

## FREQUENTLY ASKED QUESTIONS

### Q. What is Under 500 franchise?

**A.** Under 500 is an innovative, healthy, home-style café concept that offers a wide selection of delicious, wholesome and healthy meal options under 500 calories.

Already a favourite amongst Dubai residents, Under 500 dishes are fresh, gourmet meals that help the client stay healthy and fit with every dish designed to incorporate nutrient dense ingredients.

Serving up a huge variety of wholesome and healthy meal options, bursting with nutritional ingredients, Under 500 offers a sumptuous a la carte breakfast, lunch and dinner menu.

Under 500 is redefining the healthy food with an interactive concept that combines high quality ingredients, open kitchens and industrial chic atmosphere in a fast casual setting. Under 500 respects the integrity of their team, the authenticity of their products, and are proud of Under500 heritage and most importantly the customer experience.

The size of a typical UNDER 500 outlet is between 700 sq. feet and 3,000 sq. feet. UNDER 500 serves multicultural middle to high-end income customers with a flow of 100 to 200 orders per day.

### Q. How much does the franchise cost?

**A.** The initial investment for an individual Under 500 outlet ranges from AED 960,000 to AED 1,500,000 (AED 1,230,000 on average) this includes Franchise Fee, 6 months rental, working capital, training and others.

### Q. How much does the franchise Fee cost?

**A.** Based on the level of support Under 500 intends to provide to its franchisees, the Franchise Fee for a Startup Franchise (Individual) is AED 130,000.

The Franchise Fee schedule for an Area Development:

Event	Franchise Fee	Remarks
Upon signing	<b>AED 312,000</b>	Development Fee Includes the Franchise Fee for the 1st unit & 50% of next 4 units
Upon opening 2 <sup>nd</sup> unit	<b>AED 52,000</b>	50% balance of the Franchise Fee
Upon opening 3 <sup>rd</sup> unit	<b>AED 52,000</b>	50% balance of the Franchise Fee
Upon opening 4 <sup>th</sup> unit	<b>AED 52,000</b>	50% balance of the Franchise Fee
Upon opening 5 <sup>th</sup> unit	<b>AED 52,000</b>	50% balance of the Franchise Fee
<b>TOTAL</b>	<b>AED 520,000</b>	

**Q. How much is the fee for continuing support services “Royalty Fee”?**

**A.** The continuing services, or “royalty fee,” is 7% of your gross sales and is paid monthly. This fee entitles you to use the Under 500 service mark, use of distinctive system, marketing assistance, ongoing business development and counseling, and other benefits that come with being an Under 500 franchisee.

**Q. Will I have an exclusive territory?**

**A.** Under 500 grants an exclusive territory for a minimum of 5 outlets and agreed upon case-by-case basis.

**Q. What about advertising?**

**A.** The Under 500 name and reputation is an important part of our business. You will spend at least 2.5% of your gross sales per month on local advertising. In addition, if we should establish fees for a Marketing Fund, you will be expected to make Marketing Fund contributions of up to 1.5% of your monthly gross sales.

**Q. How much training is provided in the Under 500 system?**

**A.** Under 500 Management will provide area developers franchisees with approximately 14 to 21 days of initial training at Under 500 headquarters or at a location designated by the Under 500 Management, beginning approximately 6 to 9 weeks before the franchisee is scheduled to open for business.

**Phase I** - Instruction will pertain to administrative, operational, and sales/marketing matters; it will also include a liberal amount of on-the-job training. This training will be provided for the franchisee and one (1) to two (2) designated attendees.

**Phase II** - On-site training typically takes place when the franchisee commences operations. Experienced trainers from Under 500 will provide on-site training for a period of 10 to 14 days to assist the franchisee in the commencement of operations.

**Q. What is the term of the Under 500 Franchise Agreement?**

**A.** The initial term of the Franchise Agreement is five years from the date the Franchise Agreement is signed. The franchise is renewable for four additional terms of five years each, providing you have complied with the provisions of the Franchise Agreement.



## **Q. What are the Support Systems provided by Under 500?**

**A.** In addition to field support, members of Under 500 organization will provide the services listed below:

**Operational Support** - Under 500 Management will provide ongoing training and support in many areas critical to the success of the franchisee's business, including unit operations and maintenance, customer-service techniques, product ordering, suggested pricing guidelines, and administrative procedures.

**Site Selection** - Prior to approving a site for Under 500 outlet, Under 500 Management will provide franchisees with clear guidelines for a suitable location. Under 500 will require franchisees to follow these instructions to ensure that an appropriate site is located.

**Marketing Support** - Under 500 Management coordinates development of advertising materials and strategies for the benefit of all members of the franchise network. It should also supply franchisees with consumer marketing plans and materials for use at the local or regional level, and retains the right to approve all local advertising materials that the franchisee chooses to develop.

**Purchasing** - Under 500 Management or its affiliate will negotiate quantity discounts on behalf of all of its members, passing some or all of these savings on to the franchisees.

**Accounting/Audit/Legal** - Reporting directly to administration, this department is responsible for the financial and legal oversight of franchisees.

**Internal Support** - The functional areas of training, purchasing, franchisee communications, and research and development are typically included in such a department.

**Ongoing Research and Development** - Under 500 Management continues to research methods and techniques for franchise operations (including purchasing and promotional schemes) that enhance unit-level profitability.

**Overall Program Oversight** - Under 500 Management provides the overall coordination and planning for the Under 500 franchise system.

## **Q. What is my next step?**

**A.** Simply complete the Franchise Application Form and return it to us. Upon receiving the form we will contact you. If you have any questions, in the meantime, please feel free to call us.

## FRANCHISEE EVALUATION FORM

**PRIVACY POLICY:** ALL INFORMATION PROVIDED IS KEPT CONFIDENTIAL AND WILL NOT BE DISCLOSED EXCEPT FOR PURPOSES OF VERIFICATION

### PRIMARY CONTACT INFORMATION

FIRST NAME	MIDDLE NAME	LAST NAME
DATE OF APPLICATION	PHONE NUMBER	EMAIL
CURRENT ADDRESS	CITY	COUNTRY

### APPLICANT'S FRANCHISE PLAN

ACTIVE / PASSIVE FRANCHISE OWNERSHIP?		
COMPANY NAME		
DATE OF ESTABLISHMENT	TYPE OF BUSINESS	PRODUCTS/SERVICES
PLEASE EXPLAIN OWNERSHIP STRUCTURE/ SHAREHOLDERS OF THE FRANCHISE		
AMOUNT OF CAPITAL AVAILABLE FOR THIS BUSINESS		
TERRITORY FOR WHICH APPLICATION IS MADE	WOULD YOU CONSIDER ANY OTHER AREA?	
AREA(S)?		

### THE MANAGEMENT TEAM

GIVE A COMPLETE RECORD OF YOUR POSITION, CONTACT INFORMATION, AND RESPONSIBILITIES WITHIN THE ORGANIZATION.

FULL NAME	
POSITION TITLE AND DUTIES	
PHONE NUMBER	EMAIL
ADDRESS	LENGTH OF SERVICE TO THE COMPANY

**CONFIDENTIAL FINANCIAL INFORMATION**

**BANKING RELATIONS**

Name and Location of Bank	Cash Balance	Amt. of Loan	Maturity of Loan	How Endorsed, Guaranteed or Secured

**ACCOUNTS, LOANS AND NOTES RECEIVABLE**

Name and Address of Debtor	Amount Owning	Age of Debt	Description of Nature of Debt	Description of Security Held	Date Payment Expected

**STOCKS AND BONDS**

Face Value (Bonds) No. of Shares (Stocks)	Description of Security	Registered in Name of	Description of Nature of Debt	Cost	Present Market Value	Income Received Last Year	To Whom Pledged

**BANK REFERENCES**

NAME ..... ADDRESS ..... .....
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In submitting the foregoing application and statement, the undersigned guarantees its accuracy with the intent that it be relied upon in granting a franchise to the undersigned and warrants that he/she has not knowingly withheld any information that might affect his/her credit risk, and the undersigned expressly agrees to notify Franchisor immediately in writing of any material change in his/her financial and in the absence of such written notice, it is expressly agreed that Franchisor in granting a franchise or credit may rely on this statement as having the same force and effect.

The undersigned consents and authorizes Franchisor to conduct a background check which may include investigation credit history. All information derived from the above shall be kept confidential and be used by Franchisor for internal evaluation purposes only.

The undersigned certifies that each part of the application and financial statements hereof and the information inserted herein has been carefully read and is true and correct.

Date: ..... Name: ..... Signed.....