

# TERMS & CONDITION FOR FRANCHISING

\* September 2020

## SHOP OPENING CONDITIONS

Required shop surface	25-200 sqm	Height	minimum 2,70 lm
Stockroom	5-50 sqm	Parking lot	minimum 2 places
Shop street opening	minimum 6 lm	Clients' frequency	minimum 50 persons/day

The shop fit out must be made according to the architectural detailed technical specifications of the Sophia franchise. There is required a refurbishment once at every 2 years, redecorating the shop once at every 6 months and window arrangement once at every 2 months.

Staff requirements	Management team: shop coordinator Sales team - sales advisor, decorator, sales agent (optional), accountant (external) Technical installation team: installer (external)
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Minimum length of a franchise agreement 3 years

## TYPES OF FRANCHISING SHOPS

	MINI CONCEPT >25 mp	BASIC CONCEPT >50 mp	PREMIUM CONCEPT >100 mp
Textile decorations (voiles, curtains, cushion covers)	5000 €	6000 €	8500 €
Fixing systems	800 €	1000 €	1500 €
Hangers 140 pcs + 5 standers	1500 €	1500 €	1500 €
Accessories	700 €	1000 €	1500 €
Furniture	2500 €	3500 €	5500 €
Franchise fee	3990 €	3990 €	3990 €
2D rendering of the shop and decoration services	2500 €	3000 €	3500 €

Total start-up investment for the franchisees in the EU **16990 €**      **19990 €**      **25990 €**

For the non-EU franchisees, the franchise fee is 7990 €.

Royalties - 2% of the shop's turnover, starting from the second year

## ADDITIONAL EXPENSES OF THE FRANCHISEE

Start-up expenses	Shop fit out (Latex emulsion paint, wood flooring, extensible ceiling, lights)	- from 3000€
	Purchase of staff equipment and personalized packaging from the franchisor	- from 300€
	Marketing kit	- from 800€
	Installation kit	- from 400€
	Kit for the decorator on field	- from 500€
	Logistics kit * (car for the installation services, computer, LCD, cash register)	
*the evaluation of the logistics kit will be made according to the preferences of the franchisee and the budget available		
Current expenses	Shop rent	
	Expenses on utilities	
	Expenses on staff	
Marketing expenses	Monthly fee for use of ERP 2.0 application (CRM, BI), order launch, stock verification	- 50€
	Monthly promotion of the shop in the area	- 100€-200€

## ONLINE SUPPORT BY THE FRANCHISOR

Commercial support	Marketing support	Production support
Sophia Franchise Manual	Concept, graphic design, social media and web page promotion	Custom-made
Customized Marketing Plan	Product catalogs (fabrics, fixing systems, furniture, carpets)	Personalization, accessories
Forecast on request	Presentation catalogs (portfolio, decoration ideas)	Embroidery
ERP system (CRM, stock checking application)	National and international promotion at specialized fairs	Hangers
Dedicated Sophia representative, 8 h / day	Customers through the online booking service	Swatches
List of approved suppliers	Standard forms (orders, contracts, sketches, contacts, sales)	Personalized catalogues
Product and manufacturing price list	Personalized identity (business cards, email and Sophia standard signature)	

\* on request the trainer can go to the franchisee's shop, the transport and accommodation expenses remaining in the franchisee's care

## PRICE POLICY, TERMS OF PAYMENT

Prices, discounts, facilities	The franchisee benefits from a 50% discount on fabrics compared to the price list from the catalog. Prices are EXW. The franchisee has the facility to purchase selected products directly from Sophia authorized suppliers (fixing systems presented in Sophia catalogue).
Trade mark-up	Sophia recommends an increase of 120-150%.
Payment Terms	50% advance and 50% payable in 3 days before the delivery.
Ways of payment	Bank transfer or in case of orders with payment at 30 or 60 days by Factoring type transaction

## DELIVERY TERMS AND CONDITIONS

Delivery of fabric orders	Custom-made products delivery
1-7 days for fabrics in stock 30-60 days for fabrics not in stock	8-14 days for products for which the fabrics are in stock 35-80 days for products for which the fabrics are not in stock

## PRIVACY POLICY

Confidentiality and non-competition agreements	While the contract is in force and one year after its conclusion
Intellectual property rights	Remain the property of Sophia

DO YOU WANT A  
FRANCHISING  
SHOP?

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