a friendly and supportive atmosphere among coworkers and management, promoting open communication and teamwork.
- Ensure fairness and impartiality in all employment practices, including hiring, promotion, and compensation, to create an environment of equality and respect.

Responsibilities to Your Fellow Franchisees ◀

- Operate your business consistent with all Gold's Gym standards; we want members to have a positive and consistent Gold's Gym experience, regardless of location.
- Embrace the mission of Gold's Gym.
- Assist other franchisees, whenever possible, through shared ideas, submission of suggestions, and participation at Scheduled franchise meetings and seminars.
- Refer business to other franchisees in the network whenever possible.
- Protect all proprietary materials from the scrutiny of casual review by competitors, visitors, or the public.
- Submit suggestions to us in an effort to improve the entire Gold's Gym network.



Responsibilities to the Franchisor ◀

- Maintain the highest standards of service and member satisfaction.
- Abide by the terms of the Franchise Agreement and any other agreement between you and us or our affiliates.
- Protect all Confidential Information.
- Submit all required reports and payments on a timely basis.
- Operate the Facility in accordance with all applicable laws and governmental regulations.
- Maintain regular communication with us.
- Maintain the quality and consistency of the Gold's Gym brand.



Visits from the Support Center

To ensure the continued success and uphold the esteemed reputation of the Gold's Gym brand and network, an FBC from the Support Center may periodically visit your gym. These visits are valuable opportunities for one-on-one discussions focused on benchmarks, member experience, and brand standards. The agenda for these visits will vary based on the visit but typically includes:

- General inspection of operations and equipment.
- Observation of sales, classes, recruitment efforts, and membership engagement conversations.
- Review of all pertinent books and records relating to the business.
- Evaluation of progress towards achieving business plan goals.

These visits, while primarily focused on maintaining brand standards and fostering growth, are not audits. They provide an avenue for constructive dialogue and support. Generally, as part of our support timeline, FBCs visit Facilities at least once per year. Typically, visits are announced in advance, and evaluations are conducted through our online platform.

Currently, evaluations are used to gauge benchmarks, with special evaluation forms available for specific occasions such as grand openings. Additionally, a pre-renewal evaluation is conducted one year before the renewal date to assess the Facility's current state. While you currently do not have access to the evaluation forms, you will receive comments and best practices to support improvement. In the future, we may introduce an external version of the evaluation form for you to leverage.



Paying Other Fees

As certain situations present themselves, you, as a Gold's Gym franchisee, may incur additional fees. These fees, which are outlined in your Franchise Agreement, are summarized below for your quick reference. As fees change, updated information will be provided.

Audit ◀

We reserve the right to audit the bookkeeping and accounting records, sales and income tax records and returns, and other records of all our franchisees. If any examination discloses an understatement of Gross Revenue, you must pay the Royalty, Marketing Contributions and any other amounts due on the amount of the understatement, plus interest and administrative fees. Additionally, you will pay us our actual audit costs plus interest on any underpayment of fees, including the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees, if (i) you fail to provide records or other information we require on a timely basis, or (ii) if an audit shows that you have understated actual Gross Revenue by 2% or more.

Conference Registration Fee ◀

You must attend each annual conference that we organize. You must pay a fee to defray our costs for such conferences, currently set at \$500, but may vary per year.

Enforcement Costs ◀

You must pay our costs of enforcement (including attorneys' fees and costs) if you do not comply with the Franchise Agreement.

Follow-Up Inspection Fee ◀

If we re-inspect your gym to determine whether you have corrected deficiencies or you request evaluation, you must reimburse us for any of our costs of providing this inspection.



Indemnification ◀

You must include us and our designated Affiliates as an additional insured on your insurance policies. You must also defend, indemnify, and hold us harmless for claims arising from your operations. Those obligations include reimbursing us for our costs resulting from these claims.

Insurance Reimbursement ◀

If you fail to obtain and maintain the insurance coverage we specify, we may obtain the insurance for you and your Facility, and you must reimburse us for all premiums, costs, and expenses we incur.

Interest Charge ◀

If you fail to pay us any amount when due, we may charge you interest on the unpaid balance until the payment is received. This interest will be 1.5% per month or the highest rate permitted by law, whichever is lower. You will also be charged a \$100 administrative fee.

Interim Operations Fee ◀

If we elect to operate your Facility on an interim basis, you must pay us our then-current interim operations fee, which is currently set at 3% of Gross Revenue, plus our direct out-of-pocket costs and expenses.

Marketing Spending Requirement Shortfall ◀

If you fail to meet the marketing spending requirement, which is equal to 3% of your Facility's Gross Revenue during a calendar quarter, we may require you to pay us a shortfall to use for marketing. This amount is equal to the difference between the marketing spending requirement and the amount you spent.

Ongoing Training Fee ◀

If we train any new managers or provide supplemental or refresher training during the Franchise Agreement's term, you will be required to pay an ongoing training fee (currently set at \$500 per person per session).



Relocation ◀

You must pay a relocation fee equal to the out-of-pocket costs and expenses that we incur inspecting the proposed new site if you lose your lease or want to move the location of your Facility. Approval of the relocation is at our discretion.

Studio Program Training Fee ◀

If you elect to participate in one or both of the optional studio programs, you must complete relevant training and pay us a training fee. This fee is currently \$250 per trainee plus reimbursement of the travel expenses incurred by our instructor(s).

Successor Franchise Fee ◀

At the end of the term of your Franchise Agreement term, you may be entitled to acquire a successor franchise. If you choose to do so, we will assess a successor franchise fee of 50% of our then-current standard initial franchise fee.

Vendor Evaluation (Supplier Testing) ◀

If you request our approval for an alternative vendor for any products or services you wish to use in your Facility, you must reimburse us for our costs to evaluate and approve an alternative vendor.

Transfer Fee ◀

In the event of a transfer, you are required to pay us a transfer fee in an amount equal to what is stipulated in your Franchise Agreement.