

## FREQUENTLY ASKED QUESTIONS

### Q. What is Under 500 franchise?

**A.** Under 500 is an innovative, healthy, eatery 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 1,500 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 800,000 to AED 1,200,000 (AED 1,000,000 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 90,000.

The Franchise Fee schedule for an Area Development:

Event	Franchise Fee	Remarks
Upon signing	<b>AED 144,000</b>	Development Fee Includes the Franchise Fee for the 1st unit & 50% of next 2 units
Upon opening 2 <sup>nd</sup> unit	<b>AED 36,000</b>	50% balance of the Franchise Fee
Upon opening 3 <sup>rd</sup> unit	<b>AED 36,000</b>	50% balance of the Franchise Fee
<b>TOTAL</b>	<b>AED 216,000</b>	

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

**A.** The continuing services, or “royalty fee,” is 6% 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 3 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% 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.