

## **OCEANMAN Franchise Contract**

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**FRANCHISE CONTRACT**  
**OCEANMAN**

BETWEEN THE UNDERSIGNED:

OCEANMAN, registered firm belonging to the Educanova Society Consultants and Resources S.L, located at Calle Victoria Kent 12, Local 2 of Alicante and CIF B 54094982, and represented by Fermin Egido, with D.N.I. 48.355.767 whose position and representation are duly registered in ....

Hereinafter referred "OCEANMAN" and the franchisee

FROM ONE PART

AND

From the other part, acting in proper name and interest,  
Mr. ....

Hereinafter referred "The Franchisee"

FROM THE OTHER PART

Both parts recognised with sufficient capacity to sign on and oblige, free and of their own accord.

**RECOGNISION AND EXPOUND**

OCEANMAN team counts on extensive experience in organising sports events.

OCEANMAN has established an important prestige, is recognised and has developed many important clients.

The above prestige explains the quality of the products and services selected by OCEANMAN, which are distributed with the specific concept of the firm.

The firm has been registered and all its activities are valid and give the right to the franchisee to exploit them and use them when dealing with third parties, following the clauses of the franchise

contract.

OCEANMAN has great knowledge within the sector in which it operates, being identified for its qualities in the sector and the commercial products offered during the various events. The franchisee will have in their availability apart from the method of the commercialisation of those products, an elaborate know how, identified and secret, which will be explained briefly below.

The franchisee has agreed to adapt at the growing necessities of the market, which is currently developing and has elaborated know how, understanding, with plain acknowledgement of the cause, their originality as they themselves are the projection of the inversion permanently realised by OCEANMAN.

OCEANMAN has decided to elaborate its concept with a specific formula for the EXPLOITATION of the franchise regime; and the franchisee, interested in this concept, wishes to EXPLOIT within the boundaries of said regime and always following the rules and regulations mentioned in this contract.

The franchisee declares inform of the possibilities and the needs of the deal and expresses their interest to benefit of the experience and the benefits offered by OCEANMAN.

The franchisee declares recognises that his gains will be and the immediate benefits of the methods and image of OCEANMAN, without doing any investigations and personal experiences in the available market, for that reason has being directed at OCEANMAN and has shown interest in a contract.

The franchisee acknowledges that had the necessary time to reflect and get advice before signing the contract; and perfectly knows the concept and everything related with the practical application of the method OCEANMAN which is the objective of the present contract, for which motive has freely decided to conclude in an agreement following the conditions that the present contract puts in practice.

The franchisee agrees to follow the instructions of the method OCEANMAN in their totality. Unless these is a written authorisation by OCEANMAN that permits the franchisee to distance themselves or let unattended points included in the signed written agreement.

The franchisee promises to contribute to the prestige of the firm and the concept elaborated by OCEANMAN.

The franchisee recognises the risk to start and develop the commercial activities as part of their own responsibility, but following the OCEANMAN rules, and with the objective to constantly increase the profit of the franchise.

Both parts have expressively agreed that OCEANMAN agrees to the franchise and an active and live method, based on the collaboration which economically favours both parts within an environment of honest collaboration.

And recognised from both part previously undersigned.

## AGREEMENT

### **ARTICLE 1: OBJECTIVE OF THE CONTRACT**

**1-1** OCEANMAN allows the franchisee, who accepts, following the rules, regulations and time agreed in the present contract, the right to exploit the methods and the know – how, with the logo OCEANMAN, the organisation, profits and management of the open swimming event in .....

The present franchise allows at the franchisee the right to use the OCEANMAN system which understands the know – how, the methods elaborated by the franchise such as the distribution of the OCEANMAN products during the agreed event.

**1-2** The present contract offers at the franchisee the area mentioned in the Annex 1 of the present contract.

As a consequence, OCEANMAN loses the right to organise, directly or through other organisations, other activities with the OCEANMAN logo, or to agree to a different franchise within the area of the event agreed by both parts, unless OCEANMAN has informed the franchisee their decision to cancel the present contract with them due to violations of obligations asked to be completed by their part.

Nevertheless, OCEANMAN has the right to distribute and actively sale of OCEANMAN PRODUCTS within the area through the OCEANMAN web site.

### **ARTICLE 2: DURATION**

**2 -1** The contract becomes valid as soon as it is being signed by both parts.

The duration of the contract is for xxxxxx year after the date mentioned above. The present contract can be renovated as long as there is agreement from both Parts and acceptance to negotiate so as to come to an agreement.

### **ARTICLE 3**

**3 -1** OCEANMAN allows the franchisee unique and specifically the organisation of the indicated event and for the benefit realised within the OCEANMAN system the right to use the OCEANMAN logo.

The allowance of the use of this right is in use within the time limits mentioned in the present contract, without this suggesting the allowance of the franchisee to realise or explore different rights from those agreed.

The right of the use of the OCEANMAN logo is offered to the franchisee for the unique activities mentioned in the present contract, for which the franchisee is obliged to use, in accordance with any future rules that OCEANMAN might decide to add, in the conditions in the present contract.

**3-2** It is absolutely clear and evident that OCEANMAN and all the rights that the logo offers are

exclusively properties of the firm for which the firm is totally responsible and the franchisee is obliged to respect the firm, signs, etc.

**3-3** The franchisee is obliged to immediately inform the firm about any vulnerability or risk against the rights of the firm with which he becomes aware, such as the use of the firm's logo by third parties which could be confused with the firm. The franchisee is obliged to offer to OCEANMAN all available information of such falsifications and actively collaborate in the elimination and declaration to the local authorities, which could make the OCEANMAN vulnerable. The juridical actions necessary to take against the third party for said actions, will be at the cost of OCEANMAN that will exclusively benefit for the results of any juridical decisions.

**3-4** The franchisee promises to collaborate and expand the fame and notoriety of the firm.

**3-5** The franchisee does not have the power to offer the use of the OCEANMAN logo at a third party under any circumstances, regarding signs, models, logos used by OCEANMAN.

**3-6** The franchisee is obliged to use before, during and after the event one or various labels in the establishment, following the instructions of " Ocean Event Guide ".

**3-7** The logo OCEANMAN must appear in all commercial documents of the franchisee followed by the words "Franchisee OCEANMAN – Mr. .... independent commercial", without this being confused with the proper OCEANMAN name which should always be mentioned, followed by the address, in all the documents, commercial papers published.

**3-8** OCEANMAN will provide the franchisee the graphic letters (colours, dimensions) that have the obligation to use.

## **ARTICULO 4 OBLIGATIONS OF OCEANMAN**

### **4-1 Training**

#### **4-1-1 Initial training**

OCEANMAN will provide an initial training at the franchisee and/or the person responsible.

This training in particular provides:

- Business Model. Revenue lines
- Commercial & Communication knowledge recommended.
- Income and Expenditure account.
- Event Production. Technical and Human Resources needs. Lay Out. Rider.

OCEANMAN is responsible for those expenses. The franchisee is only responsible for the experiences of the accommodation and transportation of the OCEANMAN representatives in the event.

If the franchisee has satisfied the conditions of the initial training, OCEANMAN will establish an "OCEANMAN passport" allowing them to exercise the activities. If the franchisee fails to obtain

the passport after a month of the training, OCEANMAN has the right to cancel the present contract. The franchisee accepts that the technical personnel of OCEANMAN have the right and are responsible for their evaluation, according to the OCEANMAN'S satisfaction.

#### **4-1-2 Permanent Training.. Regular Meetings**

The Franchisee will arrange regular meetings with the Franchisor to be able to monitor the event management.

The training that OCEANMAN provides will be available to the franchisee at the areas that OCEANMAN considers appropriate.

With the objective to offer a more intensive and practical training at the franchisee OCEANMAN can substitute those specific training courses through internet that help and advice the franchisee about the application of the techniques applied in the new projects, events and other promotional aspects relevant to the OCEANMAN criteria.

The franchisee is obliged to receive the training offered by OCEANMAN with one or the other forms indicated in the two previous paragraphs, elected by the franchisee, in a way that failure to attend the courses or collaborate will mean failure to complete with the present contract.

OCEANMAN promises to personally, or with an assigned member of their team, carry on with the permanent training of the franchisee.

This bill will be liquidated at the reception. Also, the expenses of the accommodation and transportation of the person offering the training are included in those of the franchisee.

#### **4-2 Communication of the Know – How**

OCEANMAN has developed a Guide which includes the system of Know – How of OCEANMAN (**Oceanman Event Guide**)

The Guide will be delivered to the franchisee after the total fee has been paid.

The manual will be delivered after the sign and payment of the fee.

The Know -How in particular, includes the following elements:

- ✓ Business Model. Business lines
- ✓ Profits & Loss account
- ✓ Communication Guide. On line / Off Line
- ✓ Production and Logistic Guide
  - Regulation
  - Technical and Human resources needs.
  - Suppliers
  - Lay Out. Plans.
  - Security
  - Timing
- ✓ Corporate Image
- ✓ Merchandising Guide

## ✓ Sponsorship Guide

In order for the franchisee to achieve the best results of the Know – How manual, OCEANMAN will periodically update any changes taking place and will inform and train the franchisee about said changes.

The franchisee recognises the explicit rights reserved by OCEANMAN regarding the contents of the Manual.

The franchisee recognises the extreme confidentiality of all elements of the Manual, like all the relative information regarding methodology that OCEANMAN transfers during the present contract, to which confidentiality applies.

OCEANMAN prohibits copying or transmitting any part of the contract or its manual to third parties, without first being authorised by them in writing.

The Manual will be given to the franchisee without any extra cost for the duration of the present contract, within which the franchisee is the unique and exclusive owner.

### **4-3 Initial assistance**

**4-3-1** OCEANMAN has offered to the franchisee its help in order to empower the area within the event will take place.

The franchisee has analysed the potential of the area based on objective criteria and the existing zones of attraction at the area.

**4-3-2** OCEANMAN offers their help to the franchisee in the elaboration of provisional accounts based in particular on the potential of the sector and the existing attractions in the area.

### **4-4 Help for the installation and conditioning OCEANMAN event**

OCEANMAN franchise needs to achieve the exact same image for all its events and for that reason a member of the firm will be at the side of the franchisee in order to guarantee that image and its level of accuracy at all times.

**4-4-1** The franchisee is obligated to meet the basic standards agreed with OCEANMAN FIRM.

The Franchisee has to oblige to fulfil with the basic standards and aesthetic of the OCEANMAN firm, which are based in the following:

- Vinylated finish arc. Measure (1 meter for each column, 3 meters long and 3 meters high) or in its absence, inflatable arc with the OCEANMAN logo and the cooperate colours.
  - The finish area and the transit area closed with fence.
  - The area of call for all the swimmers also must be covered.
  - The entrance from the water should be signed with an arc
- 4-5 Commercial assistance and permanent help an inflatable arc and buoyed till the entrance area.

- Sound equipment of at least 1500w.
- Trophies for all the finishers.
- A memorial t-shirt for all the participants.
- Signage buoys ( minimum 1,5 meters high ) for each 500 meters, of which at least 4 of them should carry the OCEANMAN logo.

The Franchisee should immediately propose the design of the montage plan and its aesthetic, which should be approved and be in line with the OCEANMAN logo.

The franchisee will receive help in order to achieve the extra monies, which are normally coming from the following:

- Sales of the merchandising
- Sale of the local sponsors
- Exploitation and sales at de commercial area and the expo zone.

#### **4-5-1 Assistance at the launch and development of the event**

The promotion and launch of the event will be supported from OCEANMAN will the following ways:

- Promotion of the specialised media and mass media.
- Promotion of the social networks: face book, Instagram, twitter, youtube

If for the development of the event the franchisee requires extra help for part of OCEANMAN, such as personnel or technicians, it can be accomplished with a price that is convenient for both parts.

#### **4-5-2 IT Assistance**

OCEANMAN will offer at the franchisee a complete inscription panel, with direct access at all the information at real time, without extra cost.

#### **4-5-3 Perfectionism the systems, methods and technicians of OCEANMAN**

The franchisee will benefit for his event by any advance of the systems, methods and technicians of OCEANMAN.

A shared folder will be opened for both Franchisee and Franchisor to facilitate information management.)

#### **4-5-4 Meetings.**

Regular meetings will be arranged (once a month) to ensure correct project development and deadline compliance.

Preferred means of correspondence between both Franchisor and Franchisee will be by email.

#### **4-5-5 Sale of the products**

As part of the negotiation with OCEANMAN the franchisee has the right to sale exclusively in the area of the event the OCEANMAN merchandise. The franchisee will inform OCEANMAN of the price of the merchandising used in the event.



## **ARTICLE 5: OBLIGATIONS OF THE FRANCHISEE**

### **5-1 Training**

#### **5-1-1 Initial training**

The franchisee agrees to assist all the training courses organised by OCEANMAN as stated before. The event cannot take place without the previous assistance of the franchisee in the courses agreed.

#### **5-1-2 Permanent training. Regular meeting.**

The franchisee agrees to attend all the permanent courses

### **5-2 Respect for the image of the firm**

The franchisee agrees to maintain strict compliance manuals Brand, Corporate Image and Manuel Oceanman event

The franchisee agrees to the following:

- Offer at the clients a quality service
- To guard the conservancy of the prestige of the OCEANMAN FIRM, which should be done with consistency.
- guard the perfect operation of the event
- make sure that the commercial reputation of the firm will not be questioned

### **5-3 Organisation and conditioning of the event**

**5-3-1** The franchisee promises to perform the conditioning of the event according the image of the firm of OCEANMAN.

**5-3-2** The franchisee agrees to not use or divulge the technical information of the conditioning of the event that have been communicated to them by OCEANMAN, for different events.

All the expenses for the equipment and the decoration for the event, and all the expenses related to the works before and during the event, will be the responsibility of the franchisee.

In order for the conditioning of the event to be filled with the best possible ways, the franchisee should in particular achieve the following:

- Gain all the necessary administration documents and permits from the local authorities
- Have the minimum personnel needed following OCEANMAN's rules for the event
- have the minimum infrastructure needed following OCEANMAN's rules for the event

### **5-4 Evolution brand image.**

The franchisee recognises the importance and necessity to adapt to the image and network of OCEANMAN, and its evolution according to the possible market and clients. As a consequence, recognises the need to modify the system and conditions external to the OCEANMAN franchise.

Therefore, the franchisee promises to modify, at their expenses, all or part of the conditions and equipment of the event, the colours and the general characteristics of the OCEANMAN network of their event, so as to be in harmony with the new norms that might be established.

These transformations will be decided and initiated by OCEANMAN, after exploring the networks of specific events, and should be in rigour by the franchisee within a framework that should not be more than 12 months since they were announced by OCEANMAN.

## **5-5 Exploitation of the OCEANMAN event**

### **5-5-1 Respect of the rules**

The franchisee agrees to respect and only use exclusively and only for the event the methods, products and software which has been communicated to them by OCEANMAN, excluding any others. Also, the right of use of all the publicity elements, formulae and devices of OCEANMAN will only be used for the exploitation of the event.

The franchisee agrees to maintain the up-most respect for the concept of OCEANMAN during the event. The event should maintain an irreproachable level of neatness.

The franchisee agree an strict observance of the Oceanman Guide

### **5-5-2 Evolution of Know How**

Aiming for the best quality of the products and services for the clients and since they are in constant evolution and for the perfect exploitation of the event, the Know How should have an evolving character.

The franchisee understands and accepts the evolutionary character of the Know How. Consequently, promises to immediately apply any modification applied by OCEANMAN.

### **5-5-3 Personnel**

The franchisee should have in their disposal a sufficient and capable number of personnel in order to achieve the best results of the event, making sure they fulfil all the legal requirements according to the local laws for the contracts of all those involved, with absolute indemnity of OCEANMAN.

The franchisee should be responsible for the actions of their personnel and their completion and understanding of the rules and regulations of the present contract, and will be responsible for any issues if and when they arise. In particular, the importance and understanding of the confidentiality of the present contract is crucial.

The franchisee will guard the neatness of the dress code and the attitude of their personnel and will adapt at the norms of OCEANMAN:

- short chino trousers
- t-shirt (3 units)
- polo t-shirt for the day of the event
- smart sweatshirt

#### **5-5-4 Regulations**

The franchisee will guard the respect for all the laws and regulations establish by the authorities, regarding health, security and hygiene of the public.

#### **5-5-5 Insurance**

The franchisee agrees to contract an insurance company for the event, which will cover all the aspects of the event: civil responsibility, physical or material damages and any actions of the administrator of the event.

The franchisee should have available at all times the validity of the insurance policies as well as the receipts of the payment of those policies.

Therefore it's agreed that a participants race accident insurance policy will be taken out, subject to the regulations of the country in which the event is held.)

In the case of not fulfilling with the payment of the insurance policies, OCEANMAN reserves the right to cancel the present contract and event.

#### **5-5-6 Baleful**

In case of cancelation of the event or a baleful, the franchisee will inform OCEANMAN within 48 hrs of their knowledge of the problem.

#### **5-5-7 Promotion and sale of the products through internet**

The sale of the OCEANMAN products via internet will be done excursively by OCEANMAN.

#### **5-5-8 News**

In order to achieve the best distribution and organisation of all the necessary news of the company, the franchisee promises to communicate them as soon as possible to OCEANMAN members.

In order to control all the news and the constant counselling of them, a file accessible by all will be established. OCEANMAN will provide a Drop box file which the franchisee will have access to, and will be able to use any necessary information provided.

The franchisee should inform all the data of the inscriptions realised for the event, with all the relative legal information needed fulfilling the laws of protection of those documents. The franchisee should be able to provide all the information and news available within 24 hrs if asked by OCEANMAN.

#### **5-5-9 Regulations of good conduct**

The franchisee is obliged to respect a faithful collaboration with OCEANMAN.

As a consequence, the franchisee is obliged to provide at any moment verify and communicate any news and information accurate, compete, sincere and verified; it is an essential obligation and if not completed OCEANMAN reserves the right to cancel the present contract.

The franchisee cannot communicate any information, verbally or written to any other company and failure to do so will lead to cancellation of the present contract.

#### **5-5-10 Oceanman Personnel at the Franchisee's Event.**

An Oceanman representative will attend a few days before and during the Franchisee's event, and with two objectives:

- To help with the implementation of the manual and organisation of the race.
- To ensure correct compliance of the Bran Manual, Corporate Image & Oceanman Event Manual.

Journey costs, accommodation and expenses will be born by the Franchisee.

### **ARTICLE 6 - PRODUCTS**

#### **6-1 Line items**

In order to satisfy the needs of the clients, the franchisee will have available a complete line of quality products, coherent with the OCEANMAN concept.

The selection of the products available for sale is one essential element of the Know How establishing the fame and the quality on offer by OCEANMAN. The franchisee accepts the right of OCEANMAN to control:

- The mix-marketing (promotions and actions of communication)
- The mix-product (the product available needs to be coherent with the event, and directly related to the image of OCEANMAN).

OCEANMAN has therefore selected a variety of products related to its concept that guarantees the best for the clients and the franchisee:

- Permanent availability of the products
- Quality
- A very specified mix-product

Those products are available in the following:

- sweaters
- t-shirts
- swimming products
- cans
- buoys
- hats

The list of the products could grow bearing in mind the needs of the market and the competition. OCEANMAN has the right to modify or retrieve from sale the above products provisionally or permanently.

#### **6-2 Exclusive supplying**

As an essential condition of the present contract and in order to preserve the fame, identity, quality and the same offer in all events, the franchisee is obliged to only and exclusively put on sale items provided by OCEANMAN.

Only with the written permission and authorisation of OCEANMAN the franchisee can put on sale products not related with the firm.

Violation, permanent or temporary, of the above regulations could put at risk the present contract which could be cancelled by OCEANMAN. OCEANMAN will reserve the right to establish another franchise in the same area, without the need to offer any compensation to the current franchisee.

### **6-3 Exclusive resale**

The products available from the suppliers are exclusively destined for sale to the consumers of the event and cannot be sold at a different area or for a different event.

### **6-4 Prices**

OCEANMAN will establish and communicate at the franchisee the prices of all the available products. The rates indicated by OCEANMAN to the franchisee are unique for their distribution:

- merchandising
- official product
- prices of the competitions
- the extra services (hotels, expo zone....)
- infrastructure and montage

It is agreed that the franchisee will benefit of the collection of the products on offer with the best possible discounts.

OCEANMAN will communicate any changes in the prices of the products taking into account the market, and competition and the cost.

### **6-5 Orders – Deliveries – Payment**

The products will be acquired by the franchisee following the general conditions of sales in place the day of the order.

The franchisee agrees to respect the process and deadlines of the orders following the general conditions of delivery.

The franchisee fully understands and accepts the evolutionary character of the general conditions of sales and realises the fact that they may change by OCEANMAN FOR DIFFERENT ONE

OCEANMAN agrees to satisfy with every possible way the best deliveries of the orders placed by the franchisee, so as to gain as much as possible by their delivery. The franchisee needs to compete with the time limits of the orders given by OCEANMAN in order to achieve their delivery on time.

OCEANMAN is not responsible for any delay of the material due to problems that are related with the transportation. Any risks taken during the transportation of the materials are the responsibility of

the franchisee, any legal action taken against the transportation company does not involve OCEANMAN.

OCEANMAN reserves the right to cancel any orders if the bills are not paid by the franchisee at the agreed period of time.

In the case that the merchandising material could be ready-made at the country where the event is taking place, and in order to minimise the transportation expenses, OCEANMAN should have access to it, after checking its quality.

## **ARTICLE 7 - PUBLICITY**

The development of the image of the firm and the notoriety of it and the network/web OCEANMAN, as well as the development of its clients, need harmonised publicity actions.

### **7-1 Publicity of the launch**

The franchisee agrees to organise a publicity for the opening event.

The franchisee can dedicate for this campaign a budget, maximising its veracity and importance.

Once the project is launched the communication campaigns can increase, always following the regulations of OCEANMAN and making sure the firm is always informed before any publication.

The two parts will come to an agreement following the actions taken for all the organised publicity within the budget.

### **7-2 National and International Publicity**

OCEANMAN will realise a publicity campaign via internet, social media, radio, news (including newspapers) and/or from the same place of the event, according to their needs, and without the obligation to have to include all the publicity media but, choosing the ones that consider most appropriate for the event.

OCEANMAN is responsible for any extra expenses for the creation and realisation of any extra publicity.

If OCEANMAN decides to promote certain publicity he will have to firstly present it to the franchisee.

### **7-3 Local Publicity**

The success of the franchise is obtained by the progressive fame of the firm.

The franchisee can organise all that publicity necessary at the local area that they wish. They need to respect the firm, signals, logos as well as the homogeneity of the image of the OCEANMAN network.

The franchisee should communicate OCEANMAN and ask approval of the entire publicity plan, graphic, acoustic, audiovisual and the text used. OCEANMAN should respond to them within 15 days after the reception of the project.

## **ARTICLE 8 - FINANCIAL PROVISIONS**

### **8-1 The right to remain in the network**

The right to remain in the Oceanman network, the Franchisee pays the Franchisor two types of remuneration as listed in Annex 3 of this contract and they are derived as consequence of the following considerations:

#### **8-1-1 Fixed Remuneration or canon.**

To be paid in full annually and as compensation for services provided by the Franchisor in relation to:

- The granting of the franchise,
- The reputation and sale of the brand,
- The transfer of Know-How,

Annual Fee: 5.000 euros

The Franchisee will pay 50 % of this payment, amounting to €2,500 (excl. taxes), at the signing of this contract. The balancing payment (€2,500) will be paid within 60 days.

#### **- Paying system and inscriptions**

All the inscriptions for the OCEANMAN event will be done from through the web site [www.oceanman-openwater.com](http://www.oceanman-openwater.com)

OCEANMAN will have access at the control panel, being able to make modifications and access all the information of the participants.

The method/ system of paying is fixed through virtual TPV.

OCEANMAN will make weekly settling, payments, every Friday of the received amount during the week in the account designated by the franchisee, with previous extension of the bill.

The amount of the bill will be transferred in total except of the commissions established as variable and analysed in the following paragraph.

#### **- Guarantee**

As a deposit the franchisor will retain the first €3,000 received in respect of registrations and this will be paid to the franchisee the day after the Oceanman event.

#### **8-2-2 Variable Renumbering**

The Franchisee is understands that the brand and OCEANMAN system correctly implemented is vital for the success of the event.

Consistent with the previous, OCEANMAN will receive a variable amount that will be determined by the number of entries in the event and as detailed in Annex 3 indicated in the financial provisions of this contract.

**These variable amounts will be discounted from the weekly settlements.**

€4 per registration

Including TPV costs

### **8-2-3 Renting of the space**

During the event OCEANMAN could have access and use with the OCEANMAN logo, publicity spaces, stands, presentations, events and any other type of commercial activity or merchandising that could be of its interest. With that in mind OCEANMAN will provide the necessary contacts of firms, manufacturers, distributors etc. of the distinct materials which could be related with OCEANMAN and will collaborate with the network of other events.

OCEANMAN should respect the amounts established and the quality standards for the rent of the space mentioned on Annex 3.

OCEANMAN reserves the right to use the spaces necessary for the promotion of the firm, as well as the firms represented.

Revenue generated by the franchisor for sales of space in the expo zone will be entirely for the franchisor.

### **8-2-3 Sponsors**

Revenue generated by attracting sponsors will be distributed as follows:

- Local Sponsors: 100% franchisee
- Event Host Sponsors: 100% franchisee
- Institutional Sponsors from Event City: 100% franchisee
- Other Institutional Sponsors: 100% franchisor
- Global Sponsors Oceanman circuit: 100% franchisor

### **8-3 General provisions**

Any unpaid amount by the franchisee at the provided expiration date, will bring at his load interests and the delay of interests will be of legal increase of 50%, calculated after the sale expiration and till the payment is done, and without previous request.

Furthermore, any additional expenses of the management of the payment which could occur, such as lawyer, procedure payments, notary, etc, will be at the expense of the franchisee who will have to pay to OCEANMAN.

## **ARTICLE 9 - INDEPENDENCE OF THE FRANCHISEE**

It is recognised that the respect for certain regulations and rules are necessary for the benefit of the franchisee and the Know How that permit a harmony of their responsibility within the company, and their quality as independent commercial individuals.

The franchisee is an independent merchant and a business man, not only legally but also



economically.

The franchisee agrees to respect all the obligations and inherited legalities as an independent merchant, in particular with regards to the production of the best countability, being the only responsible that OCEANMAN can make responsible.

The franchisee will personally be responsible for the activities taking place by his company and will obtain the entire authorisation and licence necessary.

Therefore, is responsible for all the costs involved with the smooth running of his company.

The franchisee will never discuss any responsibilities at OCEANMAN for their actions and activities, their employees or managers of their company.

The franchisee cannot ask for any different activities apart from those mentioned and clarified in the present contract and, cannot use the firm in order to obtain or realise different activities.

### **ARTICLE 10 PERSONAL CHARACTER OF THE CONTRACT OF THE FRANCHISE**

**10-1** The present contract has been concluded taking into account xxxxxxxx, who directly and without any limitation has agreed to be indispensable in the future, and whose personal qualities are ideal to be franchisee and allow him to sign the present contract.

As a consequence, he cannot transfer his rights to a different person, unless previously agreed with OCEANMAN.

### **ARTICLE 11 - APPROVAL**

11.1 The present franchise contract has been concluded considering the personality, business qualities, commercial and professional of the franchisee and his administration, Mr. ...., his commitment to personally dedicate at the exclusive management of the franchise and the event during the period needed in order to achieve the best result.

### **ARTICLE 12 - RESOLUTION**

The resolution can be produced with the right of OCEANMAN without the legal necessity, and with a simple certificated letter initiated by OCEANMAN.

- In the case of dissolution of the franchisee, interdiction or incapacity of the leader;
- in case of the franchisee declaration or request, in competition of the creditors or initial of any other process or of extra judicial settlement or judicial of the company.
- in case the franchisee does not have the certificate mentioned in 4-4-3
- In case the franchisee does not have the event open at the timetable agreed and during the period of 15 days for whatever reason
- In case of the reasons mentioned in Article 10
- In case of not fulfilling any of the points mentioned in the article 11, 13 or 14
- In case of inappropriate communication and/or misleading or false at different franchisees of the network
- In case of failing to pay the amount mentioned in the article 8 within the established timetables

**12-2** Apart from the cases mentioned above in any case that the franchisee does not fulfil with the regulations and rules of the present contract, that could cause problems at the image of

OCEANMAN. The resolution could be done without the need of any legal action, just with a letter sent at the franchisee.

**12-3** The cancellation of the contract will not affect the application of the articles 12,14 and 15 of the present contract.

In the hypothesis that the franchise contract is incubated from OCEANMAN, for any reason including any other reason related to the negligence of the franchisee, the franchisee will have to pay at OCEANMAN the amount agreed.

### **ARTICLE 13 – NON COMPETITION CLAUSE**

**13-1** As an essential condition of the present contract it is clear that in order to preserve the Know How, the image of the firm in the network the franchisee will give up any other activity, directly or indirectly, that has to do with the direct competition of OCEANMAN.

**13-2** As a principal condition of the present contract, and with the aim to preserve the Know How, the fame. The identity of the firm in case of break up of the contract or of no-renovation, the franchisee cannot participate in any activities organised by the direct competition of the OCEANMAN.

**13-3** In case of breach of one or many of the obligations mentioned in 13-1 and 13-2, the franchisee is obliged to pay the amount of 5,000 Euros, without compromising the rights corresponding to OCEANMAN.

The termination of the contractual relationship of both parts does not generate the right to compensate the clients.

### **ARTICLE 15 – CONFIDENTIALITY**

The franchisee as well as his administration agree that throughout the duration of the current contract as well as for the period of 10 years after the termination of the present contract will not communicate, divulge or exploit for themselves or the benefit of a third party, any information, knowledge, Know How that is related to the methods of the franchise of OCEANMAN, and related to the event.

They are considered confidential with the presence of this contract, in particular, all information, knowledge, Know How communicated by OCEANMAN for the exploitation of the event, and all the elements included in the present contract.

Any attempt of the franchisee to exploit any aspect of the present contract, will be considered violation of the current contract. The franchisee is obliged to maintain the promise of confidentiality.

### **ARTICLE 15 – PARTS OBLIGATION AT THE EXTINCTION OF THE CONTRACT**

In case of termination or extinction of the present contract, for any reason, including in case of resolution, the following is expressively clear;

**15-1** The franchisee is obliged to immediately cease the exploitation of the event the use of the established label, the logo or any other sign that is related with OCEANMAN.

**15-2** The franchisee will immediately cease the absolute use in any way or form, of the know How, the methods, techniques and formulae related to the franchise, which have been communicated by OCEANMAN, I.e., emblems, posters, carts and any published element related to OCEANMAN, including any previous photos of previous events.

**15-3** The franchisee will immediately liquidate any bills owed to OCEANMAN.

#### **ARTICLE 16 – NOTIFICATION**

Any notification should be take place between franchisee and OCEANMAN with one of the following ways:

- Certificated letter with signature of receipt
- letter given by hand with a receipt
- telefax with signature of receipt.

#### **ARTICLE 17 – CLAUSE OF DIVISIBILITY**

If for any reason one or various clauses of the present contract cannot be applied, all the other clauses will carry on being valid and will have legal power between the two parts.

#### **ARTICLE 18: OCEANMAN TOLERANCE**

In the case that the franchisee does not execute his rights, it does not mean that OCEANMAN will stop exercising their rights in relation with the implications mentioned earlier.

#### **ARTICLE 19 – BREACH OF CONTRACT.**

All responsibility derived from costs during the event and those in case the event does not take place, for reasons not accountable by the Franchisor, will be born entirely by the Franchisee, who under no circumstances can make any posterior claim against the Franchisor.

#### **ARTICLE 20 - JURISDICTION**

In case of controversy or litigation for the interpretation or the execution of the present contract, as well as for the case of resolution or cancellation, the case will be refereed to the lawyers in Spain.

For the record and so it has full effect, conformity and acceptance, both parts sign the present contract, duplicate.

BY OCEANMAN

BY FRANCHISEE

### **ANNEX 1 TERRITORY**

The territory to which the contract relates covers the territory of XXXXXXXX wholly and exclusively, being the operating license for a single event in the throughout the territory and lasting for XXXX years from signing this contract.

### **ANNEX 2 MANUAL**

Received once 100 % payment of franchise is made.

### **ANNEX 3 FINANCIAL PROVISIONS**

Franchise Fee: 5,000 €

Per Participant Fee: 4 €

Exploration of expo zone directly paid direct to the franchisee: recommended price to exhibit in space 3x3  
100 € - 300 €.

ANNEX 1

TERRITORY

The area of influence or concerning the delimitation concerns:

- Zone.

ANNEX 2

MANUAL

ANNEX 3

FINANCIAL PROVISIONS