



DISCLOSURE DOCUMENT

ACTIONCOACH BUSINESS COACH FRANCHISE
ActionCOACH Canada Master License Ltd.

CANADA

Master Licensee:**ActionCOACH Canada Master License Ltd.**

Organized under the Canada Business Corporations Act

519 17th Avenue Southwest, Suite 810

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1-800-700-3850

www.actioncoach.ca

Franchisor:**ACTIONCOACH CANADA LTD**

Organized under the Yukon Business Corporations Act

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Las Vegas, NV 89148 U.S.A.

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**IMPORTANT NOTICE**

If the franchise you are contemplating is to be wholly or partly operated in Canada, excluding the Province Quebec (collectively, the "Territory"), then this disclosure document is provided to you in accordance with the laws of the Provinces of Alberta, British Columbia, Manitoba, New Brunswick, Ontario and Prince Edward Island.

The provisions of this disclosure document and/or the submission by you of personal and/or credit information is in no way to be taken or construed as an agreement. An agreement can only arise upon the execution of the requisite Franchise Agreement by the parties thereto. You must receive this disclosure document not less than 14 days before the earlier of (a) signing by you of the Franchise Agreement or any other agreement relating to the franchise, or (b) the payment of any consideration relating to the franchise by you or on your behalf to ActionCOACH Canada Master License Ltd., ActionCOACH Canada Ltd. or any of its associates. In Alberta and Manitoba, the phrase "payment of any consideration" does not include the payment of a fully refundable deposit.

The terms of your Franchise Agreement will govern your franchise relationship. Don't rely on this disclosure document alone to understand your agreement. Read all of your contracts carefully. Show your contracts and this disclosure document to an advisor, like a lawyer or an accountant. There are specific laws on franchising for each Canadian province or territory. Ask your advisors or provincial or territorial agencies about them.

The information in this disclosure document, including any schedules, is confidential and proprietary to ActionCOACH Canada Master License Ltd. This disclosure document is being provided to you for your bona fide use in considering the purchase of an ActionCOACH Business Coach Franchise and for no other reason. Any other use, copying or disclosure of this disclosure document (or any part hereof) is strictly prohibited.

Date: August 1, 2019

Statements Required by the Alberta Franchises Act

Quoted below are Sections 9, 13 and 14 of the Alberta Franchises Act (the "Act").

"9. Misrepresentation in disclosure document. (1) If a franchisee suffers a loss because of a misrepresentation contained in a disclosure document, the franchisee has a right of action for damages against any or all of the following: (a) the franchisor; (b) every person who signed the disclosure document. (2) If a disclosure document contains a misrepresentation, a franchisee who purchases a franchise to which the disclosure document relates is deemed to have relied on the misrepresentation."

"13. Failure to give disclosure document. If a franchisor fails to give a prospective franchisee the disclosure document by the time referred to in section 4, the Prospective franchisee may rescind all the franchise agreements by giving a notice of cancellation to the franchisor or its associate, as the case may be, (a) no later than 60 days after receiving the disclosure document, or (b) no later than 2 years after the franchisee is granted the franchise, whichever occurs first."

"14. Effect of cancellation. (1) A notice of cancellation given under section 13 operates (a) to cancel the franchise agreements, or (b) in the case of an agreement that is an offer to purchase, to withdraw the offer to purchase. (2) The franchisor or its associate, as the case may be, must, within 30 days after receiving a notice of cancellation under section 13, compensate the franchisee for any net losses that the franchisee has incurred in acquiring, setting up and operating the franchised business."

Statements Required by the British Columbia Franchises Act

Below is an extract from Section 3 of the Franchise Regulations of the British Columbia Franchises Act (the "Act").

"A disclosure document must contain, presented together at the beginning of the document, the following statements:

A prospective franchisee should seek information on the franchisor and on the franchisor's business background, banking affairs, credit history and trade references.

A prospective franchisee should seek expert independent legal and financial advice in relation to franchising and the franchise agreement before entering into the franchise agreement.

A prospective franchisee should contact current and previous franchisees before entering into the franchise agreement."

Statements Required by the Manitoba Franchises Act

RISK WARNINGS

A prospective franchisee should seek information on the franchisor and on the franchisor's business background, banking affairs, credit history and trade references.

A prospective franchisee should seek expert independent legal and financial advice in relation to franchising and the franchise agreement before entering into the franchise agreement.

A prospective franchisee should contact current and previous franchisees before entering into the franchise agreement.

Lists of current and previous franchisees and their contact information can be found in this disclosure document.

Statements Required by the New Brunswick Franchises Act

RISK WARNINGS

A prospective franchisee should seek information on the franchisor and on the franchisor's business background, banking affairs, credit history and trade references.

A prospective franchisee should seek expert independent legal and financial advice in relation to franchising and the franchise agreement before entering into the franchise agreement.

A prospective franchisee should contact current and previous franchisees before entering into the franchise agreement.

Lists of current and previous franchisees and their contact information can be found in this disclosure document.

Statements Required by Ontario's Arthur Wishart Act (Franchise Disclosure), 2000

A commercial credit report is a report which may include information on the Franchisor's business background, banking information, credit history and trade references. Such reports may be obtained from private credit reporting companies and may provide information useful in making an investment decision.

Independent legal and financial advice in relation to the franchise agreement should be sought prior to entering into the franchise agreement.

A prospective franchisee is strongly encouraged to contact any current or previous franchisees prior to entering into the franchise agreement.

The cost of goods and services acquired under the franchise agreement may not correspond to the lowest cost of the goods and services available in the marketplace.

The proposed Franchise Agreement requires us and you to use commercially reasonable efforts to negotiate a settlement to the dispute within thirty (30) days from written notice by the other requesting to negotiate settlement. If we are unable to negotiate a settlement within the said thirty (30) day period, we shall have the right to elect whether or not to refer the dispute to mediation. Mediation will be conducted in accordance with the procedures of the ADR Institute of Canada's Arbitration Rules, unless the parties agree to use a different mediation service. The award and determination of the arbitrator shall be binding upon the parties and their respective heirs, executors, administrators or assigns. Should ACCL be a named party to the mediation, the mediation will be conducted in Las Vegas, Nevada in accordance with the rules laid out by the American Arbitration Association. Any dispute subject to negotiation and mediation, involving ACCL and not resolved within sixty (60) days, must be resolved exclusively by arbitration under the rules of the American Arbitration Association. If ACCL is a party to the arbitration, the exclusive venue of the arbitration shall be, at the option of ACCL, either Las Vegas, Nevada, USA or the city or county in which ACCL's principal office is located at the time demand for arbitration is filed.

Mediation is a voluntary process to resolve disputes with the assistance of an independent third party. Any party may propose mediation or other dispute resolution process in regard to a dispute under the franchise agreement, and the process may be used to resolve the dispute if agreed to by all parties.

Statements Required by Prince Edward Island's Franchise Act

RISK WARNINGS

A prospective franchisee should seek information on the franchisor and on the franchisor's business background, banking affairs, credit history and trade references.

A prospective franchisee should seek expert independent legal and financial advice in relation to franchising and the franchise agreement prior to entering into the franchise agreement.

A prospective franchisee should contact current and previous franchisees prior to entering into the franchise agreement.

Lists of current and previous franchisees and their contact information can be found in this disclosure document.

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Certificate, Schedules and Receipts

Certificate of Disclosure

Franchise and Other Agreements

A-1 The Practice Business Coach Franchise Agreement

A-2 The Firm - Franchise Agreement

A-3 Nominated Business Coach Agreement

A-4 Non-Disclosure and Non-Compete Agreement

A-5 Release

A-6 Compliance Questionnaire

B. Litigation, Bankruptcy and Related Matters

C. Communication System Specifications

D. Training Program

E. License, Registration, Authorization or other Permissions Required to Operate a Franchise in the Territory

F. List of Business Coach Outlets in Canada as of December 31, 2018

G. List of Business Coach Outlets that have left the System within the fiscal year ending December 31, 2018.

H. Termination, Renewal and Transfer Provisions of the Franchise Agreements

I. Financial Statements

J. Contents of Online Manual

K. General Security Agreement

L. Personal Guarantee

M. Receipts

INTERPRETATION

This disclosure document describes ActionCOACH business coach subfranchises ("Business Coach Franchise"). Throughout this disclosure document the term "franchise" will be used to refer to the subfranchise, and the term "franchisee" will be used to refer to the subfranchisee. ActionCOACH Canada Master License Ltd. offers the Business Coach franchise rights described in this disclosure document. ActionCOACH Canada Master License Ltd. is a Master Licensee of ActionCOACH Canada, Ltd., the franchisor of the ActionCOACH concept in Canada.

In this disclosure document:

"we," "us," or "our" means ActionCOACH Canada Master License Ltd., the Master Licensee;

"ACCL" means ActionCOACH Canada, Ltd., the franchisor of the ActionCOACH concept in Canada;

"Franchise" means the ActionCOACH business coaching franchise that Master Licensees sell and support in their territory;

"Franchisee", or "You" means the person or legal entity [includes a corporation, partnership or other legal entity] (collectively "legal entity") and their owners, officers and directors] who is buying the franchise. If a legal entity acquires the franchise, each person who owns an interest in the entity must sign a personal guaranty in the form attached to the Franchise Agreement (see Schedules A-1, A-2, A-3 and A-4);

"Franchise Agreement" means the Franchise Agreement (see schedules A-1 through A-4);

"Territory" shall mean Canada, excluding the Province of Quebec.

Section 1.

OUR BUSINESS BACKGROUND

Our Name and Address

ActionCOACH Canada Master License Ltd.
519 - 17th Avenue Southwest
Suite 810
Calgary AB, T2S 0A9

The Name under which We Engage in Business

ActionCOACH and/or ActionCOACH Business Coaching

Our Principal Business Address

Our principal business address is located at 519 -17th Avenue Southwest, Suite 810, Calgary, AB, T2S 0A9.

The following persons are authorized to accept service on our behalf in parts of the Territory, namely, Manitoba and Ontario:

In Manitoba:

Leegals Express Legal Services Ltd.
306 - 414 Graham Avenue
Winnipeg, Manitoba
R3C 0L8

In Ontario:

Dipchand LLP
1515 – 401 Bay Street
Toronto, Ontario
Canada M5H 2Y4

Our Business Form

We are a federally incorporated company registered under the Canada Business Corporations Act on March 27, 2018.

Our Business Experience

We have engaged in the line of business associated with the ActionCOACH business coach franchise since May 2018.

ActionCOACH Canada Ltd. ("ACCL") was incorporated in September 2006 under the Business Corporations Act of Yukon and was the franchisor of the ActionCOACH franchise business in Canada since 2007.

ACCL offered ActionCOACH business coach franchises in British Columbia and Ontario (then excluding the regions of Halton (Burlington, Halton Hills, Millton, Oakville), York (Aurora, Markham, Richmond Hill, Vaughan) and Peel (Brampton, Caledon and Mississauga)) since 2007. In July 2012, ActionCOACH OneCo LLC ("ACOC"), a Delaware, USA limited liability company acquired the master license rights in the Territory and began offering business coach franchises therein. The master license rights for the excluded geographical areas in Ontario were held by Action Business Coaching, Inc. ("ABCI") until August 2014 and until December 2016 for the entire Province of Alberta, after which time ACOC acquired the master license rights over the said excluded territories. On May 1, 2018, (a) ACOC surrendered its master license rights to ACCL, and (b) we acquired from ACCL the rights to the ActionCOACH concept in the Territory.

The table below shows the number of outlets opened by ActionCOACH business coach franchisees in the Territory during the years 2012 through 2016. Some franchisees may own more than 1 outlet as permitted under their franchise agreement.

<u>Year</u>	<u>Outlets Opened</u>
2013	1
2014	3
2015	2
2016	4
2017	3
2018	2

Action COACH IPCo, Ltd. ("ACIP") owns the ActionCOACH Marks, the System, and the Confidential Information within the ActionCOACH system and has granted ACCL the right to license and authorize the sublicensing of these intellectual properties within the Territory. In turn, ACCL has granted us the right to sublicense these intellectual properties within the Territory.

ACCL grants master license franchises in specific geographic areas by means of a separate disclosure document. This disclosure document does not describe the master license franchise opportunity granted by ACCL.

ActionCOACH Global Marketing Fund (Pty) Ltd. ("ACGM") in Australia was organized in 2012 for the purpose of managing and administering the Marketing and Advertising Fees collected from franchisees in the Territory beginning July 1, 2012. ACGM's registered office is Unit 1, 44 Borthwick Avenue, Murrarie, QLD 4172.

Other companies globally have secured rights to the ActionCOACH system to engage in the same business activity in other regions of the world.

Details of Other Franchises Offered by Us

We do not engage in any franchise-based business other than ActionCOACH.

Section 2.

OUR DIRECTORS AND OFFICERS

Named below are our directors and principal officers and those who have management responsibility relating to the sale or operation of ActionCOACH Business Coach franchises in the Territory. Their prior relevant business experience and 5-year employment history is also disclosed below.

Dale Monette

Director
ActionCOACH Canada Master License Ltd.
May 2018 – Present

Vice President of Finance
Proxima Asset Management Ltd. – Real estate investment and service firm
January 2017 – Present

Chief Executive Officer
Homeowners Now Inc. - Real estate investment and services firm that focuses solely on residential rent-to-own transactions
October 2015 – Present

Partner
Proxima Consulting Corp. - Full-service business consultation firm serving clients in real estate matters, corporate finance, investment management, construction/development, and fashion.
September 2014 – Present

Managing Director
Ninja Group Ltd. – Investment holding company
June 2014 – Present

Client Service Director
Robert Half Management Resources - Project management and business development services
June 2015 – June 2017

Senior Associate
Ernst & Young LLP - Assurance and taxation services for public and private companies
September 2011 – February 2015

Director of Finance and Chairman of EFR Committee
Foundation for Democratic Advancement – Advisory support
June 2011 – July 2014

Rajan Rakheja

Director
ActionCOACH Canada Master License Ltd.
May 2018 – Present

VP Acquisitions
PROXIMA ASSET MANAGEMENT LLP
Jan 2018 – Present

Adjunct Professor in Radiology/Nuclear Medicine
University of Saskatchewan
Jun 2013 – Present Employment

Managing General Partner
Jacksonville Multi-Family Fund LLC
Jan 2013 – Present

Owner
RRNW Investment Corp
2013 – Present

Section 3.

NATURE OF THE BUSINESS

Master licensees like us deliver ActionCOACH business coaching and mentoring services through ActionCOACH business coaches. ActionCOACH business coaches deliver services to small and medium business enterprises by using a business format and materials created by Bradley J. Sugars, an entrepreneur and business coach who founded the ActionCOACH concept (then known as Action International) in the early 1990s.

The ActionCOACH Business Coach Franchise Models

We offer 2 models of the ActionCOACH Business Coach franchise, namely, (1) the FIRM, (2) the PRACTICE,

This disclosure document describes the terms and conditions upon which we currently offer the ActionCOACH Business Coach franchises. We reserve the right, in our sole discretion, to grant, or not to grant, a Business Coach franchise to you, regardless of the stage of the franchise application process or costs expended by you. There may be instances where we have varied, or will vary, the terms on which we offer franchises to suit the circumstances of a particular transaction.

This disclosure document summarizes certain key features of the Business Coach franchise. Descriptions in this disclosure document are required to be brief and are for general informational purposes only. In many cases, the body of the disclosure document may contain excerpts or summaries of the Franchise Agreement or other documents. The actual Franchise Agreements will be controlling, and you should refer to the Schedules to this disclosure document for additional information. You should understand that a fundamental requirement of your joining and remaining part of the ActionCOACH System will be your commitment to the operation of your Business Coach franchise according to the System, as ACCL may modify it from time to time.

We urge you to carefully review this disclosure document, the Franchise Agreement and related agreements (including a comparison to any prior agreement if a replacement of an existing franchise agreement is involved) with persons who can provide you with legal, business and economic guidance, such as your lawyer and accountant.

We may offer the models of Business Coach franchises described below. You and we will determine which type of Franchise Agreement you will sign based on our subjective assessment of your ability and desire to mentor other business coaches. All Business Coaches perform the same business coaching functions, but there are certain differences, as described below.

The FIRM Business Coach Franchise

This is the top level of franchise investment we may grant to you. If you are purchasing a FIRM franchise, you will sign the FIRM Business Coach Franchise Agreement (see Schedule A-1). With a FIRM franchise, you are given the right to operate the franchise business within an exclusive Territory. This Territory will be defined in your Franchise Agreement, and will ensure a population of up to 250,000 peoples.

Generally, the owner of the FIRM franchise will provide coaching services himself/herself as Nominated Business Coach for the franchise and will lead a team of Employee Business Coaches ("EBCs"). You have the right to create a team of an unlimited number of Employee Business Coaches to provide coaching

services to Clients. However, you must employ a minimum number of EBCs (employee business coaches) (see Schedule A-1).

Business Coaches: The Nominated Business Coach and the Employee Business Coach

An important term in the Business Coach Franchise is the Business Coach, who is the individual authorized to provide coaching services to Clients on behalf of your Business. Business Coaches are classified as either a "Nominated Business Coach" (NBC) or an "Employee Business Coach" (EBC).

In all of our franchise models, you as the franchise owner must, generally, act as NBC for the business throughout the Term. You may appoint another person to act as NBC in your place provided that (i) we approve in writing for you to appoint a Nominated Business Coach, and (ii) the proposed NBC has (a) been approved by us and trained by ACCL; (b) signed a Nominated Business Coach Agreement with you and us (see Schedule A-5); and (c) been given direct responsibility for all business operations of the franchise, as the case may be, and the authority to bind you in any dealings with us or ACCL. Because the personal relationship between Business Coach and Client is so critical to the ActionCOACH concept, only one (1) person may be an NBC for any franchise at any given time.

In a FIRM franchise, in addition to the NBC you may also appoint an unlimited number of individuals to serve as EBCs, provided that each of those individuals has been approved by, trained by ACCL, and has signed an Employee Business Coach agreement with you. For each EBC, you must pay a training fee of \$5,000 for the 5-day training and a Quarterly Conference and Technology Fee.

The PRACTICE Business Coach Franchise

The PRACTICE is a business coaching business which runs as a single unit operation. If you purchase the PRACTICE franchise, you are granted the right to operate the franchise business within a Designated Territory. You will sign the PRACTICE Business Coach Franchise Agreement (see Schedule A-3). Ordinarily you (or, if a legal entity, a 50% or more owner of the franchise) must personally serve as the Nominated Business Coach throughout the term of the Franchise Agreement. You may appoint another individual to serve as NBC in your place only if: (i) we consent in writing to the appointment of a different NBC; (ii) the proposed NBC has been approved by us and completed the 10-day training by ACCL; and (iii) the proposed NBC has signed a Nominated Business Coach Agreement with you and us. The appointed NBC will have direct responsibility for all business operations of the Business Coach franchise and the authority to bind you in any dealings with us or ACCL. The PRACTICE has only 1 business coach. There are no EBCs in a PRACTICE franchise.

Option to Upgrade to Next Level of Franchise Model

After signing a Franchise Agreement with us and if you are not in breach of the Franchise Agreement, you shall have the option to upgrade to the next level of franchise model in the order indicated below. In lieu of paying the franchise fee for the new franchise, an upgrade shall be subject to the payment of an Upgrade Fee (see Item 6) and any federal or state requirements for the grant of the new franchise:

From PRACTICE to a FIRM

The Market for Business Coach Services and Risk Factors

If you are a PRACTICE (Pro), PRACTICE and PRACTICE (Premium) franchisee, you may compete for Clients with other ActionCOACH franchisees that operate in your Designated Territory. If you are a FIRM franchisee, you have an exclusive territory only, so you will not compete for Clients with other Business Coach franchisees in your territory. However, franchisees may also have to compete with other national and local coaching businesses offering business and executive coaching, consulting, mentoring and business training programs and similar products and services. You will face both typical and special

business risk factors, including changing market conditions; competition; cost of supplies, equipment, capital and labor; your own health and continuity of your management; availability of financing; recession or depression locally, nationally, or internationally; wars; strikes; emergencies; natural and manmade disasters; litigation; and liability and casualty losses. Your success is primarily dependent upon your financial, management and other resources, your personal business, marketing, management judgment and other skills, your willingness to work hard, as well as your proper use of the System. Another risk factor is your dependence upon key personnel, the loss of whom could have an adverse effect on your business. Also, our ability to fulfill our obligations under the Franchise Agreement depends in part on our present and future financial condition. Litigation risks may also exist, including future litigation that may not be foreseeable. See Section 4 of this disclosure document for certain legal matters.

Section 4.

LITIGATION, BANKRUPTCY AND RELATED MATTERS

Please see Schedule B for a description of relevant litigation, bankruptcy and/or related matters.

Section 5.

YOUR ESTIMATED INITIAL INVESTMENT

For a FIRM Franchise

Type of Expenditure	Amount	Method of Payment	When Due	To whom payment is to be made (note 1)
Franchise Fee (note 2)	CAD 139,000	Lump sum	When you sign Franchise Agreement	Master Licensee
Firm Franchisee 10-Day Training Fee (note 3)	CAD25,000 covering up to 2 individuals	Lump sum	When you sign the Franchise Agreement	Master Licensee, but Master Licensee forwards to ACCL
Travel to Initial 10-Day Training (note 3)	CAD250 to CAD1,000 per trainee	As incurred	As incurred	Airlines, hotels, etc.
EBC/Key Personnel Training Fee (note 3)	CAD5,000	Lump sum	14 days before training session begins, paid on an as incurred basis	Payable to ACCL at least 14 days prior to the training session. Fees do not cover travel, lodging and the meals outside of the training sessions.
Travel to EBC/Key Personnel Training (note 3)	CAD1,500 to CAD2,500 per trainee	As incurred	As incurred	Airlines, hotels, etc.
Quarterly Conference and Technology Fee (note 4)	CAD495, plus CAD395 per EBC/Key Personnel	Lump sum	1st day of each quarter	ACCL

Type of Expenditure	Amount	Method of Payment	When Due	To whom payment is to be made (note 1)
Travel Expenses for Mandatory Regional Conference (note 3)	CAD2,000 to CAD5,000 depending on timing of conferences	As incurred	Before conference and/or as incurred	Airlines, hotel, etc.
Computer, Telephone & Office Equipment (note 5)	CAD0 to CAD25,000	As incurred	As incurred	Equipment suppliers
Non-Coach Email Addresses (note 6)	CAD70 fee for setup per user	As incurred	As incurred	ACCL
Marketing Materials & Inventory (note 7)	CAD1,000 to CAD15,000	As incurred	Upon ordering or at delivery	Suppliers
Insurance (note 8)	CAD1,000 to CAD2,000	As incurred	Before you start business	Third party insurance providers
Additional Funds (for first 3 months of operation) (note 9)	CAD10,000 to CAD45,000	As incurred	Varied times	Suppliers and/or Vendors
Own Web Site (subject to approval of ACCL)	CAD0 to CAD5,000	As incurred	As incurred	Third Party supplier
CRM (note 10)	CAD50 to CAD150	As incurred	As incurred	Third Party supplier
Rent (note 11)	CAD1,500 to CAD22,500	As incurred	Monthly	Third Party
Security Deposit (note 12)	CAD750 to CAD7,500	As incurred	As incurred	Third Party
TOTAL (note 13)	CAD190,750 to CAD303,350			

NOTES:

(1) All payments to us and ACCL are non-refundable with the exception of the Franchise Fee as further detailed in Note 2 below. Whether any of the costs payable to third parties are refundable will depend upon the arrangements you make with those parties.

(2) Subject to Attachment 6 of the Firm Franchise Agreement if you fail to reach certain sales figures in the first twelve months of becoming a franchisee, you have the right, but not the obligation, to terminate your Franchise Agreement and receive a full refund of the Franchise Fee, which specifically excluded the right to be reimbursed for any Training Fees. .

(3) You pay a training fee for your initial/10-day training. All transportation costs to and from training, as well as all lodging costs, are your responsibility. However, normal meals during training are included in the 10-day training fee. Any incidental costs incurred during any of the training sessions are your responsibility. The estimates are for travel by 2 attendees and assume that training will be held in Las Vegas, Nevada. The high range of the estimate for the EBC training fee assumes that you will appoint, and Franchisor will train, 1 EBC during the first 3 months of your FIRM's operations. The estimated travel costs

for the EBC training is also for 1 trainee only. At least once per year, ACCL organizes a Regional Conference (including the Business Excellence Forum) that you and your EBCs must attend. Conference fee for you and your EBCs and Key Personnel at the regional conference is included in the Quarterly Administrative Fee. However, travel to and from, accommodation during and meals outside the regional conference are for your account. It is possible that one of the mandatory conferences will occur during the initial months of your franchise. In addition, at least once per year, ACCL organizes a Global Conference which may be held outside of Canada. You and your Business Coaches are not required to attend the Global Conference. You will have to pay a registration fee for each person attending the Global Conference as well as travel, accommodation and meal costs for the global conference.

(4) You must pay ACCL a Quarterly Conference and Technology Fee. This fee covers conference fee for you and your EBCs at the annual regional conference (including the Business Excellence Forum), the use of the ActionCOACH website, website hosting, an ActionCOACH email address and related technology support. The high range of the estimate assumes that 1 EBC will be appointed by you and trained by Franchisor during the first 3 months of your FIRM's operations.

(5) You must have a computer, specific software, Internet access, printer, scanner, fax and general office equipment. If you already have equipment meeting ACCL's specifications, no expenditure will be necessary. See Schedule C for our current communications system specifications. You should consider obtaining a toll-free telephone number if you plan to serve Clients outside of your local calling area.

(6) E-mail addresses are not transferable. New users cannot re-use by adjusting names on existing e-mail addresses.

(7) At start-up, we will provide you with on-line selection of marketing materials for initial publicity and marketing. The estimate is for additional products, media and stationery, and marketing materials.

(8) You must obtain general business insurance that meets requirements that ACCL specifies periodically, but in no event less than the minimum insurance requirements under applicable law. Currently, we require CAD1,000,000 of professional liability insurance, CAD1,000,000 of general liability insurance, disability or business interruption insurance, worker's compensation insurance, and any other insurance required by law or your office lease or mortgage. We and ACCL must be listed as an additional insured in the policy or policies.

(9) This estimate is for additional funds that you may need before operations begin and during the first 3 months of operation. The estimate includes miscellaneous startup costs such as deposits, license fees (if any), and legal and accounting fees, and any ongoing operating expenses such as the, Marketing and Advertising Fee, equipment leases, inventory, and supplies. It also includes fees you may pay professional advisors to assist you with specific know-how, methods, or technology you deem necessary to be able to competently provide services to your Clients. It does not include any compensation you may choose to pay yourself. The high range of the estimate also includes expenses for hiring or contracting 1 EBC. You will need capital to support these and other ongoing costs of your business. Your costs will depend on factors such as how closely you follow our recommended systems and procedures, your technical, marketing and general business skills, local economic conditions, the local market for your business and competition. We do not guarantee that the estimated amounts will be adequate for your business. You may need substantial additional funds during the first 3 months of operation or afterwards. The figures provided are not an estimate of the funds you will need to reach "break-even" or any other financial position.

(10) You will be required to purchase Customer Relationship Management (CRM) software. Estimates provided are rates from a current ACCL approved provider.

(11) You must operate your FIRM from a professional office space located within your Territory. There is no formal office space requirement for the first 12 months, however thereafter the minimum space requirement of your office is 1,400 square feet. We suggest that you lease the office space and if possible, for the first 6 months, lease serviced office space with suitable meeting and conference rooms. Our estimate of rent costs is based on a serviced office or similar arrangement. Traditional commercial office

leasing may require a fit-out and will cost significantly more. Due to the large variance in commercial office lease costs we are unable to provide cost estimates for that type of office.

(12) It is likely that you will be required to pay a security deposit for your office space.

(13) The above table outlines the estimated initial investment to establish a typical FIRM Business Coach franchise. As noted above, the figures listed are not all-inclusive. For example, they do not include tax obligations or provide for your cash needs to cover any financing incurred by you, Marketing and Advertising Fee, other employee and management salaries and benefits, or other ongoing operating expenses. Your costs will vary and may exceed the estimate set out above.

For all Franchise Models

You should not plan to draw income during the start-up and development stage of your ActionCOACH business, the duration of which will vary and cannot be predicted by us and may be longer than the 3-month initial period referred to above. You should have additional sums available to cover other expenses and any operating losses you may sustain. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including whether you are converting an existing ActionCOACH Business Coach franchise, your rate of growth, and the performance of your business.

We offer financing for the purchase of multiple territories only, but only as it relates to a portion of the Franchising Fee as further outlined in Section 8.

If you obtain financing from others, the cost of financing will depend upon many factors, such as your creditworthiness, the collateral you offer, the lender's lending policies, economic conditions, etc.

These figures are just estimates and we cannot guarantee that you will not have higher costs, or that you will ever achieve profitability. ACCL relied on business coach franchisees' experience in Canada to compile these estimates. Your costs will depend upon factors such as how closely you follow ACCL's methods and procedures; your management skill, experience and business acumen; the level of demand for coaching services; and competitive conditions. Since costs can vary significantly, we recommend that you obtain independent estimates from third-party vendors and your accountant of the costs which would apply to your establishment and operation of an ActionCOACH Business Coach franchise, and carefully evaluate the adequacy of your total financial resources and reserves. You should review all of these figures carefully with a business advisor before making any decision to invest in a franchise.

For a PRACTICE Franchise

Type of Expenditure	Amount	Method of Payment	When Due	To whom payment is to be made (note 1)
Franchise Fee (note 1)	CAD49,000	Lump sum	When you sign Franchise Agreement	Master Licensee
Franchisee Training Fee (note 2)	CAD25,000	Lump sum	When you sign the Franchise Agreement	Master Licensee, but Master Licensee forwards to ACCL

Type of Expenditure	Amount	Method of Payment	When Due	To whom payment is to be made (note 1)
Travel, accommodations and meals during to 10-day Training (note 2)	CAD250 to CAD1,000	As incurred	As incurred	Airlines, etc.
Travel Expenses for Mandatory Annual Regional Conference (note 2)	CAD500 to CAD2,500 depending on timing of conferences	As incurred	Before conference and/or as incurred	Airlines, hotel, etc.
Quarterly Conference and Technology Fee (note 2)	CAD495	Lump sum	1st day of each quarter	ACCL
Computer, Telephone & Office Equipment (note 3)	CAD0 to CAD4,000	As incurred	As incurred	Equipment suppliers
Non-Coach Email Addresses (note 4)	CAD70 fee for setup per user	As incurred	As incurred	ACCL
Marketing Materials & Inventory (note 5)	CAD1,000 to CAD2,500	As incurred	Upon ordering or at delivery	Suppliers
Insurance (note 6)	CAD1,000 to CAD2,000	As incurred	Before you start business	Third party insurance providers
Additional Funds (for first 3 months of operation) (note 7)	CAD5,000 to CAD11,000	As incurred	Varied times	Suppliers and/or Vendors
Own Web Site (subject to approval by ACCL)	CAD0 to CAD5,000	As incurred	As incurred	Third Party supplier
CRM (note 8)	CAD50 to CAD150	As incurred	As incurred	Third Party supplier
Rent (note 9)	CAD0 to CAD3,000	As incurred	Monthly	Third Party
Security Deposit (note 10)	CAD0 to CAD750	As incurred	As incurred	Third Party
TOTAL (note 11)	CAD83,850 to CAD107,950			

NOTES:

(1) All payments to us and ACCL are non-refundable. Whether any of the costs payable to third parties are refundable will depend upon the arrangements you make with those parties.

(2) You pay a training fee for your initial/10-day training. All transportation costs to and from the training are your responsibility. However, lodging and normal meals during training are included in the training fee. Any incidental costs incurred during any of the training sessions are your responsibility. The estimates are for travel by 1 trainee and assume that training will be held in Las Vegas, Nevada. At least once per year, ACCL organizes a Regional Conference (including the Business Excellence Forum) that you must attend. Conference fee for you at the regional conference is included in the Quarterly Conference and Technology Fee. However, travel to and from, accommodation during and meals outside the regional conference are for your account. It is possible that 1 of the mandatory conferences will occur during the initial 3 months of operation of your franchise. In addition, at least once per year, ACCL organizes a Global Conference which may be held outside of Canada. You are not required to attend the Global Conference. You will have to pay a registration fee and your own travel costs.

(3) You must have a computer, specific software, Internet access, printer, scanner, fax and general office equipment. If you already have equipment meeting ACCL's specifications, no expenditure will be necessary. See Schedule C for our current communications system specifications. You should consider obtaining a toll-free telephone number if you plan to serve Clients outside of your local calling area.

(4) E-mail addresses are not transferable. New users cannot re-use by adjusting names on existing e-mail addresses.

(5) At start-up, we will provide you with on-line selection of marketing materials for initial publicity and marketing. The estimate is for additional products, media and stationery, and marketing materials.

(6) You must obtain general business insurance that meets requirements that ACCL specifies periodically, but in no event less than the minimum insurance requirements under applicable law. Currently we require CAD1,000,000 of professional liability insurance, CAD1,000,000 of general liability insurance, disability or business interruption insurance, worker's compensation insurance and any other insurance required by law or your office lease or mortgage. We and ACCL must be listed as an additional insured in the policy or policies.

(7) This estimate is for additional funds that you may need before operations begin and during the first 3 months of operation. The estimate is based upon information reported by ACCL's existing Business Coaches and we have not verified it. The estimate includes miscellaneous startup costs such as deposits, license fees (if any), and legal and accounting fees, and any ongoing operating expenses such as the Royalty Fee, Marketing and Advertising Fee, employee expenses, equipment leases, inventory, and supplies. It also includes fees you may pay professional advisors to assist you with specific know-how, methods, or technology you deem necessary to be able to competently provide services to your Clients. It does not include any compensation you may choose to pay yourself. You will need capital to support these and other ongoing costs of your business. Your costs will depend on factors such as how closely you follow our recommended systems and procedures, your technical, marketing and general business skills, local economic conditions, the local market for your business and competition. We do not guarantee that the estimated amounts will be adequate for your business. You may need substantial additional funds during the first 3 months of operation or afterwards. The figures provided are not an estimate of the funds you will need to reach "break-even" or any other financial position.

(8) You will be required to purchase CRM software. Estimates provided are from a current ACCL approved provider.

(9) You may operate from home. If you do lease office space, we suggest that you lease, if possible, for the first 6 months, lease serviced office space with suitable meeting and conference rooms. Our estimate of rent costs is based on a serviced office or similar arrangement. Traditional commercial office leasing may require a fit-out and will cost significantly more. Due to the large variance in commercial office lease costs we are unable to provide cost estimates for that type of office.

(10) It is likely that you will be required to pay a security deposit for your office space.

(11) The above table outlines the estimated initial investment to establish a typical PRACTICE franchise. As noted above, the figures listed are not all-inclusive. For example, they do not include tax obligations or provide for your cash needs to cover any financing incurred by you, Royalty Fees, Marketing and Advertising Fee, employee and management salaries and benefits, or other ongoing operating expenses. Your costs will vary, and may exceed the estimate set out above.

For all Franchise Models

You should not plan to draw income during the start-up and development stage of your ActionCOACH business, the duration of which will vary and cannot be predicted by us and may be longer than the 3-month initial period referred to above. You should have additional sums available to cover other expenses and any operating losses you may sustain. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including whether you are converting an existing ActionCOACH Business Coach franchise, your rate of growth, and the performance of your business.

We offer financing for the purchase of multiple territories of the Firm franchise, but only as it relates to a portion of the Franchising Fee as further outlined in Section 8.

If you obtain financing from others, the cost of financing will depend upon many factors, such as your creditworthiness, the collateral you offer, the lender's lending policies, economic conditions, etc.

These figures are just estimates and we cannot guarantee that you will not have higher costs, or that you will ever achieve profitability. ACCL relied on business coach franchisees' experience in Canada to compile these estimates. Your costs will depend upon factors such as how closely you follow ACCL's methods and procedures; your management skill, experience and business acumen; the level of demand for coaching services; and competitive conditions. Since costs can vary significantly, we recommend that you obtain independent estimates from third-party vendors and your accountant of the costs which would apply to your establishment and operation of an ActionCOACH Business Coach franchise, and carefully evaluate the adequacy of your total financial resources and reserves. You should review all of these figures carefully with a business advisor before making any decision to invest in a franchise.

Section 6.

OTHER FEES AND COSTS

In the tables below, "Gross Revenues" means the total receipts derived from services performed and products sold by or in connection with your Business Coach franchise and determined on an accrual basis. Any property or services you receive from Clients in exchange for business coaching services or products must be included in Gross Revenues at their fair market value at the time received. Gross Revenues also include any proceeds you may receive from business interruption insurance. Gross Revenues do not include sales taxes or other taxes that you collect from Clients and pay directly to the appropriate governmental authorities.

The figures listed in the tables below under Royalty Fee are **NOT** earnings claims or financial performance representations and should not be considered as a guide for possible revenues.

Unless otherwise indicated, the fees and payments described in the tables below are not refundable. For each type of fee or payment, you must use the payment method we designate. You must furnish us and your bank with any authorizations necessary to make payment by the methods we require.

FIRM Business Coach Franchise

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	CAD2,000 or 10% of preceding month's Gross Revenue ("GR"), whichever is higher	1 st of each month.	Starts on the 2 nd Month after you or your NBC completes the training program. See Note 1 below for definition of "Gross Revenues".
Marketing and Advertising Fee	5% of your Gross Revenues during the preceding month, to max of \$1,500 per month	5 th of each month.	No fee with respect to Gross Revenues in the month in which you or your NBC complete the training program or in the following month.
Quarterly Conference and Technology Fee	CAD495, plus CAD395 per EBC/Key Personnel	1st day of each quarter	Paid to ACCL; Starts on the quarter after you, your NBC or your EBC complete training
Renewal Fee	CAD5,000	When you sign Renewal Franchise Agreement	Paid if you choose to renew at the end of the initial franchise term.
Transfer Fee	CAD5,000	With submission of request for approval of transfer	Paid if you sell your franchise.
Relocation Fee	CAD10,000	When we approve your request	This fee applies only if you relocate your franchise from the Territory to the territory of another master licensee. It does not apply if you relocate within your Territory
Franchisee Training (before renewal)	CAD25,000 per trainee	14 days before training session begins	Applies if we require you to remedy non-compliance by attending franchisee training before we will renew your franchise.

Type of Fee	Amount	Due Date	Remarks
Employee Business Coach and Key Personnel Training (5-Day Training)	CAD5,000 per trainee, subject to change by ACCL.	14 days before training session begins	Each EBC and Key Personnel (after you begin operating the FIRM) you appoint must complete ACCL's 5-Day training program at the then-current fee. We will publish the current fee when the training session is announced. Fees do not cover travel or lodging, however meals during training sessions are provided.
Additional Training	Up to CAD1,000 per day	14 days before training session begins	Payable only if we require you to attend additional training at our offices based on your failure to meet Minimum Performance requirements.
Mandatory Annual Regional Conference	Approximately CAD2,500 per year	Before conference begins	Conference fee for Franchisee/NBC and his/her EBCs are included in the Quarterly Conference and Technology Fee. You are responsible for travel costs. We may also conduct interim conferences that are not mandatory.
Interest Charges	1.5% per month or maximum legal rate	With payment of underlying amount due	Payable only if you are late in payment.
Inspection and Audit Costs	Actual cost of examination or audit by a Big-4 accounting firm, including travel expenses for the examiner or auditor.	Within 5 business days after your receipt of inspection or audit report	Payable only if the inspection or audit shows an understatement of 5% or more of the correct amount due.
Insurance Reimbursement	Amount paid by us or ACCL	On demand for reimbursement	Payable only if you fail to obtain coverage and we or ACCL purchase it on your behalf.
Liquidated Damages upon default	Present value of Royalty Fee and Marketing and Advertising Fee stream for lesser of 2 years or remaining term, minus our expenses saved	On termination of Franchise Agreement	Payable only if we terminate your agreement for default.

Type of Fee	Amount	Due Date	Remarks
Liquidated Damages upon your breach of obligations relating to Marks or Confidential Information or breach of restrictive covenants	CAD250,000 plus enforcement costs if we prevail in any legal action	Upon specified breaches of Section 15 or 16 the Franchise Agreement	Payable only if you breach the Franchise Agreement obligations relating to the Marks or Confidential Information or the restrictive covenants contained in the Franchise Agreement.
Enforcement Costs	Actual costs	On demand for reimbursement	You must pay all of our and ACCL's investigation costs, collection costs, and attorneys' fees resulting from your default under the Franchise Agreement, if we or ACCL prevail in any legal action or arbitration.
Indemnification Costs	Actual losses or expenses incurred by us, ACCL, and ACIP	On demand for reimbursement	You must indemnify us, ACCL and ACIP against all claims, expenses, and liabilities arising from the operation of your Business Coach franchise. Does not apply to liabilities that arise from gross negligence or willful acts by us or ACCL or its affiliates.
Amendment Fee	Our reasonable costs, estimated at CAD500 to CAD700	On demand for reimbursement	If you request an amendment to the Franchise Agreement during the term of your agreement, you must reimburse us (and ACCL, if applicable) for the reasonable costs we incur in connection with the amendment, including reasonable attorneys' fees.

PRACTICE Business Coach Franchise

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	CAD2,000 or 10% of preceding month's Gross Revenue ("GR"), whichever is higher	1 st of each month.	Starts on the 2 nd month
Marketing and Advertising Fee	5% of Gross Revenues ("GR") during the preceding month but not more than CAD1500 per month	5 th of each month.	Starts on the month after you or your NBC complete the training program.
Quarterly Conference and Technology Fee	CAD600	1st day of each quarter	Paid to ACCL; Starts on the quarter after you or your NBC attend training
Renewal Fee	CAD 5,000	When you sign Renewal Franchise Agreement	Paid if you choose to renew at the end of the initial franchise term.
Transfer Fee	CAD 5,000	With submission of request for approval of transfer	Paid if you sell your franchise.
Relocation Fee	CAD5,000	When we approve your request	This fee applies only if you relocate your franchise from the Designated Territory to the territory of another Master Licensee. It does not apply if you relocate within your Designated Territory

Type of Fee	Amount	Due Date	Remarks
Upgrade Fee to a Firm	CAD 90,000	Upon signing of the Firm Franchise Agreement	Payable only if you are not in breach of your franchise agreement and you want to upgrade to the Firm Franchise. This fee is in lieu of the franchise fee for the Firm. An upgrade is subject to applicable federal and province requirements for the sale of the Firm franchise.
Franchisee Training (before renewal, replacement NBC)	CAD25,000 per trainee	14 days before training session begins	Applies if we require you to remedy non-compliance by attending franchisee training before we will renew your franchise, or if you appoint another person to be the NBC who must complete ACCL's training program before acting as your NBC.
Additional Training	Up to CAD1,000 per day	14 days before training session begins	Payable only if we require you to attend additional training at our offices based on your failure to meet Minimum Performance requirements.
Mandatory Annual Regional Conference	Approximately CAD2,500 per year	Before conference begins	Conference fee is waived for you (or your NBC attending on your behalf). You are responsible for your travel costs. We may conduct interim conferences that are not mandatory.
Interest Charges	1.5 % per month or maximum legal rate	With payment of underlying amount due	Payable only if you are late in payment.
Inspection and Audit Costs	Actual cost of examination or audit by a Big-4 accounting firm, including travel expenses for the examiner or auditor.	Within 5 business days after your receipt of inspection or audit report	Payable only if the inspection or audit shows an understatement of 5% or more of the correct amount due.
Insurance Reimbursement	Amount paid by us or ACCL	On demand for reimbursement	Payable only if you fail to obtain coverage and we or ACCL purchase it on your behalf.

Type of Fee	Amount	Due Date	Remarks
Liquidated Damages upon default	Present value of Royalty Fee and Marketing and Advertising Fee stream for lesser of 2 years or remaining term, minus our expenses saved	On termination of Franchise Agreement	Payable only if we terminate your agreement for default.
Liquidated Damages upon your breach of obligations relating to Marks or Confidential Information or breach of restrictive covenants	CAD250,000 plus enforcement costs if we prevail in any legal action	Upon specified breaches of Section 15 or 16 the Franchise Agreement	Payable only if you breach the Franchise Agreement obligations relating to the Marks or Confidential Information or the restrictive covenants contained in the Franchise Agreement.
Enforcement Costs	Actual costs	On demand for reimbursement	You must pay all of our and ACCL's investigation costs, collection costs, and attorneys' fees resulting from your default under the Franchise Agreement, if we or ACCL prevail in any legal action or arbitration.
Indemnification Costs	Actual losses or expenses incurred by us, ACCL and ACIP	On demand for reimbursement	You must indemnify us, ACCL and ACIP against all claims, expenses, and liabilities arising from the operation of your Business Coach franchise. Does not apply to liabilities that arise from gross negligence or willful acts by us or ACCL or its affiliates.
Amendment Fee	Our reasonable costs, estimated at CAD500 to CAD700	On demand for reimbursement	If you request an amendment to the Franchise Agreement during the term of your agreement, you must reimburse us (and ACCL, if applicable) for the reasonable costs we incur in connection with the amendment, including reasonable attorneys' fees.

Section 7.

EARNINGS AND OPERATING COSTS PROJECTIONS

Operating Costs

The information and charts which appear in Sections 5 and 6 of this disclosure document contain, in certain instances, information that could be used to assist you in creating your own projections on annual operating costs.

Earnings

ESTIMATES OF ANNUAL OPERATING COSTS & GROSS REVENUE PROJECTIONS

Other than as set out in this Section 7, we do not give or authorize our sales persons to give written or oral information concerning the actual potential sales, costs, income or profit of an ActionCOACH franchise. In the event that a representative of ours has provided written or oral information related thereto to you, such information is inapplicable to you, does not form a part of this Disclosure Document and should not be relied upon by you in any way as a representation of the operating costs and/or gross revenues of a franchise.

If any such information, promises, representations and/or warranties has been provided to you: (i) they have not been authorized, they should not be relied on, we will not be bound by them, and, if you do rely on such information, promises, representations and/or warranties, you do so at your own risk; and (ii) we urge you to immediately notify us, in writing, with respect to such information prior to the purchase of your franchise, that is, prior to the signing of the Franchise Agreement.

This Section 7 presents financial performance information for the reporting period of January 1, 2018 – December 31, 2018 that we obtained from each franchise in Canada which operated for the duration of the entire 2018 calendar year. All reporting franchises opened for business prior to January 1, 2018, so were open for at least twelve (12) months. The financial performances of the four (4) franchises which left the system during the 2018 calendar year are not included in the figures set out in this Section 7.

All franchisees operating in Canada are required to report their Gross Revenues through an intranet system maintained by ACCL. Accordingly, all reported revenue during the 2018 calendar year which is reflected in this Section 7 was reported during the period when ACOC owned the master license rights to ActionCOACH for Canada. We have not taken any steps, nor are we aware of any steps having been taken by ACOC, or any other party to audit or verify the accuracy of these reported revenues.

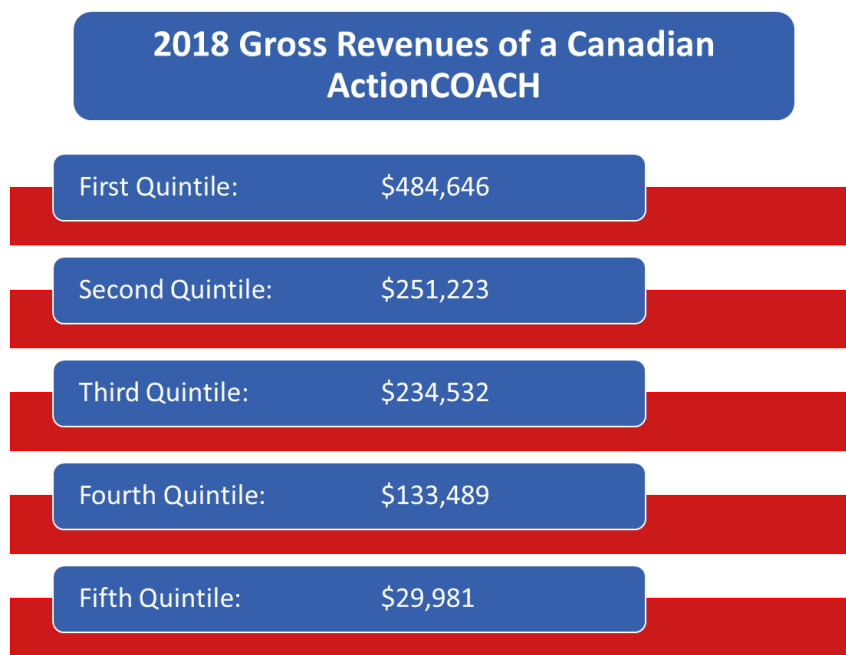
The success of your franchise will depend largely upon your individual abilities and your market, and the financial results of your franchise are likely to differ, perhaps materially, from the results summarized in this Section. You should not use this information as an indication of how well your franchise will do. A number of factors will affect the success of your franchise. These factors include the current market conditions, the type of market in your franchise area, the location of your franchise, the proximity of competition, and your ability to operate the franchise.

You cannot assume that your franchise will attain the same earnings as those shown below. The results of each unit will depend on a number of factors outside of our control, including your skills and ability, the nature of your territory and the fluctuating market and general economic conditions. The Gross Revenues provided below should not be considered as the probable sales, income, gross or net profits or earnings that may be realized any individual franchisee.

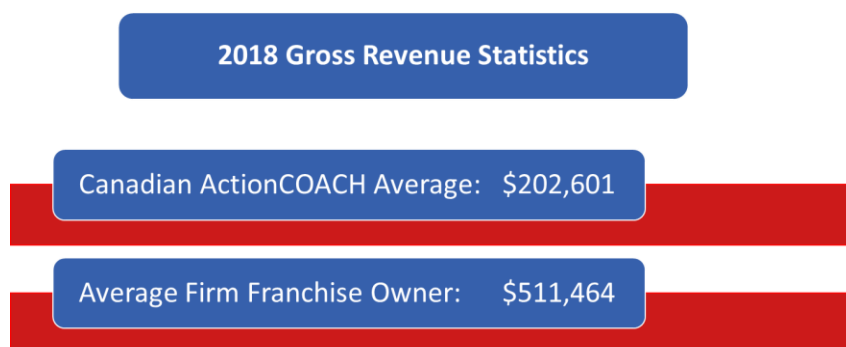
As actual costs and financial results will vary from one location to another and as between our corporate locations and each franchise location, prior to entering into any franchise agreement with us, we urge you to conduct appropriate due diligence and to seek and obtain independent financial and legal advice before

proceeding so that you will fully understand the legal and financial implications of becoming involved with and operating an ActionCOACH franchise.

During the twelve (12) month period, commencing January 1, 2018 and ending December 31, 2018, the average annual Gross Revenues of the twelve (12) ActionCOACH franchises which had operated continuously in Canada throughout the 2018 calendar year are as follows:



The twelve (12) reporting franchisees have been divided in the foregoing infographic into five quintiles comprised of two (2) franchisees in the first quintile, two (2) franchisees in the second quintile, two (2) franchisees in the third quintile, three (3) franchisees in the fourth quintile and three (3) franchisees in the fifth quintile. The foregoing infographic reflects the average Gross Revenues of each group of reporting franchisees in each quintile during the 2018 calendar year.



The first line of the foregoing infographic reflects the average Gross Revenues of all twelve (12) ActionCOACH franchises in Canada which had operated continuously throughout the 2018 calendar year. The second line of the foregoing infographic reflects the average Gross Revenues of the franchisees in Canada which operated ActionCOACH franchised businesses under the "Firm" concept during the 2018 calendar year.

There are many variables which can affect the financial performance of any franchise, including the state of the market and a franchisee's efforts and abilities. A franchisee is likely to achieve results that are different, possibly significantly and adversely, from the results shown in this Section. We do not make any promises or representations of any kind that a franchisee will achieve any particular results or level of sales or profitability or even achieve break-even results in any particular year of operation.

You should use this information only as a reference in conducting your own analysis and preparing your own projected income statements and cash flow statements.

The figures included above do not reflect any of the operating expenses or other costs or expenses that may be incurred by a typical franchisee. The figures above will vary depending on many factors, such as: (a) geographic location; (b) competition from other providers; (c) advertising effectiveness; (d) pricing; (e) prices on supplies; (f) salaries and benefits; (g) insurance costs; (h) ability to generate clients; (i) client loyalty; (j) fees and other amounts payable under the Franchise Agreement; (k) employment conditions in the market; and (l) rent. You should conduct an independent investigation of the costs and expenses you will incur in operating your business.

Information which substantiates the information provided is available at our head office upon request.

ACCORDINGLY, THIS INFORMATION SHOULD NOT BE CONSIDERED AS THE ACTUAL OR POTENTIAL REVENUES, EXPENSES, PROFITS OR EARNINGS THAT WILL BE REALIZED BY ANY SPECIFIC FRANCHISEE. WE DO NOT REPRESENT THAT ANY FRANCHISEE CAN EXPECT TO ATTAIN THESE REVENUES AS DISCLOSED.

Note to Franchise Transferees:

The selling franchisee may provide you with actual financial records of the franchise you are purchasing, including financial statements, and information with respect to operating costs. We make no representations, conditions, warranties or guarantees about the accuracy or completeness of such information and we encourage you to consult with your professional advisors when reviewing such records, statements and information.

Section 8.

GUARANTEE, SECURITY INTERESTS and FINANCING

We may offer direct financing to you (ONLY eligible for multi-territory purchase of the Firm franchise), which is offered on a case to case basis on the terms and conditions outlined below. We will not guarantee any note, lease, or other obligation you may make to others.

Financing Terms and Conditions:

1. We will finance up to a max of 50% of the Franchise Fee Only;
2. Term is to be for 5 years
3. Interest Rate set at 10%;
4. Monthly blended payments of Principal plus Interest;

5. Financing will be conditional on the full Training Fee of \$25,000 being paid, as well as the execution of a General Security Agreement, Promissory Note, and Personal Guarantee (further provided for in Schedules K and L).

If you sign a Franchise Agreement with us as a corporation or any other legal entity or you wish to transfer your Franchise Agreement to a corporation or other legal entity, all owners of the entity must personally guarantee its obligations to us. The current form of personal guarantee is Attachment 2 to the Franchise Agreement. Your spouse does not have to sign a personal guarantee unless he or she is an owner.

Section 9.

ASSISTANCE OFFERED BY US, ADVERTISING, TRAINING AND COMPUTER SYSTEMS

Our Obligations Before You Start Business

Before you begin your business, we will:

Arrange for you to attend the initial training program provided by ACCL. (Franchise Agreement - Section 7.1(A)).

Help you write the initial "Your Action Plan" document, which serves as a blueprint for your start-up. (Franchise Agreement – Section 7.1(B))

Provide you pre-opening guidance and supply you on-line access to advertising and promotional materials. (Franchise Agreement – Section 7.1(C)).

Assist you in determining the location of your office. However, the final selection of the location is your responsibility. (Franchise Agreement – Section 7.1(D)).

Loan you a copy of the *Confidential Operating Manuals* via on-line access containing mandatory and suggested specifications, standards, operating procedures and guidelines prescribed by ACCL. (Franchise Agreement - Section 7.1(G)). The Manuals are confidential and remain the property of ACCL. ACCL modifies the Manuals but the modifications will not alter your status and rights under the Franchise Agreement. ACCL has implemented an online WIKI format version of the Manuals and no longer provide written Manuals. A description of the contents of the Manual is attached to this disclosure document as Schedule J.

Arrange for ACCL to provide you access to the ActionCOACH intranet (assuming that you have the necessary computer and communications equipment in place before opening; otherwise, access will be provided once the equipment is in place).

B. Time to Open

The typical length of time between signing the Franchise Agreement and starting business is about 1 to 2 months. The principal factors that affect this length of time are the scheduling of your ActionCOACH initial training and the time needed for your pre-opening preparations.

Our Obligations After Opening

After you open for business, we will:

Provide opening assistance, once your office is ready for operation. (Franchise Agreement - Section 7.1(C)).

Each week for the first 90 days after you start business, we will provide you an opportunity to communicate either via personal telephone calls, team captain calls or team calls to discuss your operational challenges and to provide guidance for your marketing, sales and coaching activities. (Franchise Agreement - Section 7.1(D))

We will arrange for you to attend ACCL's annual conferences to discuss marketing strategies, coaching techniques, training, performance standards, advertising programs and procedures. (Franchise Agreement – Section 7.1(F))

We will conduct marketing programs for the Territory, and ACCL will conduct marketing programs on a regional or national basis. (Franchise Agreement – Section 5.2)

We will inform you of any changes and improvements to the System that ACIP or ACCL may develop and authorize for use by Business Coaches. (Franchise Agreement – Section 7.1(H))

We will provide assistance in conducting workshops and seminars for Clients and potential clients, our schedule permitting. (Franchise Agreement – Section 7.1(I))

Training Programs

10-Day Training Program

Satisfactory completion of this training program is mandatory for all franchisees and their NBCs. The 10-Day training will take place in Las Vegas, Nevada, USA unless ACCL designates a different location. We will inform you of upcoming training dates and locations before you sign the Franchise Agreement. You will attend this training program after signing the Franchise Agreement and paying the franchise fee and training fee and before opening for business. If you fail to complete this training program, we may terminate your Franchise Agreement.

5-Day Training Program

Satisfactory completion of this training program is mandatory for all EBCs of the FIRM and PRACTICE (Premium) franchisees. This training program will take place in Las Vegas, Nevada, USA unless ACCL designates a different location. We will inform you of the upcoming training dates and locations. Your EBCs will attend this training after signing an EBC Agreement with you and after you pay the training fee. You are responsible for the cost of travel, accommodations and meal costs (except meals during training breaks) for this training program. If any EBC fails to complete this training program he/she will not be permitted to provide business coaching services.

Trainers

The training programs and trainers are under the direction of ACCL personnel. The instructors are ActionCOACH franchisees and business coaches who have varying lengths (but at least twelve 12 months) of personal experience in marketing, sales, coaching, and diagnostic methods that they have used in their own businesses. Instructional materials and techniques used include the Manuals, discussion notes, PowerPoint slides, case studies, flipcharts, and role-playing.

Subsequent Training

Except if you have failed to meet Minimum Performance requirements, we offer, but do not require you or any of your personnel and Business Coaches to attend additional or advanced training. If you elect to attend additional training or we require you to attend for failure to meet Minimum Performance

requirements, you must pay whatever charge is made by us or by third party trainers, if any, plus travel, food, and accommodations, and all other necessary expenses, which are subject to increase.

Mandatory Attendance at Conferences

You must attend ACCL's annual regional conference (including the Business Excellence Forum). You may, but are not obligated to attend the annual global conference. You may, but are not obligated to, have any of your Business Coaches attend the regional conference or the global conference. Your conference fee for the annual regional conference is included in the quarterly administrative fee. However, you shall be responsible for your travel and living expenses during said conference.

See also Schedule D of this disclosure document for more details regarding the training programs.

Marketing and Advertising

ACGM, under the direction of ACCL, administers a portion of the Marketing and Advertising Fees collected from franchisees in Canada (currently 5% of Gross Revenues for the preceding month). We remit 40% of the portion of the Marketing and Advertising Fees to ACCL and keep 60% thereof. ACGM and/or ACCL will use these funds for global, regional or national marketing while we use our portion of the funds for national or local marketing. We, ACGM and ACCL do not have any contractual obligation to contribute our own funds for marketing or advertising purposes.

ACCL directs all marketing programs supported by the Marketing and Advertising Fees collected from franchisees and remitted to ACGM (see Section 6), with final discretion over creative concepts, materials, and media used in the programs and their placement. ACCL's portion of the Marketing and Advertising fees may be used for any activities that ACCL believes would benefit ActionCOACH businesses generally, including national and international advertising, promotion, production of advertising and promotion, marketing research and development, public relations, Internet, and reasonable administrative expenses related to these efforts (see Section 5 of the Franchise Agreement.). The media where advertising may be disseminated may be print, mail, telephone, radio, television, Internet, or any other media. Coverage of the media may be local, regional, or national. Creative materials may be produced in-house or by a national or local advertising agency. We intend to use our portion of the Marketing and Advertising Fees for the same activities on a regional, national or local level.

During the year ending December 31, 2018 the marketing and advertising fees collected from franchisees that were administered by ACCL were spent as follows:

Media and Marketing Placement	75%
Others (including R&D)	40%
Royalties Paid to ACOC	40%
Total	155%

What this above information reflects is that ACCL has spent 55% more marketing funds to the benefit of franchisees than required.

During the years ending December 31, 2016 and December 31, 2017, the marketing and advertising fees collected from franchisees that went to ACOC were spent as follows:

Media Placement	27.44%
Administrative Expenses	1.70%
Others (including R&D)	0.55%
Retained by ACCL/ACGM	70.31%
Total	100%

We project that for the year ending December 31, 2019 an estimated 60% of the total marketing and advertising fees will be spent on marketing and advertising in Canada. It is projected that ACGM will retain

40% of the portion that goes to it for global or regional advertising, while we project to retain 40% of the portion that goes to us for national or local advertising.

Any Marketing and Advertising Fees not spent in the fiscal year in which we collect them are retained for use in future years. We, ACCL and ACGM do not use Marketing and Advertising Fees to solicit for the sale of franchises. We, ACCL and ACGM are not required to spend any specific amount on advertising in your local area or for the benefit of your Business Coach franchise. Neither we nor ACCL represents or guarantees that you will benefit from marketing programs in proportion to your contributions.

You may not publish or distribute any advertising or promotional material without our approval. If we object to any advertising or promotional material that you are using, you must immediately stop using it. If you operate a web site, you must obtain our prior approval as to the design, content, and appearance of the website, and we require that you use our approved supplier for design, development, and hosting. We may require you to make your web site accessible only from our site or to not create links to other sites.

Marketing Development Fund.

Neither we nor ACCL have a Franchise Leadership Council that advises on advertising policies. At this time we also have not implemented the Marketing Development Fund. We do reserve the right to create both of them at a future date, to the extent permitted by applicable laws in the Country

If established, the Marketing Development Fund ("Fund") will promote the System in Canada. Depending on which franchise you operate, you must pay a monthly fee per month to the Fund. This amount will be determined by the Franchise Leadership Council at that time.

The media in which advertising will be disseminated may be print, radio, social media, television, or any other media. The media coverage may be local, regional, or national in scope, depending on the type of advertising. As of the date of this Disclosure Document, if formed, we intend to formulate, develop and conduct the marketing programs for the Fund, although in the future we may use an in-house advertising department or a national or local advertising agency.

We have the right to form, change, dissolve or merge the Fund. The Fund will not be audited, but we will furnish annual, unaudited statements of receipts and disbursements for your review. The Fund is not a trust or escrow account, and we have no fiduciary duty with respect to the Fund.

We will administer the Fund. All franchisees, if established, will be required to contribute to the Fund. Company-owned outlets will contribute to the Fund on the same basis as franchisees.

IF launched, we will establish a Franchise Leadership Council to serve in an advisory capacity on advertising and marketing programs. In consultation with the Franchise Leadership Council, we will set the annual expenditure budget and advertising strategy for the Fund. Once we determine that there are enough franchises in your market, we will establish a Franchisee Ad Council for that market which will consist of Us, You and all other franchisees located in your local market area. To the extent that we provide monies from the Fund to local markets, each member of the Franchisee Ad Council in that market will have one vote in determining the annual expenditure budget and advertising strategy for that portion of the Fund that will be spent in your local market. The affirmative vote of 2/3^{rds} of the Franchisee Ad Council who vote on a proposal is necessary to approve the proposal. We have the power to form, change or dissolve these councils.

We do not receive payment for providing services to the Fund, other than reimbursement for our direct expenses in connection with marketing research, marketing studies, development of advertisements, and development of marketing strategies and programs.

As of the date of this Disclosure Document, the Fund was not set up and no money was spent on advertising. We have no obligations to spend any amount on advertising in the area where you are located. If all fees paid into the Fund are not spent in the fiscal year, the excess will be carried over for future use.

Fund monies will not be spent for activities that are principally for the solicitation of the sale of franchises.

Section 10.

YOUR OBLIGATION TO PARTICIPATE IN THE FRANCHISE OPERATION

In all franchise models, only 1 person may be a NBC at any given time. Ordinarily, you must personally serve as the NBC throughout the franchise term. You may appoint another individual to serve as NBC in your place only if we approve you in writing to appoint a NBC. We will only approve a NBC if he or she: (a) has been approved by us and trained by ACCL; (b) has signed a Nominated Business Coach Agreement (in Schedule A-5) with you and us; and (c) has direct responsibility for all business operations of the franchise and the authority to bind you in any dealings with us and ACCL. This person does not need to have an ownership interest in your business. We generally approve a proposed NBC unless the individual has a poor record of business performance.

If you wish to transfer your Franchise Agreement to a legal entity, all owners of the entity must personally guarantee its obligations to us. The current form of personal guarantee is Attachment 2 to the Franchise Agreement. Your spouse does not have to sign a personal guarantee unless he or she is an owner.

Section 11.

RESTRICTIONS OR REQUIREMENTS IN RELATION TO CERTAIN ITEMS

Obligations to Purchase or Lease from Us

ActionCOACH Products

We offer a range of books, printed materials, CDs, DVDs, and board games for business owners. These items are proprietary to ACIP. Some of the titles are published by McGraw-Hill and available through Amazon and Barnes and Noble. The remaining items are not available from other sources, so you must purchase them from us or our preferred suppliers if you want them.

Other Goods and Services

Except for the proprietary products you purchase from us, you may generally purchase your equipment, software, supplies, and other items from any reputable manufacturer or supplier.

If you choose to build and maintain a web site, you must obtain our prior approval of the design, content and appearance of the website and use ACCL's approved supplier for design, development and web hosting to ensure compliance with ACCL's requirements for usage of the ActionCOACH marks and intellectual property.

If we publish standards for non-proprietary equipment, software, telephone lines, Internet service, supplies, stationery, or other items, you must use only items meeting the standards. If you receive notice from us of a change in the applicable standards, you must comply with the new or revised standards as soon as practicable.

You are also required to purchase a CRM system from an ACCL approved supplier.

Specifications and Supplier Approvals

There are no written criteria, no fees, and no formal process for supplier approval at this time. ACCL may issue specifications and standards in the Manuals or separate directives, in writing or orally, and may modify them at any time. ACCL issues specifications based on its subjective determination of quality, value and appearance.

We estimate that your purchases of goods and services subject to ACCL's specifications will constitute about 10% of your total purchases and leases (excluding your initial franchise fee and training fee) in establishing the business. We estimate that, during the operation of your franchise, your purchases of goods and services subject to ACCL's specifications will constitute about 50% to seventy 75% of your total expenses for goods and services.

Preferred Vendors

ACCL occasionally establishes strategic relationships with independent companies for the benefit of Business Coach franchisees. These relationships are formed so you may have access to the beneficial products and services these companies provide. These products and services will generally be made available to you at costs below what the general public or other users would pay for the same product, *service, or information.

As of May 31, 2018, ACCL has preferred vendor relationships with the following companies:

Associated Companies	Products
Bucket List	Life coaching and training services
Engage and Grow	Employee engagement programs
Luv4 Marketing	SEO, social media and online marketing services
ProfitPlus Accounts	Bookkeeping and business planning services

Independent Companies	Products
Assessment 24/7	DISC and VAK
Empire Business Brokers	Business broker services
FedEx	Shipping services
GoToMeeting/GoToWebinar	Virtual meeting and webinar platform
Henry Wurst	Stationary supplies, print materials, CDs and DVDs
Hewlett-Packaged (HP)	Computer Equipment
Lands End Apparel	Apparel and Gear
Office Depot	Office supplies and printing services
Paycom	HR and payroll services
<u>Refer.com</u>	Referral marketing services
Sally Hogshead	The Fascinate program
Soffront	CRM
Timetrade	Online appointment scheduling software
T-Mobile	Cellular products and services

TriNet	HR services
UPS	Shipping services
Vista Print	Signage, clothing, awards and promotional products
WSI	Website creation and CRM

In some cases, the above companies are currently the only source of the product or service. While ACCL encourages you to form relationships with the above companies and to use their products and services since they offer high quality goods and services, you are, however, not required to use them unless (i) the products and services you require involve the use of ACCL's proprietary marks or information; (ii) you are building or maintaining your web site; or (iii) for CRM software and related services. In those cases, you must use the applicable approved supplier.

Engage & Grow, Bucket List, Luv4 Marketing and ProfitPlus Accounts are associated companies where Mr. Sugars holds ownership interest. These companies offer products and services that may complement or supplement the business coaching, mentoring and training services offered by franchisees. They are approved suppliers but are not exclusive suppliers. Franchisees are not required to purchase the products or services of these companies. Franchisees may source similar products and services from other suppliers.

In fiscal year ended December 31, 2018, neither ACOC nor ACCL received any rebates from any manufacturer or supplier designated by ACOC or ACCL. In the cases where any volume discounts, rebate fees or discount bonuses (whether by way of cash, kind or credit) are received by us or ACCL from any such manufacturer or supplier, whether or not on account of purchases made (i) by the us or ACCL for its own account or for yours, or (ii) by you directly for your own account, we or ACCL shall be entitled to retain the whole of the amount or any part of such volume discounts, rebate fees or discount bonuses.

Neither we nor ACCL provides material benefits to you (for example, additional renewal rights or additional franchises) because of your purchases of particular products or services or your use of designated or approved suppliers.

Computer and Communications Systems

You must acquire, maintain, update and/or upgrade computer hardware and software for managing the business, performing accounting functions, and communicating with us. We do not require you to purchase computer hardware from a specific manufacturer and you can choose to purchase either a laptop or desktop computer. We do require you to obtain a system (Intel or AMD) that is capable of running Microsoft Windows 7 and Microsoft Office 2007 with PowerPoint or a system capable of running the latest version of MacOS. You must also have or acquire an external hard drive, Adobe Reader software, Quickbooks or equivalent finance software, anti-virus software, a web browser, broadband connectivity, fax capabilities and an uninterruptible power supply and surge protect. More detailed specifications are found in Schedule C.

You must acquire a CRM software from an ACCL approved supplier for managing your interactions with clients and sales prospects. This software provides sales reporting and analysis, information management and communication management. All branded materials or items (those containing proprietary marks or information) must be acquired through a supplier approved by ACCL. If ACCL publishes standards for non-proprietary equipment, software, telephone lines, Internet service, supplies, stationery, or other items, you may purchase these items from any reputable manufacturer or supplier if the items meet the applicable standards. If you receive notice from us or ACCL of a change in the standards, you must comply with the new or revised standards as soon as practicable.

ACCL reserves the right to make changes in the computer and communications system specifications. Neither we, ACCL, any affiliate, nor any third party is obligated to provide ongoing maintenance, repairs, upgrades, or updates to your computer system. You must acquire, maintain, upgrade and update hardware,

software, and ISP or other communications system during the term of the franchise, at your own expense. There are no limitations on ACCL's right to require upgrades and updates. ACCL does not currently recommend or require a specific type of maintenance, updating, upgrading or support contract.

You will use the information and communications system to report to and communicate with us, for your accounting, and for other tasks we may designate. You must transmit information to us daily or at other intervals that we specify and in the form and manner we specify. You must also give us and ACCL independent access to the ActionCOACH-related information that will be generated and stored in your computer system. There are no contractual limits on our right to access the information, including sending our representatives to your office location to access your computer system.

You may offer only the coaching services and related products that ACCL has approved for sale by Business Coaches in your Designated Territory. You may not offer any legal advice, accounting services, or other professional advice or services which require a license from the government. You must offer all products and services that ACCL specifies to be made available to Clients. ACCL may change the types of authorized goods or services. ACCL or we will communicate any changes to you. There are no limits on ACCL's right to make changes in this area.

Restrictions on What and To Whom You May Sell

You may offer only the business coaching services and related products that ACCL has approved for sale by Business Coaches in Canada. You may not offer any legal advice, accounting services, or other professional advice or services which require a license from the Canadian government, or any state or province therein. You must offer all products and services that ACCL specifies to be made available to Clients. ACCL may change the types of authorized goods or services. ACCL or we will communicate any changes to you. There are no limits on ACCL's right to make changes in this area.

You may not advertise in any media whose primary circulation or footprint is outside your DDMA (FIRM) or Designated Territory (PRACTICE); and you may not engage in direct marketing to customers or prospects outside of your DDMA (FIRM) or Designated Territory (PRACTICE). Web advertising will be subject to the terms and conditions ACCL specifies. If you receive a request from a Client or prospective Client to provide services outside of your Designated Territory, you must refer the request to ACCL. If the prospective Client's principal office is outside of your DDMA (FIRM) or Designated Territory (Practice) or the Territory and no Business Coach has been licensed to operate in that area, then ACCL may refer the prospective Client back to you for coaching services.

Our Policy regarding Rebates, etc.

In the cases where any volume discounts, rebate fees or discount bonuses (whether by way of cash, kind or credit) are received by us or ACCL from any such manufacturer or supplier, whether or not on account of purchases made (i) by the us or ACCL for its own account or for yours, or (ii) by you directly for your own account, we or ACCL shall be entitled to retain the whole of the amount or any part of such volume discounts, rebate fees or discount bonuses.

Section 12.

TERRITORY

The FIRM

We grant the right to operate a FIRM franchise from 1 specific location approved by us. You are granted geographical exclusivity in this Territory. Your Territory (FIRM) will include a population of a maximum of 250,000. We will use Government of Canada data to determine the population in the territories (Statistics Canada website)

The Territory is described in Attachment 3 of the Franchise Agreement by contiguous postal codes and/or cities or municipalities. After we grant you a FIRM franchise, we will not grant a franchise nor license others to engage in any Direct Marketing to businesses within your Territory. However, if any existing franchisee(s) have an existing right to provide Coaching Services and engage in Direct Marketing within the Territory you have selected, we will provide details of each franchisee in Attachment 3 of the Franchise Agreement, and those franchisees will retain their Direct Marketing rights within your Territory and will compete with you.

Your Territory may be materially different to the Territory of other franchisees due to differences in business population, density, business type, number of employees employed by the business, annual revenues or other local economic and market conditions. We are under no obligation to grant you similar or like demographic profiles as other franchisees. The Territory may fluctuate in size during the term due to factors beyond our control, such as an increase or decrease in population or the number of existing businesses due to economic or other conditions or a change in demographics. A reduction in the population or number of businesses or change in the demographic of the Territory will not result in a refund or reduction in the franchise fee. An increase in the number of businesses of the Territory will not result in your payment of an additional franchise fee.

You can locate your office anywhere in the Territory at a location we approve. Your initial office location will be specified in the Franchise Agreement. If you wish to relocate your office within your Territory, you must obtain our prior consent. The primary factor we consider in evaluating any proposed location is whether it is professionally presented. We will not unreasonably withhold our consent to your relocation within your Territory.

You must request our approval to relocate your FIRM to the Territory of another ActionCOACH master licensee. If both we and the other master licensee approve, we will assign your Franchise Agreement to the other master licensee for the new Territory, and upon the assignment you must pay us a relocation fee of CAD10,000 to compensate us for our lost future income from your Franchise.

You can market and provide your services in or to any part of your Territory, but you may not advertise in any media whose primary circulation or footprint is outside of your Territory and you may not engage in Direct Marketing to prospective Clients outside of your Territory or within another franchisee's Territory. If you receive a request from a Client or prospective Client to provide services outside of your Territory, and ten percent of your revenues are coming from outside your Territory, you must refer the request to us. If the Client's or prospective Client's principal office is outside of your Territory and no Franchisee or Business Coach has been licensed to operate in that area, we may refer the prospective Client back to you.

We may grant you the right to provide coaching services outside of the Territory on a limited basis provided that no more than 10% of your monthly Gross Revenues are earned outside your Territory

You do not have the right to Direct Market to Blue Chip Accounts. A Blue Chip Account is a Fortune 500 Company that is listed in the past and present annual list compiled and published by Fortune Magazine or similar publication. Typically, Blue Chip Accounts will be owned and serviced by the Franchisor through channels other than ActionCOACH business coach franchisees.

Modification of Territory and Across-Area Marketing Programs

There are no circumstances under which we can modify your Territory without your written consent.

However, we, ACIP and ACCL have the right to sell products in your Designated Territory or DDMA via Across-Area Marketing Programs that reach customers and potential customers anywhere. We do not have to compensate you for soliciting or accepting orders from inside your Designated Territory or DDMA. Across-Area Marketing Programs can be any type of Internet, television, electronic, co-branding, alliance, or affinity program, policy or marketing strategy. For example, ACIP and/or its licensees sell products and speaker's services (see Section 9), over the Internet and on television, using the ActionCOACH marks. ACCL, ACIP and their affiliates have the right to establish other franchises, outlets, or distribution channels that may sell similar products and services under trademarks other than the ActionCOACH mark without

compensating you, though we have no present plans to do so. As a result, you may face competition from channels of distribution or competitive brands that ACCL controls.

You do not receive any options, rights of first refusal or similar rights to acquire additional franchises.

Minimum Performance

The Minimum Coach Requirement for a FIRM Franchise is in Schedule A-1.

The PRACTICE Franchises

You are granted the right to operate the franchise from 1 specific location approved by us. You will not receive an exclusive territory. You may face competition from other franchisees.

You will be assigned a non-exclusive Designated Territory that will be described in an attachment to the Franchise Agreement.

You can locate your office anywhere within your Designated Territory at a location we approve. Your initial office location will be specified in the Franchise Agreement. If you wish to relocate your office within your Designated Territory, you must obtain our prior consent. The primary factor we consider in evaluating any proposed location is whether it is professionally presented. We will not unreasonably withhold our consent to your relocation within your Designated Territory.

Minimum Performance

After the first six (6) months of operation, all franchisees must meet a monthly quota, referred to as Minimum Performance of (a) CAD9,500 in Gross Revenue per month for the PRACTICE, and (b) CAD9,500 per Business Coach for the FIRM beginning on the 7th month after the Business Coach's training completion date. Minimum Performance is averaged over each 3-month period for all Business Coaches. If you fail to meet the Minimum Performance requirements or the Minimum Business Coach Requirements in any 3-month period, you must meet with us, at your expense, to discuss the performance of your business and develop a plan that we approve. You do not receive any options, rights of first refusal or similar rights to acquire additional franchises.

Section 13.

TRADEMARKS

The following trademark is registered with the Canadian Intellectual Property Office (CIPO):

Mark	Registration Date	Registration Number
ACTION COACH	November 27, 2009	1325573

By virtue of an assignment from ActionCOACH Limited in 2012, ACIP became the registered owner of the mark and intends to file an affidavit of incontestability, and renewal application for the registered mark when due.

Under a license dated July 1, 2012, ACIP granted ACCL the exclusive right to license the ActionCOACH trademarks and other intellectual property in Canada. The license is for a term of 99 years, and is terminable by ACIP only if: (i) ACCL fails to cure a material default within 90 days after receiving notice of default from ACIP; (ii) ACCL or any of its directors or executive officers is convicted (or pleads no contest to) of a felony, crime involving moral turpitude, or other crime that is likely to harm ACIP's goodwill in the

trademarks; (iii) ACCL's assets are attached pursuant to court order; (iv) ACCL becomes insolvent or the subject of bankruptcy or dissolution proceedings, or ceases to do business. The license provides that, if the license to ACCL expires or terminates for any reason, ACCL's direct Business Coaches and Master Licensees, as sublicensees, will automatically become direct licensees of ACIP; so that your Business Coach Franchise Agreement will remain in effect.

There are no other agreements currently in effect that significantly limit our rights to use or license you to use the principal trademarks.

There are no currently effective material determinations of the CIPO or the trademark administrator of any province, or any court, or any pending infringements, opposition or cancellation proceedings, or any pending material litigation involving the principal trademark. Neither we nor ACCL is aware of any superior prior rights or infringing uses that could materially affect your use of the Marks in the Territory.

You must notify us immediately if you become aware of any infringement of, or challenge to, your use of the Marks. The Franchise Agreement does not require us to defend you or indemnify you against any third-party claim or demand arising out of your use of the principal trademarks, but we, ACCL or ACIP may do so voluntarily and have the right to control any proceeding or litigation involving the principal trademarks. You must assist and cooperate with us or ACCL in taking such action, if any, as we or ACCL or ACIP deem appropriate to protect the Confidential Information and the principal trademarks.

If we notify you that ACIP has changed, discontinued, or substituted for any of the trademarks, you must comply with the changes at your own expense. You may not contest ACIP's ownership of, or ACCL's right to use and sublicense, any of the trademarks. On expiration or termination of the Franchise Agreement for any reason, you must cease using the trademarks.

See Section 15 of the Franchise Agreement for other important provisions relating to your use of the ActionCOACH trademarks, trade names and other word and design marks.

Section 14.

LICENSES, REGISTRATIONS OR AUTHORIZATIONS REQUIRED TO OPERATE THE FRANCHISE IN THE TERRITORY

Please see Schedule E for a description of the license, registration, authorization or other permissions that you are required to obtain, under any applicable federal or provincial law or municipal by-law, to operate franchises in the Territory. If you plan to operate your franchise in the Territory, you should also consult your counsel or confirm with the appropriate government authority if any licenses and permits are required in that jurisdiction. Franchisees may be required under federal or provincial laws or under the by-laws of a municipal or other local authority to obtain licences, registrations, authorizations or other permissions to operate the franchise and that a franchisee should make inquiries to determine whether such licenses, registrations, authorizations or other permissions are required.

Section 15.

LIST OF FRANCHISEES

Franchisees and their Business Coach Franchise Outlets

Schedule F lists all the ActionCOACH business coaches in Canada as of December 31, 2018.

List of Corporate Outlets

There are no franchisor-owned or affiliate owned business coach franchise outlets in Canada as of December 31, 2018.

Franchisees who Left the System

Schedule G describes the total number of franchised outlets that have been closed during the twelve-month period ending December 31, 2018, together with information on the concerned Business Coaches who left the System during the same period.

Section 16.

TERMINATION, RENEWAL, TRANSFER AND DISPUTE RESOLUTION PROVISIONS IN THE FRANCHISE AGREEMENT

The table in Schedule H lists certain important provisions of the Franchise Agreement such as those on transfer, termination, renewal and dispute resolution. You should read these provisions in Schedules A-1, A-2, A-3 and A-4 to this disclosure document. The provisions on dispute resolution include mediation and arbitration. Mediation is a voluntary process to resolve disputes with the assistance of an independent third party. Any party may propose mediation or other dispute resolution process in regard to a dispute under the franchise agreement, and the process may be used to resolve the dispute agreed to by all parties.

Section 17.

FRANCHISE AND RELATED AGREEMENTS

Attached as Schedule A-1 through A-6 to this disclosure document are copies of all proposed franchise agreements and other agreements relating to the franchise to be signed by the prospective franchisee, as follows:

The PRACTICE Business Coach Franchise Agreement (A-1)
The FIRM – Business Coach Franchise Agreement (A-2)
Nominated Business Coach Agreement (A-3)
Non-disclosure and Non-compete Agreement (A-4)
Release (A-5)
Compliance Questionnaire (A-6)

Section 18.

FINANCIAL STATEMENTS

ActionCOACH Canada Master License Ltd. was incorporated on March 27, 2018 and secured the master license rights to the ActionCOACH brand on May 1, 2018. Enclosed as Schedule "I" are the financial statements for ActionCOACH Canada Master License Ltd for the period ended December 31, 2018.

CERTIFICATE

ActionCOACH Canada Master License Ltd.

This Disclosure Document dated December 31, 2018 of which this Certificate forms part:

1. contains no untrue information, representation or statement, whether of a material fact or otherwise;
2. contains every material fact, financial statement, statement, documents and other information that is required to be contained by the franchise acts of Alberta, British Columbia, Manitoba, New Brunswick, Ontario and Prince Edward Island (the "Acts") and the regulations made under the Acts;
3. does not omit a material fact that is required to be contained by the Acts and the regulations made under the Acts; and
4. does not omit a material fact that needs to be contained in order for this Disclosure Document not to be misleading.

For: **ActionCOACH Canada Master License Ltd.**

Dale Monette

Rajan Rakheja

SCHEDULE A-1

The Practice – Business Coach Franchise Agreement (A-1)



THE PRACTICE

BUSINESS COACH FRANCHISE AGREEMENT

(CANADA)

THE PRACTICE BUSINESS COACH FRANCHISE AGREEMENT
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THE PRACTICE BUSINESS COACH FRANCHISE AGREEMENT

THIS AGREEMENT is entered into as of the Effective Date between Master Licensee and You or Franchisee.

RECITALS

ActionCOACH IPCo, Ltd. ("Licensor") owns the Marks, the System, and the Confidential Information, all as defined below, and has granted ActionCOACH Canada, Ltd. ("Franchisor") the exclusive right to license and authorize the sublicensing of the Marks, the System, and the Confidential Information within the Designated Territory.

Franchisor has granted the Master Licensee the right to sublicense the Marks, the System and the Confidential Information (each as defined in this Agreement) within the Designated Territory.

You wish to obtain the right to operate an ActionCOACH business coaching and mentoring business in the Designated Territory.

The parties agree as follows:

DEFINITIONS

"Across-Area Marketing Programs" means Licensor's and Franchisor's Internet, television, electronic, co-branding, alliance, affinity, and other marketing programs, policies and strategies.

"Agreement" means this "The Practice Business Coach Franchise Agreement".

"Assessment Period" means the period specified in Attachment 1 for which Master Licensee will assess whether your performance meets the Minimum Performance requirement;

"Blue Chip Account" is a Fortune 500 Company that is listed in the past and present annual list compiled and published by Fortune magazine or similar publication. Due to the rapid development of new business concepts including online businesses, Franchisor reserves its rights to amend the guidelines and policies for Blue Chip Accounts from time to time.

"Business" means the ActionCOACH business coaching, business training and mentoring business that you are authorized under this Agreement to conduct within the Designated Territory.

"Business Coach" means a person providing Coaching Services to Clients under a Business Coach Franchise Agreement.

"Client" means a business owner or other customer who agrees to purchase Coaching Services from the Business.

"Client Information" means details, including lists, of Clients collected by Franchisee in accordance with this Agreement.

"Client Forms" means the forms specified by Franchisor in the Manuals or otherwise specified in writing by Franchisor to be used by the Franchisee to procure the details of Clients.

"Coaching Services" means the business coaching, business training and mentoring services (excluding executive coaching), training modules, products, business plan drafting assistance, and other services and products authorized by Franchisor from time to time for delivery to Clients.

"Confidential Information" has the meaning defined in Section 15 of this Agreement.

“Designated Direct Marketing Area” or “DDMA” means the areas specified in Attachment 3 for the purpose of your Direct Marketing to prospective clients and Clients. Master Licensee identifies the DDMA as a geographical area defined by postal codes, postal codes and/or counties.

“3rd Party Designated Direct Marketing Area” or “3rd Party DDMA” means the areas specified in Attachment 3 that is restricted for purposes of any Direct Marketing by You to prospective clients and Clients. Master Licensee identifies the 3rd Party DDMA as a geographical area defined by postal codes, postal codes and/or counties.

“Direct Marketing” means communication to prospective clients within the DDMA by direct mail, telemarketing, email marketing, door-to-door marketing, broadcast faxing, voicemail marketing, couponing or direct selling. The Franchisor has the sole right to determine, whether or not any other activity or marketing method not defined herein is considered as Direct Marketing and its decision shall be binding on all parties.

“Effective Date” has the meaning given in Attachment 1.

“Financial Year” means a year commencing 1 January and ending 31 December.

“Franchisee” or “You” have the meaning given in Attachment 1.

“Gross Revenues” means the total receipts derived from services performed and products sold by or in connection with the Business. Any property or services received from Clients in exchange for Coaching Services will be included in Gross Revenues at their fair market value at the time received. Gross Revenues also include any proceeds you may receive from business interruption insurance. Gross Revenues do not include sales taxes or credits such as the sale price of any products returned by Clients or other taxes that you collect from Clients and pay directly to the appropriate governmental authorities.

“Manuals” means the operations manuals, policy statements, directives, and other written instructions issued by Franchisor with respect to the System, including, without limitation, information and materials posted in the Intranet areas of the ActionCOACH website. Part or all of the Manuals may be issued in electronic form. Franchisor may amend the Manuals from time to time.

“Marks” means the marks listed in Attachment 1 and such other registered and unregistered trade names, trademarks, service marks, logos, commercial symbols, Internet domain names, web site identifiers, designs, color schemes, and trade dress as Franchisor may designate from time to time for use with the System.

“Master Licensee” has the meaning given in Attachment 1.

“Minimum Performance” means the criteria specified in Section 12 and Attachment 1.

“Nominated Business Coach” or “NBC” means the specific individual who is authorized by Master Licensee and you to provide Coaching Services to Clients on behalf of the Business. Only one (1) person may be the Nominated Business Coach at any given time. Ordinarily, you must personally serve as the Nominated Business Coach throughout the Term. You may appoint another individual to serve as Nominated Business Coach only if: (i) Master Licensee approves you in writing to appoint a Nominated Business Coach; and (ii) the proposed Nominated Business Coach (a) has been approved by Master Licensee and trained by Franchisor; (b) has signed a Nominated Business Coach Agreement with you and the Master Licensee; and (c) has direct responsibility for all operations of the Business and the authority to bind you in any dealings with Master Licensee or Franchisor.

“Start Date” means within seven (7) days of you completing Franchisee Training.

“System” means the business methods, specifications, procedures, and accumulated trial and error developed, and to be developed, by Licensor and/or Franchisor for the operation and management of an ActionCOACH business coaching and mentoring business.

“Term” has the meaning set forth in Attachment 1.

SECTION 1 – RIGHTS GRANTED

1.1 Master Licensee grants you the right, and you undertake the obligation, to:

- A. Operate the Business upon the terms and conditions of this Agreement, on a non-exclusive basis within the Designated Territory;
- B. Operate the Business from the office location only as set forth in Section 9; and
- C. Use the Marks and the System as they may be modified and developed from time to time on a non-exclusive basis in the operation of the Business.

This Agreement does not include: the right to sell products to any vendor who would in turn sell to consumers; the right to sell any product except through the Business; or the right to perform any Coaching Services other than through the Business.

You may not grant a sub-franchise or otherwise sublicense any of your rights under this Agreement.

SECTION 2 - TERM AND RENEWAL OPTIONS

2.1 The term of this Agreement commences on the Effective Date and unless sooner terminated under Section 17, this Agreement will expire on the Expiry Date.

2.2 You will have the option to renew the right to operate the Business for successive periods of five ten (10) years each. Master Licensee may refuse to renew your right to operate the Business, in its absolute discretion, if any of the following conditions have not been satisfied:

- A. You must give Master Licensee written notice of your election to renew (“Renewal Notice”) not more than nine (9) months, and not less than six (6) months, before the current term expires. Master Licensee will respond to this notice with its approval or disapproval within two (2) months thereafter.
- B. You must be current in all payment obligations to Master Licensee and must have remedied any breach of this Agreement specified by Master Licensee by written notice.
- C. You must not have received more than one (1) written notice of default from Master Licensee in the twenty four (24) months preceding delivery of the Renewal Notice.
- D. You must have operated the Business and used the System substantially in accordance with this Agreement and the Manuals during the term then expiring.
- E. You must have achieved Minimum Performance set out in Attachment 1.
- F. You must execute a new Business Coach Franchise Agreement on the then current form designated by Franchisor, the terms of which may differ from this Agreement. Your failure to execute the updated Business Coach Franchise Agreement within thirty (30) days after its delivery will be deemed an election not to renew.

G. You must execute a general release of all claims that you may have against Master Licensee, Franchisor, Licensor, and their respective officers, directors, shareholders, agents, and employees. This release must be in a form satisfactory to Master Licensee and Franchisor.

H. You must make such expenditures as may be reasonably required to upgrade the Business and its signs, stock, forms and equipment so as to reflect the then-current image of the ActionCOACH concept.

I. You must pay Master Licensee the Renewal Fee specified in Attachment 1.

J. You must have attended at least ninety percent (90%) of Franchisor's Regional conferences (including the Business Excellence Forum). If You have not met this requirement, Franchisor may allow You to re-attend Franchisee Training to remedy non-compliance. However You must pay the then-current Franchisee Training Fee.

SECTION 3 - INITIAL FEES

3.1 You must pay Master Licensee the Franchise Fee specified in Attachment 1 upon signing this Agreement.

3.2 You must pay Master Licensee the Training Fee specified in Attachment 1 upon signing of this Agreement.

3.3 [Intentionally omitted]

3.4 You must pay, or reimburse, Master Licensee on demand for all Master Licensee's costs (including legal costs) in connection with or incidental to the instructions for and the negotiation, preparation and execution of this Agreement and all related agreements.

3.5 The Franchise Fee and Training Fee are not refundable, in whole or in part, under any circumstances.

3.6 The Master Licensee does not offer any financing to you.

SECTION 4 – ONGOING FEES AND ROYALTIES

4.1 On or before the first (1st) day of each calendar month you must pay Master Licensee a Royalty Fee as set forth on Attachment 1. No Royalty Fee is due until the 2nd month after which you or your NBC complete the ActionCOACH induction training program.

4.2 On or before the fifth (5th) day of each calendar month, you must pay Master Licensee a Marketing and Advertising Fee as set forth on Attachment 1; provided, however, that no Marketing and Advertising Fee is due with respect to Gross Revenues in the month in which you or your NBC, as applicable, complete the ActionCOACH induction training program. Each Marketing and Advertising Fee payment must be accompanied by a statement of the preceding month's Gross Revenues on a form approved by Master Licensee.

4.3 On or before the 1st day of each quarter you must pay Franchisor, through Master Licensee, a Quarterly Conference and Technology Fee as set forth on Attachment 1, which fee shall be for your conference fee at annual regional conferences (which includes the Business Excellence Forum), technical and administrative support, provision of an email address, and an ActionCOACH webpage to be determined by Franchisor.

4.4. Unless otherwise provided by applicable law, any amount due under this Agreement shall be paid in Canadian Dollars. Any amount that is not paid on or before the due date will accrue interest at the rate

specified in Attachment 1. Each failure to pay Royalty Fees, Marketing and Advertising Fees, or any other amount payable to Master Licensee when due is a material breach of this Agreement.

4.5 You will establish a separate bank account for the Business and use the method(s) specified from time to time by Master Licensee or Franchisor for the payment of Royalty Fees, Marketing and Advertising Fees, and all other fees and amounts owed. You will furnish Master Licensee, Franchisor and your bank with such authorizations as may be necessary to effect payment by the method required by Master Licensee or Franchisor as set out in Section 4.6.

4.6 With the exception of the Franchise Fee and Training Fee, You must make all payments to Master Licensee with respect to amounts owed by You to Master Licensee pursuant to this Agreement by means of direct debit into a bank account nominated by Master Licensee and must, prior to commencing operation of the Business: A) nominate in writing to Master Licensee a bank account from which Master Licensee will direct debit the payments; and B) sign all necessary forms and consents permitting the direct debit of funds from the bank account in the manner and on the dates specified in writing by Master Licensee.

4.7 You must pay for the cost of any of Master Licensee's administrative fees connected with the failure of your direct debit facility.

4.8 You have no right of set off as against Master Licensee or Franchisor. You must not for any reason withhold payment of any amount due to Master Licensee or Franchisor. This applies even if You allege that Master Licensee has not performed or is not performing an obligation imposed upon it under this Agreement or a related agreement. Master Licensee may accept any part payment without prejudice to its right to recover the balance due or pursue any other remedy. Master Licensee may set off against any payment due to You by Master Licensee any of your unpaid debts to Master Licensee.

SECTION 5 - ADVERTISING AND MARKETING

5.1 You will advertise and promote the Business at your own expense and in accordance with the Manuals. However, you may not publish or distribute any advertising or promotional material unless it has been approved in writing by Master Licensee, which approval will not be unreasonably withheld or unduly delayed. If Master Licensee objects to any advertising or promotional material that you are using, you must immediately stop using it. Advertising and promotional materials furnished by Master Licensee may be used only in the manner and during the period specified by Master Licensee. Master Licensee has the right to charge reasonable fees for any materials that Master Licensee provides.

5.2 You acknowledge that, unless otherwise specified by Franchisor in writing, forty percent (40%) of the Marketing and Advertising Fees will be sent by Master Licensee to Franchisor for its use in local, regional or national marketing and advertising. Franchisor will direct all marketing programs supported by Marketing and Advertising Fees, with final discretion over creative concepts, materials, and media used in the programs and their placement. Franchisor may use the fees for any activities that they believe would benefit ActionCOACH businesses generally, including, but not limited to, national and international advertising, promotion, creative development, production of advertising and promotion, marketing research and development, public relations, Internet, and reasonable administrative expenses related to these efforts. Franchisor and Master Licensee may use the Marketing and Advertising Fees to pay the costs of: a) developing and conducting advertising and promotional campaigns, as determined by Franchisor or Master Licensee in its sole discretion, including customer database development and management; b) developing and funding advertisements; c) sourcing the production of marketing materials and other sales materials; d) conducting research including research in relation to products and customers; e) developing public relations, customer and supply relations; f) engaging advertising agencies and marketing consultants; g) coordinating the activities set out above and administering the Marketing and Advertising Fees, including reasonable overhead and administrative costs, the cost of materials and employees' salaries and printing costs; and h) payment of accountancy, legal and other fees in respect of audits of the records of the Marketing Fees. Franchisor and Master Licensee may determine in its discretion how the Marketing Fees is spent.

5.3 You must use the Marks in all advertising and promotion of the Business. You must, at your own cost, display signs at the Business location and at Master Licensee, Franchisor and Licensor events in accordance with the Manuals' specifications.

5.4 You acknowledge that your web site, if any, constitutes advertising and promotion subject to Section 5.1 above. You agree to comply with all policies and standards that Master Licensee or Franchisor issues from time to time with respect to web sites specifically. You also acknowledge that in the event you do want to create your own web site, you are required to obtain Franchisor's prior approval of the design, content and appearance of the website and to use Franchisor's approved supplier for design, development and web hosting to ensure compliance with Franchisor's requirements for branding and usage of the Marks. Master Licensee or Franchisor may: (i) require that your web site be accessible only by link from Master Licensee's site, and (ii) prohibit links between your web site and any other web site. You acknowledge that any copyright in your web site will be deemed to be owned by Franchisor. You agree to execute any documents that Master Licensee requires to affirm Franchisor's ownership of the copyright. You represent that You have, or will have, the lawful right to use any proprietary materials of others that appear in your web site.

SECTION 6 - RECORDS AND AUDITS

6.1 You must maintain complete and accurate records concerning all financial, marketing and operating aspects of the Business. You must keep these records at your Business location (or another place approved in writing by Master Licensee). You must provide such reports as may be required by Master Licensee or Franchisor. Your records must include Business tax returns; daily and weekly marketing, sales and performance reports; statements of Gross Revenues (to be prepared each month for the preceding month); profit and loss statements; and balance sheets. If Master Licensee determines that your records or financial statements are not of sufficient detail or reliability, Master Licensee has the right to require that you have such records or statements reviewed or prepared by an independent Certified Public Accountant. Master Licensee and Franchisor will keep your financial data confidential except to the extent that Master Licensee or Franchisor decides, or is required, to make a "financial performance representation" under applicable franchise disclosure laws. Master Licensee or Franchisor may also conduct an audit of your compliance with the System.

6.2 While this Agreement is in effect, and for three (3) years after its expiration or termination or after any transfer approved under Section 20, Master Licensee and Franchisor have the right to request, receive, inspect and audit any of the records referred to in Section 6.1. Master Licensee and Franchisor agree to do inspections and audits at reasonable times. You agree to keep all original records, reports, invoices, order forms, and calculations for at least six (6) years from the date they were generated or for a longer period if required by applicable law. Should any inspection or audit disclose a deficiency in the payment of any Royalty Fee, Marketing and Advertising Fee or other amounts required to be paid under this Agreement, you will immediately pay the deficiency to Master Licensee. In addition, if the deficiency for any audit period equals or exceeds five percent (5%) of the correct amount due, you must also immediately pay to Master Licensee the reasonable cost of the inspection or audit, including travel, lodging, meals, salaries and other expenses of the inspecting or auditing personnel. Should the audit disclose an overpayment of any Royalty Fee, Marketing and Advertising Fees or other amounts due, Master Licensee or Franchisor will promptly pay the amount of the overpayment to you, provided that the amount exceeds Fifty Canadian Dollars (CAD50.00).

6.3 Franchisees of any type agree and understand that they are to provide, on an annual basis to ActionCOACH Canada Master License Ltd., a copy of their financial statements, prepared by a third party accountant or accounting firm, in the form of at least Notice to Reader.

SECTION 7 – ASSISTANCE BY MASTER LICENSEE

7.1 Master Licensee will:

- A. Arrange for you and your Nominated Business Coach (if applicable) to attend Franchisor's training program.
- B. Assist you with the preparation of an initial business plan.
- C. Provide you with guidance on pre-opening and opening activities for the Business, prior to and including its first two (2) weeks of operation. This will include on-line access to advertising and promotional material and may include guidance on advertising and promotional programs.
- D. Each week for the first ninety (90) days after you complete the ActionCOACH training program, provide access via conference or personal calls to discuss any operational challenges and assist you in examining your results from your weekly reports. Thereafter, Master Licensee will conduct or arrange for periodic conference calls (as determined by Master Licensee in its absolute discretion) with you to discuss operational challenges and conduct ongoing training.
- E. Grant approval of your office location and assist you in determining the location of your office. The selection of your office location will be your responsibility.
- F. Arrange for you or your Nominated Business Coach (if applicable) to attend Franchisor's annual conferences (which includes the Business Excellence Forum). There will be a conference fee to attend the global conferences, and you must pay all travel and living expenses of your attendee(s). Master Licensee may also hold such conferences within the Designated Territory. Unless waived by Franchisor in writing, attendance by you at Franchisor's Regional North American Conferences (including the Business Excellence Forum) is mandatory.
- G. Provide to you an online WIKI format version of the Manuals and any amendments thereto promulgated by Franchisor via online access. The Manuals for your Nominated Business Coach will be supplied to you via on-line access once Master Licensee receives an executed copy of the Nominated Business Coach Agreement and the Training Fee has been paid.
- H. Inform you of any changes and improvements to the System that may be developed by Franchisor or Licensor and authorized for use by ActionCOACH business coaches in Canada.
- I. Provide assistance in conducting workshops and seminars for Clients and potential clients, insofar as Master Licensee is available.

7.2 Master Licensee will offer you such additional guidance and assistance as Master Licensee deems necessary or advisable. Failure of Master Licensee to provide any particular service, either initial or continuing, will not excuse you from paying any of the fees including but not limited to, the Franchise Fee, Royalty Fees or Marketing and Advertising Fees.

SECTION 8 - TERRITORY ISSUES AND DDMA

8.1 Your franchise is non-exclusive. There will be other Business Coaches providing Coaching Services in the Designated Territory. In addition, Franchisor and Licensor may sell products in the Designated Territory via Across-Area Marketing Programs. Master Licensee will communicate to you any policies that Franchisor or Licensor issues to coordinate Across-Area Marketing Programs.

8.2 You may not advertise in any media whose primary circulation or footprint is outside of the Designated Territory, nor may you engage in Direct Marketing to clients or prospects outside of the Designated Territory or within a 3rd Party DDMA. Franchisor and Master Licensee may establish terms and conditions under which you may advertise on the Internet. Should you receive a request for services from a Client or prospective client outside of the Territory, you must refer the request to Master Licensee. If the

Client's or prospective client's principal office is outside of your Designated Territory and Franchisor has not licensed any third party to operate in that territory, Master Licensee may refer the request for services back to you.

8.3 You may request Master Licensee's approval to relocate your Business to the territory of another ActionCOACH master licensee. If both master licensees approve your request, Master Licensee will assign this Agreement to the master licensee for the new territory, and upon the assignment, you must pay Master Licensee a relocation fee at such rate indicated in Attachment 1 to compensate Master Licensee for its lost future income from your franchise.

8.4 The right to provide Coaching Services to Blue Chip Accounts is hereby specifically excluded. You acknowledge that other Business Coaches may provide Coaching Services to Blue Chip Accounts at or from locations in the Designated Territory. With the prior written consent of Master Licensee, You may provide Coaching Services to Blue Chip Accounts at or from locations in a territory of another Business Coach at the sole discretion of Master Licensee. Franchisor retains the sole and exclusive right to identify Clients or potential Clients as Blue Chip Accounts and permit other Business Coaches to provide Coaching Services in accordance with Franchisor's policy (as amended from time to time) on Blue Chip Accounts. All disputes relating to Blue Chip Accounts will be resolved by Franchisor, whose decision will be final and binding upon all parties.

8.5 You acknowledge that it is necessary for Franchisor and Master Licensee to identify, manage and service Blue Chip Accounts to ensure the consistent delivery and co-ordination of Coaching Services provided to Blue Chip Accounts.

8.6 You have the option, subject to payment of the DDMA Franchise Fee, among others, to acquire a DDMA of not less than 1,000 businesses but not more than 2,500 businesses in population. After you acquire a DDMA and while this Agreement is in effect and provided You are not in default of any of the terms contained herein, Master Licensee will no longer license others to Direct Market in the DDMA, except as provided in this Agreement. There may be other Business Coaches already providing Coaching Services in the DDMA prior to your acquisition thereof as set out in Attachment 3.

SECTION 9 – OFFICE LOCATION

9.1 You can locate your office anywhere within the Designated Territory. The office must at all times be well presented and of a professional nature. Your approved office location is specified in Attachment 1. You must notify Master Licensee (in advance, if possible) if you intend to change your office location, or if for any reason you are or will be unable to operate the Business from your then-current approved office location (such as a taking by eminent domain, termination of your lease, mortgage default, or damage or repair). The term of this Agreement will not be extended by any such interruption, nor will you be excused from paying Marketing and Advertising Fees or Royalty Fees during such interruption.

9.2 Your office must comply, at your sole cost and expense, with the fit out guide contained in the Manuals which may be amended from time to time.

9.3 You confirm your approval of any office location which is specified in Attachment 1 and acknowledge that You have:

A. made all necessary enquiries and have conducted your own due diligence in relation to the office location;

B. absolutely and unconditionally satisfied yourself as a result of these enquiries and your own due diligence as to the suitability of the office location and the location of the office for the conduct of the Business;

C. entered into this Agreement as a result of your own assessment of all of these matters and not in reliance upon any alleged statement, warranty, condition or representation made to or alleged to have been made to You by Master Licensee, Franchisor or by any person on behalf of Master Licensee or Franchisor; and

D. If no premises are specified in Attachment 1 then You must, prior to obtaining approval of the office location, confirm in writing your approval of the office location approved under Section 9.1 and acknowledge that it has met the requirements specified in Section 9.3 (A), (B) and (C).

SECTION 10 - MANUALS

10.1 You acknowledge that the Manuals are furnished to you on loan and that they remain the sole property of Licensor at all times. You must not make any copies (paper, electronic, or otherwise) of the Manuals. You agree to immediately return the Manuals to Master Licensee if you cease to be a Business Coach for any reason.

10.2 Licensor or Franchisor may revise the Manuals at any time and from time to time. Master Licensee will communicate any such changes to you. Such revisions may include changes with respect to:

- A. The authorized Coaching Services;
- B. Operating procedures;
- C. Advertising and promotions;
- D. Equipment and supplies;
- E. Dress codes;
- F. Additions or modifications of Marks;
- G. Accounting and reporting systems and forms; and
- H. Insurance requirements.

10.3 You agree to operate the Business in accordance with the Manuals, as modified from time to time. Failure to comply with the standards set forth in the Manuals will constitute a material breach of this Agreement.

SECTION 11 – YOUR DUTIES AND OBLIGATIONS

11.1 You agree to use your best efforts to increase the reputation of, and demand for, Coaching Services in the Designated Territory.

11.2 You agree to strictly comply with all present and future standards, specifications and procedures prescribed by Licensor or Franchisor and communicated by Master Licensee or set out in the Manuals, including but not limited to the following requirements:

A. You or your Nominated Business Coach must complete the ActionCOACH induction training program, at a location designated by Franchisor. You must complete training before the Business opens. Your NBC is not permitted to provide Coaching Services until after he/she has completed Franchisor's training. Attendance by You at Franchisor's Regional Conferences (including the Business Excellence Forum) is mandatory. You are responsible for all salary, travel expenses, and other expenses of persons attending programs, seminars, and conferences offered by Franchisor or Master Licensee.

B. You must identify all of your employees to Master Licensee, and must ensure that they are suitably qualified to run the Business properly. You must keep Master Licensee informed at all times regarding the names, background and experience of all personnel.

C. You may offer only the Coaching Services and related products approved by Franchisor for sale by Business Coaches in Canada. If Franchisor authorizes any additional Coaching Services or products for sale by ActionCOACH business coaches and designates such services or products as mandatory, you must begin offering them at the time and in the manner required by Franchisor.

D. All personnel must be professional in dress and appearance, in a manner consistent with the requirements of Franchisor and Master Licensee.

E. You must operate the Business only under the Marks and under no other trade name or business name. However, you must make it clear to Clients, employees and the general public that you are an independent party operating the Business under license from Master Licensee. You may not use the Marks as any part of a corporate or other legal name, but you may append "d/b/a ActionCOACH" after your corporate or legal name using the then current naming convention as approved by Master Licensee.

F. You must attend all seminars, workshops and exhibitions hosted or arranged on behalf of the Business and/or its Clients as reasonably required by Master Licensee. At your cost, you must display signs at such events in accordance with the Manuals' specifications.

G. You must pay all debts and taxes arising in connection with the Business when due, including debts payable to Master Licensee.

H. You must comply with all laws applicable to the Business.

I. You must participate in Client satisfaction surveys, and participate in programs derived from such surveys. You must also cooperate with, and participate in, Across-Area Marketing Programs.

J. You must provide the supervision, support and instruction required under any support agreement you enter into with your Nominated Business Coach.

K. Prior to contracting with or employing, You must require your employees and Nominated Business Coach to sign a nondisclosure and non-compete agreement in a form acceptable to Master Licensee and Franchisor.

N. Throughout the Term, you must be of good character and must not indulge in what the Master Licensee reasonably considers to be unethical conduct or acts of moral turpitude or do anything which might damage the goodwill attaching to the Marks and other intellectual property associated with the System, or damage any other ActionCOACH businesses within or outside the Territory, whether franchised or operated by Franchisor (or its Affiliates).

11.3 You must submit to Master Licensee the reports and information specified in the Manuals from time to time, and you must submit them in the form and manner prescribed by the Manuals. The required reports include:

A. A report entitled "Action Plan," which outlines the goals, strategies, and actions you set for development of the Business. This report will be completed and delivered from time to time within ten (10) business days of Master Licensee's request.

B. A report entitled "Key Performance Indicators," which summarizes the activities of the Business for each week. This report must be completed and delivered to Master Licensee at the end of each week or as otherwise specified in the Manuals. If you fail to deliver the required information in a timely manner, Master Licensee, in addition to any other remedies available under this Agreement, may suspend or terminate the services provided to you by Master Licensee under this Agreement.

C. Weekly marketing results and sales performance reports.

D. Detailed financial statements for the Business by 31 March after the end of each Financial Year for that Financial Year including a balance sheet, a profit and loss statement and a source and application of funds statement prepared by the Franchisee's accountant, using generally accepted accounting principles or the then method widely accepted as standard by the accounting profession in Canada, certifying that the contents are true and correct and are a fair and accurate view of the Business.

11.4 You acknowledge and agree that the submission of all required reports is a primary responsibility of each Business Coach. You also agree to give Master Licensee and Franchisor independent access to the information in your computer system relating to your ActionCOACH Business.

11.5 A Nominated Business Coach, must: (i) be approved by Master Licensee and trained by Franchisor; (ii) sign a Nominated Business Coach Agreement with you; and (iii) have direct responsibility for all operations of the Business and has the authority to bind you in any dealings with Master Licensee or Franchisor.

11.6 Master Licensee has the right to inspect your office upon reasonable prior notice, which will not be less than seventy two (72) hours if your office is located in your home. Master Licensee has the right, at any time, to discuss with your Clients and personnel any matters that may pertain to the Business and to compliance with this Agreement.

11.7 Master Licensee may call ad hoc meetings of Business Coaches, which will not number more than twelve (12) per year. You will use your best endeavors to attend.

11.8 While this Agreement is in effect, and for three (3) years after its termination or expiration or any transfer approved under Section 20, you agree to supply Master Licensee with your home address, telephone number, and email address, as well as the home addresses, telephone numbers, and email addresses of your directors, officers, and employees.

11.9 You must:

A. Inform Master Licensee in writing of, and promptly act to address, all Client complaints at your cost and in accordance with any relevant provision set out in the Manuals.

B. If the Franchisee fails to address a Client complaint within two (2) Business Days, Master Licensee may attempt to address the complaint.

C. If Master Licensee acts to address a Client complaint due to your failure to satisfactorily address the complaint, You must pay the reasonable costs incurred by Master Licensee in attempting to address the complaint.

11.10 Subject to any applicable Law, You must:

A. collect the information from Clients specified in the Manuals or otherwise in writing by Franchisor or Master Licensee;

B. collect Client information in the manner specified in the Manuals or otherwise in writing by Franchisor or Master Licensee;

C. provide Franchisor and Master Licensee with all Client Information, in the form specified in the Manuals, at the end of each Month or within twenty four (24) hours after receiving a request from Master Licensee.

11.11 Franchisor and/or Master Licensee may establish and maintain a Client database to store Client Information.

11.12 All Clients and the information contained in both the Client Forms completed by Clients and the client database are and will remain the sole property of Franchisor and Master Licensee.

SECTION 12 - MINIMUM PERFORMANCE

12.1 You must achieve Minimum Performance which the Franchisee accepts are minimum criteria which the Franchisee must perform and are not targets or objectives.

12.2 If You fail to achieve the Minimum Performance in any Assessment Period You must attend a meeting held by Master Licensee, at your cost, to discuss the performance of the Business.

12.3 You must at that meeting: (a) provide Master Licensee and Franchisor with a written explanation for the failure to achieve the Minimum Performance, if requested to do so by Master Licensee or Franchisor; and (b) if requested by Master Licensee or Franchisor, set out specific strategies or actions to be taken to address the failure which are acceptable to Master Licensee and Franchisor.

12.4 If Master Licensee and Franchisor consider that You have failed to achieve the Minimum Performance for reasons within your control, Master Licensee or Franchisor may require You, your NBC's and employees, to undertake additional training, at your cost.

12.5 If You fail to: (a) attend a meeting with Master Licensee in accordance with Section 12.2; (b) attend and complete additional training or procure additional training that You are required to attend and complete to the satisfaction of Franchisor as required by Master Licensee and Franchisor under Section 12.4; (c) implement any agreed strategy or action resulting from the meeting referred to in Section 12.2; (d) meet Minimum Performance within six (6) months of: attending a meeting with Master Licensee; or You completing additional training, as required under Section 12.4, You must, within six (6) months of the date upon which Master Licensee notifies You that You have failed to meet one (1) or more of your obligations under this section, transfer the Business in accordance with the procedure set out in Section 20.

12.6 If You are required to transfer the Business under Section 12.5 and fail to do so within the required time frame, Master Licensee may terminate this Agreement by written notice to You and the Master Licensee is not required to pay any compensation to You or any other person in respect of the termination.

12.7 Master Licensee will review and set a new Minimum Performance at each Renewal.

SECTION 13 - PURCHASE OF EQUIPMENT, INVENTORY AND SUPPLIES

13.1 Except for equipment and products that are proprietary to Licensor or Franchisor, you may purchase your equipment, software, supplies, and other items from any reputable manufacturer or supplier. To the extent that Franchisor publishes standards for non-proprietary equipment, software, telephone lines, Internet service, supplies, stationery, or other items used in the Business, you must use only items meeting the applicable standards. If you receive notice from Master Licensee of a change in the applicable standards, you agree to comply with the new or revised standards as soon as practicable.

SECTION 14 - INSURANCE AND INDEMNIFICATION

14.1 You must purchase before the Business opens, and at all times thereafter maintain in full force and effect, all insurance policies of the types and with the minimum policy limits prescribed by Master Licensee and/or Franchisor from time to time (but in no event less than the coverage required under applicable law), including without limitation:

- A. Professional indemnity insurance;
- B. Comprehensive general liability insurance;
- C. Workers' compensation insurance and employers' liability insurance without any limit as to the amount;
- D. Insurance required by the terms of any lease, mortgage or other loan for the Business;
- E. Business interruption insurance;
- F. Any additional insurance that Master Licensee or Franchisor may inform you is required; and
- G. All liability policies must list Master Licensee and Franchisor as additional named insureds. Your liability insurance will not be limited in any way by reason of any insurance that may be maintained by Master Licensee or Franchisor.

14.2 All policies of insurance must be with responsible companies qualified to do business and in good standing in the province where the Business is located. At Master Licensee's or Franchisor's request, you must furnish certificates issued by each of your insurers indicating that all premiums due have been paid, that all required insurance is in full force and effect, and that the insurance will not be terminated or changed without at least thirty (30) days' prior written notice from the insurer to Master Licensee and Franchisor. Within five (5) days of any request by Master Licensee, you must deliver a copy of all insurance policies to Master Licensee for examination.

14.3 If you fail to obtain or maintain adequate insurance, Master Licensee or Franchisor may, at its sole discretion, obtain insurance for you in your name. Within five (5) days of written request by Master Licensee or Franchisor, you must reimburse Master Licensee or Franchisor for any costs incurred in obtaining insurance on your behalf.

14.4 You agree to indemnify Master Licensee, Franchisor and Licensor and hold each of them harmless against all claims, expenses, and liabilities of any kind arising from, or in connection with, the operation of the Business, except to the extent that such liabilities arise from the gross negligence or willful acts of the party seeking indemnification from you. This indemnity will remain in force after expiration or termination of this Agreement or after any transfer approved under Section 20. This indemnity is not limited by the amount of insurance that you carry.

14.5 All property used in the Business will be maintained at your sole risk, and if any property is damaged in any way, Master Licensee will not compensate you except to the extent the damage was caused by Master Licensee's gross negligence or willful acts.

SECTION 15 - TRADEMARKS AND CONFIDENTIAL INFORMATION

15.1 You acknowledge Licensor's exclusive ownership of and rights in the Marks and in the System. All goodwill now or in the future associated with your use of the Marks will accrue exclusively to the benefit of Licensor. You agree that you will not, during or after the term of this Agreement:

- A. contest or aid in contesting the validity or ownership of the Marks;
- B. take any action in derogation of Licensor's, Franchisor's, or Master Licensee's rights with respect to the Marks, whether now existing or later obtained; or
- C. use, register or attempt to register the Marks in your own name for any purpose, including but not limited to, any registration at any government or domain name registry. You may, however, register a "d/b/a" or a fictitious business name certificate in connection with the operation of the Business with the written permission of the Master Licensee.

15.2 You agree to:

- A. use the Marks only in connection with the Business;
- B. use the Marks only in accordance with the Manuals;
- C. reproduce the Marks exactly and accurately; and
- D. change, discontinue, or substitute for any of the Marks, at your own expense, if Master Licensee notifies you that Licensor or Franchisor has modified the Marks to be used in Canada.

15.3 You acknowledge that you will have access to the Manuals and other valuable trade secrets, know how, methods, information, recruiting techniques, accounting procedures, control procedures, and marketing techniques relating to the System (collectively, the "Confidential Information"). The Confidential Information was developed at significant cost, is owned by Licensor, and is necessary to the operation of the Business. You further acknowledge that such Confidential Information was unknown to you prior to negotiation for and execution of this Agreement. You will take all steps necessary, at your own expense, to protect such Confidential Information and will not divulge it either during the Term of this Agreement or thereafter. Your employees may have access to the Confidential Information only to the extent necessary to perform particular tasks, and only after first signing a confidentiality agreement, in a form acceptable to Franchisor. You will be responsible for all unauthorized disclosures of Confidential Information by any person to whom you give access to the Confidential Information. Upon expiration or termination of this Agreement or any transfer approved under Section 20, you will return or destroy all Confidential Information.

15.4 You must immediately inform Master Licensee of any suspected, known or threatened infringement of or challenge to the Marks or unauthorized disclosure or use of Confidential Information. You must assist and cooperate with Master Licensee, Franchisor and Licensor in taking such action, if any, as they deem appropriate to protect the Confidential Information and the Marks.

15.5 You agree that all data you collect from Clients and prospective clients in connection with the Business is deemed to be jointly owned by Master Licensee and Franchisor. You are licensed to use such data while this Agreement is in effect. Upon expiration or termination of this Agreement or an approved transfer of the Business to a new owner, you must comply with Section 18 and not use any Client or prospective client data for any purpose contrary to Section 16.2.

SECTION 16 - RESTRICTIONS ON COMPETITION

16.1 During the Term of this Agreement, you may not, either directly or indirectly through any other person or entity, participate in, be employed by, act as a coach to, provide financial assistance to, or acquire any interest in any business that offers business coaching and mentoring services ("Competing Business") to clients in Canada.

16.2 The restriction in Section 16.1 will also apply for a continuous two (2) year period after the expiration or termination of this Agreement or after a transfer approved under Section 20, but only as to clients in the Master Licensee's Territory and within one hundred (100) miles of the Master Licensee's Territory. In addition, for two (2) years after the expiration, termination, or approved transfer of this Agreement, you will not solicit, for the benefit of any Competing Business, any person who was a Client of the Business during the two (2) years immediately before expiration, termination, or transfer.

16.3 During the term of this Agreement and for a continuous two (2) year period after its expiration or termination or after a transfer approved under Section 20, you may not employ or otherwise interfere with the employment relationship of any person who is employed by Licensor, Franchisor, or Master Licensee.

16.4 Master Licensee and Franchisor have the right unilaterally to reduce the scope of any restriction in this Section 16 by written notice to you.

16.5 This Section and Section 15 apply to your NBC's, employees and individuals holding an ownership interest in the Business, and any persons or legal entities controlled by the foregoing individuals. At Master Licensee's request, you must furnish Master Licensee with executed agreements from such individuals, in forms acceptable to Master Licensee, in which they agree to be bound by Sections 15 and 16.

16.6 You agree that damages caused to Master Licensee, Franchisor, and Licensor for failure to comply with Section 15 or Section 16 are irreparable. You agree that Master Licensee, Franchisor, and Licensor may seek injunctive relief, without notice to you, in addition to any other relief that may be available to them for breach of Section 15 or Section 16.

16.7 In the event of a breach of the provisions of Sections 15 or 16, Franchisor is entitled to liquidated damages from you in the amount of Two Hundred Fifty Thousand Canadian Dollars (CAD250,000.00). You expressly agree that this amount is not a penalty but a reasonable estimate of the damages that would result from any such breach. In the event that legal action becomes necessary for the enforcement of any of the provisions of Sections 15 or 16 of this Agreement or to collect the liquidated damages provided herein, the prevailing party shall receive in addition to any other damages or relief awarded, its reasonable attorney's fees, together with appropriate costs and interest. You agree that in the event of a breach of any of the provisions of Sections 15 or 16, Franchisor shall be entitled to recover injunctive relief as well as liquidated damages, and that the liquidated damages provision included herein does not provide Franchisor with an adequate remedy at law for any such breaches which you may commit.

16.8 If a court or arbitrator determines that any restriction or provision in this Section 16, strictly applied, would be invalid or unenforceable, then the restriction or provision will be deemed modified to the extent necessary (but only to that extent) to make it valid and enforceable. If a dispute regarding enforceability of Section 16.2 or 16.3 is resolved in favor of Master Licensee and Franchisor, the two (2) year period (or the period deemed to be reasonable by the court or arbitrator) will run from the date of the order permitting its enforcement.

SECTION 17 – DEFAULT AND TERMINATION

17.1 Termination by You.

If you are in compliance with this Agreement and Master Licensee materially breaches this Agreement and fails to cure the breach within sixty (60) days after you deliver a written notice of the breach to Master

Licensee, you may terminate this Agreement, effective ten (10) days after you deliver a notice of termination to Master Licensee. You must comply with the provisions of Section 18.

17.2 Termination by Master Licensee – No Right to Cure.

In addition to its other rights of termination contained in this Agreement, Master Licensee will have the right to terminate this Agreement by written notice, effective immediately, if you:

- A. voluntarily abandon the franchise relationship;
- B. are convicted of a criminal offense directly related to the Business, or convicted of any felony;
- C. fail to cure a default under this Agreement which materially impairs the goodwill associated with the Marks within twenty four (24) hours after receiving written notice to cure;
- D. fail to cure a material violation of any health, safety, sanitation or other regulatory law, ordinance, standard, practice or regulation, or operate the Business in a manner that presents a health or safety hazard to its employees, Clients, or the general public;
- E. make or permit an unauthorized transfer of this Agreement or of any direct or indirect interest in the Business;
- F. submit to Master Licensee two (2) or more sales reports, financial statements, or other information or supporting records, in any period of twelve (12) consecutive months, which understate by more than five percent (5%) the Gross Revenues of the Business;
- G. make material misrepresentations in your application for the franchise or any other material report or statement to Master Licensee;
- H. fail to submit sales reports or financial statements when due on three (3) or more occasions in any twelve (12) month period;
- I. fail to pay Royalty Fees, Marketing and Advertising Fees, or other amounts owed to Master Licensee when due on three (3) or more occasions in any twelve (12) month period;
- J. fail on three (3) or more occasions in a twelve (12-) month period to pay creditors, employees, or suppliers on a timely basis;
- K. fail on three (3) or more occasions in a thirty six (36) month period to achieve an overall score of at least eighty percent (80%) on Franchisor's compliance audit or a score of at least seventy percent (70%) for any section of the compliance audit;
- L. fail to achieve Minimum Performance in three (3) or more Assessment Periods during the Term.

17.3 Termination by Master Licensee – Failure to Cure.

Except as provided in Section 17.2, you will have thirty (30) days from receipt of notice of default from Master Licensee to cure any material breach of this Agreement or failure to comply with any material specification, standard or operating procedure prescribed by Master Licensee or Franchisor. If you fail to cure the breach within the thirty (30) day period, Master Licensee will have the right to terminate this Agreement by written notice without any further opportunity to cure.

SECTION 18 – OBLIGATIONS UPON EXPIRATION OR TERMINATION

18.1 Upon expiration or termination of this Agreement, you must:

- A. Notify your Clients and prospective clients that you are no longer an authorized ActionCOACH franchisee or Business Coach;
- B. Promptly pay to Master Licensee all amounts owed based on business conducted through the date of expiration or termination;
- C. Immediately discontinue the use of all Marks, the Manuals, the Confidential Information, and all materials of any kind that are identified with the System. You must return all of these materials to Master Licensee and, at Master Licensee's request, assign your telephone numbers, fax numbers, email addresses, domain names, related listings, and advertising to Master Licensee or Franchisor. Unless otherwise provided by applicable law, you must execute an assignment ("Conditional Assignment of Telephone and Directory Listings"), in a form set forth in Attachment 4;
- D. Surrender an unaltered database of all Clients and prospective clients, and remove and return any electronic database system provided to you by Master Licensee.
- E. Provide Master Licensee with executed copies of all Client agreements and immediately execute any further agreements requested by Master Licensee necessary to assign any Client agreements to Master Licensee.
- F. Immediately amend or terminate your business registration of any d/b/a or fictitious name or any other registration or filing containing the Marks, so as to delete the Marks and all references to anything associated with the System. If you have not furnished evidence of compliance with this obligation within thirty (30) days, you grant Master Licensee a limited power of attorney to amend or terminate all registrations and filings on your behalf, this appointment being coupled with an interest to enable Master Licensee to protect the System.
- G. Comply with the provisions of Section 16 (Restrictions on Competition).

18.2 The expiration or termination of this Agreement will not affect, modify or discharge any claims, rights, causes of action or remedies that Master Licensee, Franchisor, or Licensor may have against you.

18.3 You acknowledge that injuries caused by your failure to comply with this Section 18 are irreparable. You agree that Master Licensee will be entitled to injunctive relief in addition to any other relief that may be available for breach of this Section 18.

18.4 If Master Licensee terminates this Agreement based on your default, you must pay Master Licensee liquidated damages, calculated as follows: (a) the average of your monthly Royalty Fees and Marketing and Advertising Fees due for the last twelve (12) months before termination (not including the months before the Royalty Fee and Marketing and Advertising Fee obligations begin under Sections 4.1 and 4.2); (b) multiplied by the lesser of twenty four (24) or the number of months remaining in the then-current term under Section 2, (c) discounted to present value using the then-current prime rate of interest quoted by Master Licensee's principal commercial bank; (d) minus the present value (determined using the same period as in (b) and the same discount rate as in (c)) of the expenses of performance avoided by Master Licensee as a result of termination of this Agreement.

SECTION 19 – THIRD PARTY RIGHTS OF FRANCHISOR AND LICENSOR

19.1 You acknowledge and agree that all of Master Licensee's rights and all of your obligations under this Agreement inure to the benefit of Franchisor and Licensor, and that they each have a third-party

beneficiary interest in this Agreement. You agree that Franchisor and Licensor have the right to exercise any rights of Master Licensee and/or to enforce any of your obligations if Master Licensee fails to do so.

19.2 Upon termination or expiration of the Master License Agreement for any reason, this Agreement will remain in effect, and Master Licensee's interest in this Agreement will be deemed to be automatically assigned to and assumed by Franchisor. You agree to be bound by the assignment upon receipt of notice from Franchisor of the effective date of the assignment.

SECTION 20 - TRANSFER

20.1 **By Master Licensee.** Master Licensee may transfer its rights under this Agreement as it sees fit without notice to you, subject to the terms of the Master License Agreement. This Agreement will inure to the benefit of Master Licensee's successors and assigns.

20.2 By You -- General.

A. None of your rights or obligations under this Agreement, nor any direct or indirect interest in the Business, may be transferred without Master Licensee's prior written consent, which will not be unreasonably withheld, and your full compliance in all other respects with the terms of this Section 20. Any action contrary to this Section 20 will be a material breach of this Agreement and will be void.

B. If this Agreement has been transferred to an entity under Section 20.4 below, any proposed transfer of any ownership interest in the entity will be subject to all of the provisions of this Section 20.

C. No transfer that requires Master Licensee's consent may be completed until at least sixty (60) days after Master Licensee receives written notice of the proposed transfer. You agree to provide all information and documentation relating to the proposed transfer that Master Licensee reasonably requests. Master Licensee may withhold its consent on any reasonable grounds, including, but not limited to, failure to satisfy any of the conditions imposed under Section 20.3.

D. Master Licensee has the right to communicate with and counsel both you and the proposed transferee on any aspect of a proposed transfer.

E. All approved transferees will be bound by this Agreement and liable for all obligations under it. No stockholder in any corporation or other entity to which you transfer this Agreement will have any rights under this Agreement by reason of such ownership.

20.3 Conditions to Transfers.

No transfer will be approved by Master Licensee or be effective unless and until:

A. The proposed transferee has been approved by Master Licensee as meeting the then-current qualifications for a Business Coach;

B. The proposed transferee has paid the then-current training fee and has satisfactorily completed the ActionCOACH induction training program, except that part or all of this requirement may be waived if the transferee has completed the training program within the last five (5) years;

C. You have settled all outstanding accounts with Master Licensee, and there is no other existing material default in the performance of your obligations under this Agreement or any other agreement you may have with Master Licensee;

D. You have executed a general release of all claims against Master Licensee, Franchisor, and Licensor, in a form acceptable to Master Licensee and Franchisor;

E. You have paid to Master Licensee a transfer fee in the amount designated in Attachment 1 to this Agreement ("Transfer Fee"); and

F. The transferee has executed a new Business Coach Franchise Agreement in the form then being offered by Master Licensee to new Business Coaches in the Territory.

20.4 Transfer to a Corporation, Partnership, etc.

If you are an individual (and not a business entity) and you desire to transfer this Agreement to a corporation, partnership, trust, or other entity, you may do so only if:

A. The entity is newly formed and its authorized activities are limited to operating the Business;

B. You are the majority owner and have sole power to direct and control the management and affairs of the entity;

C. You remain jointly liable with the entity for all obligations of the Business Coach under this Agreement. You acknowledge and agree that the assumption of your obligations by the entity does not limit your personal obligations under this Agreement, and that you and the entity will be jointly and severally liable.

D. You continue to devote your full time and best efforts to manage the operations of the Business, unless you have a Nominated Business Coach approved by Master Licensee;

E. The entity signs an agreement with Master Licensee assuming, jointly and severally, all of your obligations under this Agreement; and

F. The stock certificates, certificated units of partnership or certificated beneficial interests of the corporation, partnership or trust bear the following legend:

"The (shares of capital stock) (partnership interest) (beneficial interest) represented by this certificate are subject to the terms and conditions set forth in that certain Business Coach Franchise Agreement dated _____ between the Company and _____, a copy of which is on file in the Company's principal office and a copy of which will be provided to the holder of record hereof upon written request without charge."

20.5 Death, Incapacity or Personal Bankruptcy.

A. If You (or any owner, if this Agreement has been transferred to an entity) die, become incapacitated, or enter bankruptcy proceedings, the executor, administrator, personal representative, or trustee may apply to Master Licensee in writing within one hundred twenty (120) days after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to transfer the affected interest in the Business. The transfer will be subject to the provisions of Sections 20.2 and 20.3, except that no Transfer Fee will be required. In addition, if the deceased or incapacitated person is the Nominated Business Coach, Master Licensee will have the right (but not the obligation) to take over operation of the Business until the transfer is completed and to charge a reasonable management fee for such services. For purposes of this Section, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (i) for a period of thirty (30) or more consecutive days; or (ii) for sixty (60) or more total days during a calendar year. In the case of transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of Sections 19.3, the executor may transfer the decedent's interest to another successor that Master Licensee has approved, subject to all of the terms and conditions for transfers contained in this Agreement.

B. If you die (or any owner dies, if this Agreement has been transferred to an entity), the executor may terminate this Agreement by signing a termination agreement and release satisfactory to Master Licensee

and Franchisor. Upon executing and submitting the appropriate termination documents, the estate and its representatives will have no further obligation under this Agreement except for any matters that exist as of the date of such termination.

SECTION 21 – OPTION TO PURCHASE

21.1 Master Licensee will have the option, but no obligation, to purchase all of the assets of the Business upon receipt of notice from you under Section 20.2 of your intention to sell the Business to an independent third party pursuant to a bona fide written offer to purchase. The purchase price for assets will be the price specified in the written bona fide purchase offer from the third party. If Master Licensee cannot reasonably be required to furnish the same consideration as the third party, then Master Licensee may purchase the interest for the reasonable equivalent in cash. If you and Master Licensee cannot agree on the reasonable equivalent in cash within a reasonable time, each party will designate an independent appraiser, and the average of the two (2) appraised values will be binding. Master Licensee will have the right to set off all amounts due from you under this Agreement, as well as the cost of any appraisals, against the purchase price.

21.2 Master Licensee will notify you of its intention to exercise the option to purchase (a "Notice of Intent") within thirty (30) days following receipt of notice from you under Section 20.2. You will have fourteen (14) days following receipt of Master Licensee's Notice of Intent to object to any of its terms. If Master Licensee declines to exercise its rights under Section 21.1 within thirty (30) days, you may thereafter sell the Business to the third party identified in the disclosed purchase offer, but not at a lower price or on more favorable terms than you previously disclosed to Master Licensee. Any such sale will be subject to the terms set forth in Section 19.

21.3 The purchase and sale contemplated in this Section will be consummated as soon as practicable. Following the delivery of a Notice of Intent as specified in Section 20.2, Master Licensee, or its designee, will have the right to operate the Business pending the closing of the sale.

SECTION 22 – GENERAL PROVISIONS

22.1 Relationship of Parties.

You do not have any authority to act on behalf of, or as an agent of, Master Licensee, Franchisor, or Licensor for any purpose, nor may you hold yourself out as having such authority. No fiduciary, agency, employment, or partnership relationship exists between you and Master Licensee. You are an independent contractor responsible for all obligations and liabilities of the Business, including any claims or demands based on damage or destruction of property or on injury, illness or death of any person arising directly or indirectly from, or in connection with, the operation of the Business.

22.2 No Conflict with Other Agreements.

You represent that you are not a party to or subject to any agreement that might conflict with the terms of this Agreement.

22.3 Prevailing Party Reimbursement.

In any legal action or arbitration involving you and Master Licensee and/or Franchisor, the prevailing party will be entitled to recover its investigation costs, collection costs, reasonable attorneys' fees, court costs, and all litigation or arbitration expenses, including arbitrators' fees.

22.4 No Waiver.

No failure or delay on the part of Master Licensee or Franchisor in connection with the enforcement or exercise of any rights under this Agreement will affect Master Licensee's or Franchisor's right to strictly

enforce this Agreement at any time. No custom or practice regarding this Agreement will preclude the strict enforcement of this Agreement. No waiver by Master Licensee of performance of any provision of this Agreement will constitute a waiver of Master Licensee's or Franchisor's rights to enforce that provision at any future time.

22.5 Entire Agreement; Amendments.

This Agreement constitutes the entire agreement between you and Master Licensee and supersedes all prior agreements, negotiations, correspondence, and representations, whether oral or written, concerning the same subject matter; provided however, that nothing in the foregoing section is intended to disclaim any representations made by Master Licensee in the Franchise Disclosure Document provided to you in connection with your entry into this Agreement. Except as expressly provided herein, this Agreement may be modified only by a written document signed by you and an authorized representative of Master Licensee.

22.6 Survival.

All provisions of this Agreement that by their terms or by reasonable implication are intended to survive the termination or expiration of this Agreement or a transfer approved under Section 20, including your obligations of non-competition, confidentiality, return of proprietary items, and indemnity, will remain in effect after the expiration or termination of this Agreement or a transfer approved under Section 20.

22.7 Severability.

If any term or provision of this Agreement or the application thereof to any person, property or circumstance is determined by a court or arbitrator to be invalid or unenforceable, the remainder of this Agreement will be unaffected and will remain in full force and effect. Should this prove impractical, Master Licensee will have the option of terminating this Agreement upon written notice to you.

22.8 Governing Law.

This Agreement will be interpreted in accordance with and governed as follows:

For any claims enforceable under local franchise legislation, by the laws of the province where the Business is located as indicated in Attachment 1; and

For non-statutory based claims or any other claims, by the laws of the Province in which Master Licensee's principal office is located at the time of the dispute, except as otherwise required by the laws of the province in which the Business is located

22.9 Mediation and Arbitration.

A. This dispute resolution clause applies to claims (except claims by Master Licensee for any payment to be made by Franchisee to Master Licensee under this Agreement) by and against all parties and their affiliates, successors, owners, managers, officers, directors, employees, agents, and representatives, as to claims arising out of or relating to this Agreement, or of violation of any applicable law or regulation, except as stated below. This dispute resolution clause will survive expiration, termination or a transfer approved under Section 20.

B. Subject to Sections 22.9C, 22.9D and 22.9E, all matters in difference between the parties in relation to this Agreement shall be subject to the following:

(i) The parties shall use commercially reasonable efforts to negotiate a settlement to the dispute within thirty (30) days from written notice by a party requesting to negotiate settlement;

(ii) If the parties are unable to negotiate a settlement within the said thirty (30) day period, Master Licensee shall have the right to elect whether or not to refer the dispute to mediation by a single mediator, chosen by Master Licensee. Mediation will be conducted in accordance with the procedures of the ADR Institute of Canada's Arbitration Rules, unless the parties agree to use a different mediation service. The award and determination of the mediator shall be binding upon the parties and their respective heirs, executors, administrators or assigns. However, the mediation will be conducted in Las Vegas, Nevada and in accordance with the American Arbitration Association if Franchisor is a party to or joined in the mediation.

C. Any dispute relating to or arising out of this Agreement, and subject to negotiation and mediation, and not resolved within sixty (60) days, must be resolved exclusively by mandatory arbitration in accordance with the rules of the ADR Institute of Canada's Arbitration Rules. Arbitration will be conducted solely on an individual, not a class-wide, basis, unless all parties so agree. No award in arbitration will have any effect of preclusion or collateral estoppel in any other adjudication or arbitration. If Franchisor is a party to or joined in the arbitration, the exclusive venue of the arbitration will be, at Franchisor's option, either Las Vegas, Nevada, USA or the city or county in which Franchisor's principal office is located at the time the demand for arbitration is filed. If Franchisor is not a party to or joined in the arbitration, the exclusive venue of the arbitration will be set in the city or county in which Master Licensee's principal office is located at the time the demand for arbitration is filed.

D. Notwithstanding Section 22.8 and unless otherwise provided by applicable law, all issues relating to arbitrability or the enforcement of this Section 22.9 are governed by the Commercial Arbitration Act (R.S.C., 1985, c. 17 (2nd Supp.)) and Canadian common law. Judgment on an arbitration award, or on any award for interim relief, may be entered in any court having jurisdiction, and will be binding.

E. Each party to any arbitration or litigation under this Agreement waives, to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against any other party, except as all owed under law for trademark, trade secret, and copyright infringement.

F. Except as otherwise expressly provided in this Agreement, no right or remedy conferred upon or reserved to any party by this Agreement is intended to be, or will be deemed, exclusive of any other right or remedy provided herein or by law or equity, but each will be cumulative of every other right or remedy.

G. Nothing in this Section 22.9 bars any person's right to seek preliminary, provisional, or declaratory relief in a court of competent jurisdiction.

H. The parties may propose other methods of dispute resolution process in regard to a dispute under this Agreement and such process may be used to resolve the dispute if agreed to by all parties.

22.10 Improvements.

If Franchisee develops any improvement in the System, Franchisee will promptly notify Master Licensee and will provide all necessary information to Master Licensee. All such changes and improvements will be the sole property of Franchisor.

22.11 Notices.

All notices pursuant to this Agreement must be in writing and be delivered in person or mailed by certified or other receipted mail, or by Federal Express or other receipted commercial delivery service, or by facsimile or electronic mail. The addresses for notice will be those set forth in Attachment 1. You or Master Licensee, with notice to the other party, may change the address to which notices will be sent.

22.12 Successors.

This Agreement will inure to the benefit of and be binding on you and Master Licensee, and your and Master Licensee's respective successors, assigns, heirs, executors, administrators, and personal representatives.

22.13 Costs to alter contracts.

No modification, variation, amendment or termination by mutual consent of this Agreement shall be effected unless such action is taken in writing signed by both parties. If you request, and Master Licensee approves, any amendment to this Agreement after the date of this Agreement, you agree to reimburse Master Licensee (and Franchisor, if applicable) for their reasonable costs (including attorneys' fees) incurred in connection with such amendment.

22.14 Acknowledgments.

YOU ACKNOWLEDGE THAT YOU HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS COACH FRANCHISE AND THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISK AND WILL BE LARGELY DEPENDENT UPON YOUR ABILITY AS AN INDEPENDENT BUSINESSPERSON. MASTER LICENSEE EXPRESSLY DISCLAIMS THE MAKING OF, AND YOU ACKNOWLEDGE THAT YOU HAVE NOT RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL SALES, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

YOU ACKNOWLEDGE THAT YOU RECEIVED A BUSINESS COACHFRANCHISE DISCLOSURE DOCUMENT AT LEAST 14 CALENDAR DAYS BEFORE THE DATE ON WHICH YOU SIGNED THIS AGREEMENT OR PAID ANY CONSIDERATION.

YOU ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND THIS AGREEMENT, AND THAT MASTER LICENSEE HAS GIVEN YOU AMPLE TIME AND OPPORTUNITY, AND HAS ENCOURAGED YOU, TO CONSULT WITH ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT.

THE PARTIES have caused this Agreement to be duly executed as evidenced by their signatures appearing below.

APPROVED AND EXECUTED AS OF THE EFFECTIVE DATE.

FRANCHISEE

By: _____

By: _____

Title: _____

Title: _____

Ownership %: _____

Ownership %: _____

All persons with an ownership interest in the Business must sign this Agreement and specify his or her ownership interest percentage. All owners must execute the Personal Covenant and Guarantee attached to this Agreement.

MASTER LICENSEE

By: _____

Title: _____

**ATTACHMENT 1
TO THE PRACTICE BUSINESS COACH FRANCHISE AGREEMENT**

- | | |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 Parties | Master Licensee -
Name: ActionCOACH Canada Master License Ltd.
Address: 519 - 17th Avenue Southwest
Suite 810
Calgary AB T2S 0A9
Email:

Franchisee -
Name:
Address:
Email: |
| 2 Territory | Master Licensee's Territory:

Designated Territory: See Attachment 3 |
| 3 Franchise Fee | Franchise Fee: CAD 49,000 |
| 4 Term | Term: 15 years
Effective Date:
Expiry Date:
Renewal Term: 10 years |
| 5 Royalty Fee | Monthly Base Royalty Fee of CAD2,000 or 10% of preceding month's Gross Revenue ("GR"), whichever is higher |
| 6 Marketing and Advertising Fee | •
The monthly Marketing and Advertising Fee is 5% of Gross Revenues in the preceding month (capped at CAD1500) and is due on the 5th day of each calendar month, except that no Marketing and Advertising Fee is due with respect to Gross Revenues in the month in which you or your NBC, as applicable, complete the induction training program. |
| 7 Minimum Performance Requirement | An average Gross Revenue of –
<input type="checkbox"/> CAD9,500 per month each Assessment Period
<input type="checkbox"/> CAD per month each Assessment Period |
| 8 Assessment Period | Each period of 3 consecutive months during the Term commencing on the 7th month from the Effective Date |
| 9 Training Fee | CAD25,000 for the 10-day training. The fee includes accommodations and meals during the training sessions. |
| 10 Renewal Fee | CAD 5,000 |

- | | | |
|----|------------------------------------------------|-------------------------------------------------------------------------|
| 11 | Quarterly Conference and Technology Fee | CAD600 |
| 12 | Transfer Fee | CAD5,000 |
| 13 | Relocation Fee | CAD5,000 |
| 14 | Upgrade Fee | <input type="checkbox"/> (CAD 90,000); plus
<input type="checkbox"/> |

The Upgrade Fee is due to Master Licensee if you are not in breach of the Agreement and you want to upgrade to a Firm franchise. Any upgrade is subject to the payment of the Upgrade Fee and any and all related federal or provincial law requirements. The Upgrade Fee shall be in lieu of the franchise fees for a Firm franchise.

- | | | |
|----|------------------------------------------------------------------------|------------------------------------------------------------------------|
| 15 | Interest Rate | 1.5% per month or the maximum rate permitted by law, whichever is less |
| 16 | Nominated Business Coach | |
| 17 | Office Location (if different from the address in Item 1 above) | |
| 18 | Tradenames and Trademarks | ActionCOACH |



**ATTACHMENT 2
TO THE PRACTICE BUSINESS COACH FRANCHISE AGREEMENT**

PERSONAL COVENANT AND GUARANTEE

We, the undersigned (collectively, "Guarantor"), in order to induce ("Master Licensee") to enter into a Business Coach Franchise Agreement (the "Agreement") with ("Franchisee"), and for valuable consideration receipt of which is hereby acknowledged from Franchisee, agree to personally guarantee performance of all of Franchisee's obligations under the Agreement, including, without limitation, payment of all monetary obligations of Franchisee to Master Licensee. In addition, we agree to be personally bound by the confidentiality, non-competition, transfer, and dispute resolution provisions of the Agreement. We acknowledge that our obligations under this Personal Guarantee are joint, several, personal and irrevocable.

In particular, the Guarantor jointly and severally guarantees payment to Master Licensee of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to Master Licensee from or by Franchisee or by any successor of Franchisee by reason of or in relation to the Agreement.

It is agreed that

No change in the name, objects, capital stock, ownership, control or constitution of Franchisee shall in any way affect liability of the Guarantor, or any of them, with respect to transactions occurring before or after any such change. If Franchisee amalgamates with one (1) or more other corporations, this Personal Covenant and Guarantee shall continue and apply to all debts and liabilities owing to Master Licensee resulting from the amalgamation. Master Licensee shall not be required to inquire into or confirm the powers of the Franchisee or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from Master Licensee shall be deemed to form part of the debts or liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Franchisee or of its directors or agents, or was in any way irregular, defective or improper.

Master Licensee, without consent of the Guarantor and without exonerating in whole or in part the Guarantor (or any one of them), may grant time, renewals, extensions, indulgences, releases and discharges to, may or may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts or liabilities guaranteed or the Agreement itself and otherwise deal with, the Franchisee, as Master Licensee may see fit.

This shall be a continuing guarantee, and shall guarantee any ultimate balance owing to Master Licensee, including all costs, charges and expenses which Master Licensee may incur in enforcing or obtaining payment of amounts due from Franchisee.

Master Licensee shall not be obliged to seek recourse against Franchisee before being entitled to payment from Guarantor. Guarantor hereby renounces (a) the benefits of discussion and division, (b) claiming and setting up against Master Licensee any right which Guarantor may have to be subrogated in any of the rights of Master Licensee.

This Personal Covenant and Guarantee shall be construed in accordance with the laws of the province where the Business is located as indicated in Attachment 1 of the Agreement. If any provision of this Personal Covenant and Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed herefrom solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision shall be unaffected hereby.

The Guarantor acknowledges that this has been delivered free of any conditions and that no representations have been made to them affecting their liability, save as specifically indicated herein.

The Guarantor represents and warrants that (i) they fully understand the provisions of this Personal Covenant and Guarantee and their obligations hereunder, (ii) they have been afforded the opportunity to engage independent legal counsel, at their own expense, to explain the provisions of this Personal Covenant and Guarantee, and (iii) they have either engaged such legal counsel in connection with this Personal Covenant and Guarantee or has decided, at their sole discretion, not to do so.

GUARANTORS:

Witness

PRINTED

SIGNED

Date:_____

Witness

PRINTED

SIGNED

Date:_____

Witness

PRINTED

SIGNED

Date:_____

CERTIFICATE OF NOTARY PUBLIC

I HEREBY CERTIFY THAT:

The persons named hereinbelow, as Guarantor in the Personal Covenant and Guarantee dated executed in favor of ActionCOACH Canada Master License Ltd., which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/they had executed the same.

Name

Residence

I satisfied myself by examination of him/they, that he/they are aware of the contents of the Personal Covenant and Guarantee and understand it.

Given at this day of, 20 ... under hand and seal of this office.

(Seal)

Notary Public in and for the

.....

STATEMENT OF GUARANTOR/S

I/We are the person/s named in this certificate.

.....
Name:

.....
Name:

.....
Name:

.....
Name:

**ATTACHMENT 3
TO THE PRACTICE BUSINESS COACH FRANCHISE AGREEMENT**

Designated Territory

Your Designated Territory consists of the following postal codes and/or counties in:

If the boundaries or numbers of any of the postal codes referencing the Designated Territory are altered, Master Licensee will use its best endeavors to reassign the redesignated postal codes that correspond as closely as possible to the previously held postal codes. You must advise Master Licensee if you become aware of any change to Postal Code boundaries or any other change which alters the Designated Territory.

D. Franchisees that have the Right to Direct Marketing in the DDMA

The following franchisees and their Business Coaches have the right to direct market within the DDMA.

**ATTACHMENT 4
TO THE PRACTICE BUSINESS COACH FRANCHISE AGREEMENT**

CONDITIONAL ASSIGNMENT OF TELEPHONE AND DIRECTORY LISTINGS

In consideration of _____ (“Assignee”) concurrently granting an ActionCOACH Practice Business Coach Agreement (“Franchised Business”) to _____ (“Assignor”), and other valuable consideration, Assignor assigns to Assignee all telephone numbers, directory listings, fax numbers, Internet web site addresses and domain names, and other listings, whether in electronic or other media, used or to be used by Assignor in the operation of the Franchised Business. Assignee assumes the performance of all of the terms, covenants, and conditions of the telephone or directory company with respect to these listings with the same force and effect as if they had been originally issued to Assignee. This Assignment is valid on the effective date and is irrevocable. Assignee may fill in, add or change the effective date and the listings at any time. The telephone or directory company is authorized to rely on this Assignment. The parties will hold harmless and indemnify the telephone or directory company from any claims based on reliance on this Assignment.

Date:

ASSIGNOR:

ASSIGNEE:

By: _____

By: _____

Its: _____

Its: _____

**ATTACHMENT 5
TO THE PRACTICE BUSINESS COACH FRANCHISE AGREEMENT**

DIRECT DEBIT AUTHORIZATION FORM

Effective date of Authorization:	
Type of Authorization: <input type="checkbox"/> New Authorization <input type="checkbox"/> Change banking information <input type="checkbox"/> Change payment amount <input type="checkbox"/> Discontinue electronic payment <input type="checkbox"/> Change payment date	
Last Name _____ First Name _____	
Address _____	
City _____ Province _____ Postal _____	
Please debit payments from my (check one): <input type="checkbox"/> Chequing Account (attach voided check when returning) <input type="checkbox"/> Savings Account (contact your financial institution for Routing#)	Routing Number: _____ <i>(valid routing #'s must start with 0, 1, 2, or 3)</i> Account Number: _____ _____
Date of first payment: ____/____/____ Date of last payment (optional): ____/____/____	Frequency of payment: <input type="checkbox"/> Monthly on the 1 st (ROYALTY) <input type="checkbox"/> Monthly on the 5 th (MARKETING)
Deduction Amount: ROYALTY: If you have signed a franchise agreement with percentage based Royalty Fee, you will be deducted the amount due based on gross revenues reported in the ActionMEMBERS KPI system. MARKETING: If you have signed a franchise agreement with percentage based Marketing and Advertising Fee, you will be deducted the amount due based on gross revenues reported in the ActionMEMBERS KPI system.	
AGREEMENT I authorize ActionCOACH Canada Master License Ltd. to process debit entries to my account. I understand that this authority will remain in effect until I provide reasonable notification to terminate authorization. Authorized Signature: _____ Date: _____	
FOR OFFICE USE ONLY:	DATE:

SCHEDULE A-2

The FIRM – Business Coach Franchise Agreement (A-2)



THE FIRM

***BUSINESS COACH FRANCHISE AGREEMENT
(CANADA)***

THE FIRM BUSINESS COACH FRANCHISE AGREEMENT

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Attachment 1: Fees and Specifications

Attachment 2: Personal Covenant and Guarantee

Attachment 3: Territory
Attachment 4: Conditional Assignment of Telephone and Directory Listings
Attachment 5: Direct Debit Authorization Form
Attachment 6: Guarantee Re: Franchise Fees

THE FIRM BUSINESS COACH FRANCHISE AGREEMENT

THIS AGREEMENT is entered into as of the Effective Date between Master Licensee and You or Franchisee.

RECITALS

ActionCOACH IP Co, Ltd. ("Licensor") owns the Marks, the System, and the Confidential Information, all as defined below, and has granted ActionCOACH Canada, Ltd. ("Franchisor") the exclusive right to license and authorize the sublicensing of the Marks, the System, and the Confidential Information within the Country.

Franchisor has granted Master Licensee the right to sublicense the Marks, the System and the Confidential Information (each as defined in this Agreement) within the Country.

You wish to obtain the right to operate an ActionCOACH business coaching and mentoring business in the Territory (as the term is defined below).

The parties agree as follows:

DEFINITIONS

"Across-Area Marketing Programs" means Licensor's and Franchisor's (and their respective Affiliates') Internet, television, electronic, co-branding, alliance, affinity, and other marketing programs, policies and strategies.

"Agreement" means this "The Firm Business Coach Franchise Agreement".

"Assessment Period" means the period specified in Attachment 1 for which Master Licensee will assess whether your performance meets the Minimum Performance Requirement;

"Blue Chip Account" is a Fortune 500 Company that is listed in the past and present annual list compiled and published by Fortune magazine or similar publication. Due to the rapid development of new business concepts including online businesses, Franchisor reserves its rights to amend the guidelines and policies for Blue Chip Accounts from time to time.

"Business" means the ActionCOACH business coaching, business training and mentoring business that you are authorized under this Agreement to conduct within the Territory and in a limited manner outside the Territory within the Country.

"Business Coach" means a person providing Coaching Services to Clients either as Nominated Business Coach or Employee Business Coach.

"Client" means a business owner or other customer who agrees to purchase Coaching Services from the Business.

"Client Information" means details, including lists, of Clients collected by Franchisee in accordance with this Agreement.

"Client Forms" means the forms specified by Franchisor in the Manuals or otherwise specified in writing by Franchisor to be used by the Franchisee to procure the details of Clients.

"Coaching Services" means the business coaching, business training, business coaching and mentoring services (excluding executive coaching, unless you have completed Franchisor's executive coaching program), training modules, products, business plan drafting assistance, and other services and products authorized by Franchisor from time to time for delivery to Clients.

“Confidential Information” has the meaning defined in Section 15 of this Agreement.

“Country” means Canada.

“3rd Party Territory” means the areas specified in Attachment 3 that is restricted for purposes of any Direct Marketing by You to prospective clients and Clients. Master Licensee identifies the 3rd Party Territories as a geographical area defined by postal codes

“Direct Marketing” means communication to prospective clients within the Territory by direct mail, telemarketing, email marketing, door-to-door marketing, broadcast faxing, voicemail marketing, couponing or direct selling. The Franchisor has the sole right to determine, whether or not any other activity or marketing method not defined herein is considered as Direct Marketing and its decision shall be binding on all parties.

“Effective Date” has the meaning given in Attachment 1.

“Employee Business Coach” or “EBC” means the specific individual (other than a Nominated Business Coach) who is authorized by Master Licensee and Firm Owner(s) to provide Coaching Services to Clients on behalf of the Business. You may appoint an unlimited number of individuals to serve as EBCs, as long as those individuals: (i) have been approved by Master Licensee and trained by Franchisor; and (ii) have signed an Employee Business Coach agreement with you.

“Franchisee” or “You” have the meaning given in Attachment 1.

“Financial Year” means a year commencing 1 January and ending 31 December

“FIRM Owner” means the person or business entity who has executed the Firm Business Coach Agreement. FIRM Owner(s) who have attended Franchisor’s training are authorized, and required, to provide coaching support services and supervision to all Business Coaches within the FIRM under a Nominated Business Coach Agreement, in a form approved by Franchisor and Master Licensee and specific to the FIRM arrangement. All FIRM Owners are to be identified in Attachment 1.

“Gross Revenues” means the total receipts derived from services performed and products sold by or in connection with the Business. Any property or services received from Clients in exchange for Coaching Services will be included in Gross Revenues at their fair market value at the time received. Gross Revenues also include any proceeds you may receive from business interruption insurance. Gross Revenues do not include sales taxes or credits such as the sale price of any products returned by Clients or other taxes that you collect from Clients and pay directly to the appropriate governmental authorities.

“Key Personnel” means those persons hired by or otherwise connected with the Business at any time who perform administrative or marketing functions or are involved in the management of the Business.

“Manuals” means the operations manuals, policy statements, directives, and other written instructions issued by Franchisor with respect to the System, including, without limitation, information and materials posted in the Intranet areas of the ActionCOACH website. Part or all of the Manuals may be issued in electronic form. Franchisor may amend the Manuals from time to time.

“Marks” means the marks listed in Attachment 1 and such other registered and unregistered trade names, trademarks, service marks, logos, commercial symbols, Internet domain names, web site identifiers, designs, color schemes, and trade dress as Franchisor may designate from time to time for use with the System.

“Master Licensee” has the meaning given in Attachment 1.

“Minimum Business Coach Requirement” or “MBCR” has the meaning given in Attachment 1.

“Minimum Performance” means the criteria specified in Section 12 and Attachment 1.

“Minimum Royalty” means the minimum Royalty Fee calculated in accordance with the MBCR and as outlined in Attachment 1.

“Nominated Business Coach” or “NBC” means the Firm Owner personally serving as Business Coach or the person appointed by the Firm Owner (subject to conditions herein) to provide Coaching Services to Clients on behalf of the Business and has authority to bind you in any dealings with Master Licensee and Franchisor. At least one (1) Firm Owner must personally serve as a Nominated Business Coach throughout the Term, unless Master Licensee agrees to shorten this period in accordance with any conditions the Master Licensee may reasonably request. You may appoint a Nominated Business Coach in lieu of a Firm Owner, as long as such individual: (i) has been approved by Master Licensee and trained by Franchisor; and (ii) has signed a Nominated Business Coach Agreement with you and the Master Licensee.

“Start Date” means the dates specified in Attachment 1.

“System” means the business methods, specifications, procedures, and accumulated trial and error developed, and to be developed, by Licensor and/or Franchisor for the operation and management of a Business.

“Term” has the meaning set forth in Attachment 1.

“Territory” means the area specified in Attachment 1 for the purpose of your Direct Marketing to prospective clients and Clients and as set out in Section 8 and may be modified in accordance with the terms of this Agreement. Master Licensee assigns the Territory as a geographical area defined by postal codes and/or Cities and Municipal Boundaries..

SECTION 1 – RIGHTS GRANTED

1.1 Master Licensee grants you the right, and you undertake the obligation, to:

- A. Operate the Business upon the terms and conditions of this Agreement, on an exclusive basis within the Territory;
- B. Operate the Business from the office location only as set forth in Section 9; and
- C. Use the Marks and the System as they may be modified and developed from time to time on a non-exclusive basis in the operation of the Business.

1.2 This Agreement does not include: the right to sell products to any vendor who would in turn sell to consumers; the right to sell any product except through the Business; or the right to perform any Coaching Services other than through the Business.

1.3 You may not grant a sub-franchise or otherwise sublicense any of your rights under this Agreement.

SECTION 2 - TERM AND RENEWAL OPTIONS

2.1 The term of this Agreement commences on the Effective Date and unless sooner terminated under Section 17, this Agreement will expire on the Expiry Date.

2.2 You will have the option to renew the right to operate the Business for successive periods of fifteen (15) years each. Master Licensee may refuse to renew your right to operate the Business, in its absolute discretion, if any of the following conditions have not been satisfied:

- A. You must give Master Licensee written notice of your election to renew (“Renewal

Notice") not more than nine (9) months, and not less than six (6) months, before the current term expires. Master Licensee will respond to this notice with its approval or disapproval within two (2) months thereafter.

B. You must be current in all payment obligations to Master Licensee and must have remedied any breach of this Agreement specified by Master Licensee by written notice.

C. You must not have received more than one (1) written notice of material default from Master Licensee in the twenty four (24) months preceding delivery of the Renewal Notice.

D. You must have operated the Business and used the System substantially in accordance with this Agreement and the Manuals during the term then expiring.

E. You must have achieved Minimum Performance and the Minimum Business Coach Requirement set out in Attachment 1.

F. You must execute a new Firm Business Coach Franchise Agreement on the then-current form designated by Franchisor, the terms of which may differ from this Agreement and may incorporate, without limitation: (a) any increase in the Royalty Fee, EBC Training Fee, Marketing and Advertising Cap and other fees that Franchisor may adopt generally for renewing franchisees, and (b) Franchisor's then-current MBCR, Minimum Royalty, Minimum Performance, TSF and other formulas, which may be different than the MBCR, Minimum Royalty, Minimum Performance, TSF and other formulas, including but not limited to those set forth in Section 8.2.A of this Agreement. Your failure to execute the updated Firm Business Coach Franchise Agreement within thirty (30) days after its delivery will be deemed an election not to renew.

G. You must execute a general release of all claims that you may have against Master Licensee, Franchisor, Licensor, and their respective officers, directors, shareholders, agents, and employees. This release must be in a form satisfactory to Master Licensee and Franchisor.

H. You must make such expenditures as may be reasonably required to upgrade the Business and its signs, stock, forms and equipment so as to reflect the then-current image of the ActionCOACH concept.

I. You must pay Master Licensee the Renewal Fee specified in Attachment 1.

J. You and Business Coaches must have attended at least ninety percent (90%) of Franchisor's Regional conferences (including the Business Excellence Forum). If You or your Business Coaches have not met this requirement, Franchisor, in its absolute discretion, may allow You and your Business Coaches to re-attend pertinent training to remedy non-compliance. However, You must pay the then-current Training Fee.

SECTION 3 - INITIAL FEES

3.1 You must pay Master Licensee the Franchise Fee specified in Attachment 1 upon signing this Agreement.

3.2 You must pay Master Licensee the Franchisee Training Fee upon signing of this Agreement.

3.3 [Intentionally omitted]

3.4 You must pay, or reimburse, Master Licensee on demand for all Master Licensee's costs (including legal costs) in connection with or incidental to the instructions for and the negotiation, preparation and execution of this Agreement and all related agreements.

3.5 The Franchise Fee and Franchisee Training Fee are not refundable, in whole or in part, under any circumstances, subject to the Guarantee as outline in Attachment 6

3.6 The Master Licensee has the right but not the obligation to offer financing to a franchisee. Where it elects to offer financing, it shall pertain only to the Franchise Fee, to a maximum of 50%, for a duration of 5 years, bearing 10% interest per annum, and as further outlined in Section 8 of the Disclosure.

SECTION 4 – ONGOING FEES AND ROYALTIES

4.1 You must pay Master Licensee a Royalty Fee as set forth on Attachment 1. The Royalty Fee is subject to a minimum amount (Minimum Royalty) as specified in Attachment 1. The Royalty Fee for Your Business commences on the 2nd month after You or your Nominated Business Coach complete the relevant training. Each Royalty Fee payment must be accompanied by a statement of the preceding month's Gross Revenues in a form approved by Master Licensee.

4.2 On or before the fifth (5th) day of each calendar month, You must pay Master Licensee a Marketing and Advertising Fee as set forth on Attachment 1. However, no Marketing and Advertising Fee is due for the month in which each Firm Owner or your Nominated Business Coach complete the training program or the month following.

4.3 On or before the 1st day of each quarter you must pay Franchisor, through Master Licensee, a Quarterly Conference and Technology Fee as set forth on Attachment 1, which fee shall be for your and your EBCs conference fee at annual regional conferences (which includes the Business Excellence Forum), technical and administrative support, provision of an email address, and an ActionCOACH webpage to be determined by Franchisor.

4.4 You will pay Master Licensee the EBC Training Fee specified in Attachment 1 no later than fourteen (14) days before any of your EBCs begin the ActionCOACH 5-Day Training program. You will pay Master Licensee the Key Personnel Training Fee specified in Attachment 1 no later than fourteen (14) days before any of your Key Personnel begin the ActionCOACH 5-Day Training Program.

4.5 Unless otherwise provided by applicable law, any amount due under this Agreement shall be paid in Canadian Dollars. Any amount that is not paid on or before the due date will accrue interest daily at the rate specified in Attachment 1. Each failure to pay Royalty Fees, Marketing and Advertising Fees, or any other amount payable to Master Licensee when due is a material breach of this Agreement.

4.6 You will establish a separate bank account for the Business and use the method(s) specified from time to time by Master Licensee or Franchisor for the payment of Royalty Fees, Marketing and Advertising Fees, and all other fees and amounts owed. You will furnish Master Licensee, Franchisor and your bank with such authorizations as may be necessary to effect payment by the method required by Master Licensee or Franchisor.

4.7 With the exception of the Franchise Fee and Training Fee, You must make all payments to Master Licensee with respect to amounts owed by You to Master Licensee pursuant to this Agreement by means of direct debit into a bank account nominated by Master Licensee and must, prior to commencing operation of the Business: A) nominate in writing to Master Licensee a bank account from which Master Licensee will direct debit the payments; and B) sign all necessary forms and consents permitting the direct debit of funds from the bank account in the manner and on the dates specified in writing by Master Licensee.

4.8 You must pay for the cost of any of Master Licensee's administrative fees connected with the failure of your direct debit facility.

4.9 You have no right of set off as against Master Licensee or Franchisor. You must not for any reason withhold payment of any amount due to Master Licensee or Franchisor. This applies even if You allege that Master Licensee has not performed or is not performing an obligation imposed upon it under this Agreement or a related agreement. Master Licensee may accept any part payment without prejudice to its right to recover the balance due or pursue any other remedy. Master Licensee may set off against any payment due to You by Master Licensee any of your unpaid debts to Master Licensee.

4.10 Notwithstanding the provisions of Sections 4.1 and 4.2 you must pay the Royalty Fee and the

Marketing and Advertising Fee directly to the Franchisor if you receive a written notice from the Franchisor to that effect. Provided you comply with that notice, your obligations to the Master Licensee under those clauses will be discharged.

SECTION 5 - ADVERTISING AND MARKETING

5.1 You will advertise and promote the Business at your own expense and in accordance with the Manuals. However, You may not publish or distribute any advertising or promotional material unless it has been approved in writing by Master Licensee, which approval will not be unreasonably withheld or unduly delayed. If Master Licensee objects to any advertising or promotional material that you are using, you must immediately stop using it. Advertising and promotional materials furnished by Master Licensee may be used only in the manner and during the period specified by Master Licensee. Master Licensee has the right to charge reasonable fees for any materials that Master Licensee provides.

5.2 You acknowledge that, unless otherwise specified by Franchisor in writing, forty percent (40%) of the Marketing and Advertising Fees will be sent by Master Licensee to Franchisor for its use in local, regional or national marketing and advertising. Franchisor will direct all marketing programs supported by Marketing and Advertising Fees, with final discretion over creative concepts, materials, and media used in the programs and their placement. Franchisor may use the fees for any activities that they believe would benefit ActionCOACH businesses generally, including, but not limited to, national and international advertising, promotion, creative development, production of advertising and promotion, marketing research and development, public relations, Internet, and reasonable administrative expenses related to these efforts. Franchisor and Master Licensee may use the Marketing and Advertising Fees to pay the costs of: a) developing and conducting advertising and promotional campaigns, as determined by Franchisor or Master Licensee in its sole discretion, including customer database development and management; b) developing and funding advertisements; c) sourcing the production of marketing materials and other sales materials; d) conducting research including research in relation to products and customers; e) developing public relations, customer and supply relations; f) engaging advertising agencies and marketing consultants; g) coordinating the activities set out above and administering the Marketing and Advertising Fees, including reasonable overhead and administrative costs, the cost of materials and employees' salaries and printing costs; and h) payment of accountancy, legal and other fees in respect of audits of the records of the Marketing Fund. Franchisor and Master Licensee may determine in its discretion how the Marketing Fees is spent.

5.3 You must use the Marks in all advertising and promotion of the Business. You must, at your own cost, display signs at the Business location and at Master Licensee, Franchisor and Licensor events in accordance with the Manuals' specifications.

5.4 You acknowledge that your web site, if any, constitutes advertising and promotion subject to Section 5.1 above. You agree to comply with all policies and standards that Master Licensee or Franchisor issues from time to time with respect to web sites specifically. You also acknowledge that in the event you do want to create your own web site, you are required to obtain Franchisor's prior approval of the design, content and appearance of the website and to use Franchisor's approved supplier for design, development and web hosting to ensure compliance with Franchisor's requirements for branding and usage of the Marks. Master Licensee or Franchisor may: (i) require that your web site be accessible only by link from Master Licensee's site, and (ii) prohibit links between your web site and any other web site. You acknowledge that any copyright in your web site will be deemed to be owned by Franchisor. You agree to execute any documents that Master Licensee requires to affirm Franchisor's ownership of the copyright. You represent that You have, or will have, the lawful right to use any proprietary materials of others that appear in your web site.

5.5 **Marketing Development Fund.** Neither we nor ACCL do not have a Franchise Leadership Council that advises on advertising policies. Nor a Marketing Development Fund at this time. We do reserve the right to create both of them at a future date, to the extent permitted by applicable laws in the Country

If established, the Marketing Development Fund ("Fund") will promote the System in Canada. Depending on which franchise you operate, you must pay a monthly fee per month to the Fund. This amount will be

determined by the Franchise Leadership Council at that time.

The media in which advertising will be disseminated may be print, radio, social media, television, or any other media. The media coverage may be local, regional, or national in scope, depending on the type of advertising. As of the date of this Disclosure Document, if formed, we intend to formulate, develop and conduct the marketing programs for the Fund, although in the future we may use an in-house advertising department or a national or local advertising agency.

We have the right to form, change, dissolve or merge the Fund. The Fund will not be audited, but we will furnish annual, unaudited statements of receipts and disbursements for your review. The Fund is not a trust or escrow account, and we have no fiduciary duty with respect to the Fund.

We will administer the Fund. All franchisees, once established will be required to contribute to the Fund. Company-owned outlets will contribute to the Fund on the same basis as franchisees.

If launched, we will establish a Franchise Leadership Council to serve in an advisory capacity on advertising and marketing programs. In consultation with the Franchise Leadership Council, we will set the annual expenditure budget and advertising strategy for the Fund. Once we determine that there are enough franchises in your market, we will establish a Franchisee Ad Council for that market which will consist of us, you and all other franchisees located in your local market area. To the extent that we provide monies from the Fund to local markets, each member of the Franchisee Ad Council in that market will have one vote in determining the annual expenditure budget and advertising strategy for that portion of the Fund that will be spent in your local market. The affirmative vote of 2/3rds of the Franchisee Ad Council who vote on a proposal is necessary to approve the proposal. We have the power to form, change or dissolve these councils.

We do not receive payment for providing services to the Fund, other than reimbursement for our direct expenses in connection with marketing research, marketing studies, development of advertisements, and development of marketing strategies and programs.

As of the date of this Agreement, the Fund was not set up and no money was spent on advertising. We have no obligations to spend any amount on advertising in the area where you are located. If all fees paid into the Fund are not spent in the fiscal year, the excess will be carried over for future use.

Fund monies will not be spent for activities that are principally for the solicitation of the sale of franchises.

SECTION 6 - RECORDS AND AUDITS

6.1 You must maintain complete and accurate records concerning all financial, marketing and operating aspects of the Business. You must keep these records at your Business location (or another place approved in writing by Master Licensee). You must provide such reports as may be required by Master Licensee or Franchisor. Your records must include Business tax returns; daily and weekly marketing, sales and performance reports; statements of Gross Revenues (to be prepared each month for the preceding month); profit and loss statements; and balance sheets. If Master Licensee determines that your records or financial statements are not of sufficient detail or reliability, Master Licensee has the right to require that you have such records or statements reviewed or prepared by an independent Chartered Professional Accountant. Master Licensee and Franchisor will keep your financial data confidential except to the extent that Master Licensee or Franchisor decides, or is required, to make a "financial performance representation" under applicable franchise disclosure laws. Master Licensee or Franchisor may also conduct an audit of your compliance with the System. You must provide annual financial statements and "Notice to Reader" prepared by a 3rd party accountant to the Master Licensee for each year by the following year on June 30th (for further clarification, 2019 financial statements to be provided to ML by June 1 2020.)

6.2 While this Agreement is in effect, and for three (3) years after its expiration or termination or after any transfer approved under Section 20, Master Licensee and Franchisor have the right to request, receive, inspect and audit any of the records referred to in Section 6.1. Master Licensee and Franchisor

agree to do inspections and audits at reasonable times. You agree to keep all original records, reports, invoices, order forms, and calculations for at least six (6) years from the date they were generated or for a longer period if required by applicable law. Should any inspection or audit disclose a deficiency in the payment of any Royalty Fee, Marketing and Advertising Fee or other amounts required to be paid under this Agreement, you will immediately pay the deficiency to Master Licensee. In addition, if the deficiency for any audit period equals or exceeds five percent (5%) of the correct amount due, you must also immediately pay to Master Licensee the reasonable cost of the inspection or audit, including travel, lodging, meals, salaries and other expenses of the inspecting or auditing personnel. Should the audit disclose an overpayment of any Royalty Fee, Marketing and Advertising Fees or other amounts due, Master Licensee or Franchisor will promptly pay the amount of the overpayment to you, provided that the amount exceeds Fifty Canadian Dollars (CAD50.00).

SECTION 7 – ASSISTANCE BY MASTER LICENSEE

7.1 Master Licensee will:

A. Arrange for you, Key Personnel and your Business Coaches to attend Franchisor's training program.

B. Assist you with the preparation of an initial business plan.

C. Provide you with guidance (in its absolute discretion) on pre-opening and opening activities for the Business, prior to and including its first two (2) weeks of operation. This will include on-line access to advertising and promotional material which may include guidance on advertising and promotional programs.

D. Each week for the first ninety (90) days after you complete the ActionCOACH training program, provide access via conference or personal calls to discuss any operational challenges and assist you in examining your results from your weekly reports. Thereafter, Master Licensee will conduct or arrange for periodic conference calls (as determined by Master Licensee in its absolute discretion) with you to discuss operational challenges and conduct ongoing training. It is mandatory to have weekly calls with the ML during this period.

E. Grant approval of your office location and assist you in determining the location of your office. The selection of your office location will be your responsibility.

F. Arrange for you or your Business Coaches to attend Franchisor's annual regional conferences (which includes the Business Excellence Forum). There will be a conference fee for the global conference, and you must pay all travel and living expenses of your attendee(s). Master Licensee may also hold such conferences within the Country. Attendance by you and your Business Coaches at Franchisor's Regional North American Conferences (including the Business Excellence Forum) is mandatory.

G. Provide to you, on loan during the term of this Agreement, one (1) set of the Manuals and any amendments thereto promulgated by Franchisor. The Manuals for your Business Coaches will be supplied to you via on-line access once Master Licensee receives an executed copy of the Nominated Business Coach Agreement or Employee Business Coach agreement, as the case may be, and the Training Fee has been paid.

H. Inform you of any changes and improvements to the System that may be developed by Franchisor or Licensor and authorized for use by ActionCOACH business coaches in Canada.

I. Provide assistance in conducting workshops and seminars for Clients and potential clients, insofar as Master Licensee is available.

7.2 Master Licensee will offer you such additional guidance and assistance as Master Licensee deems necessary or advisable. Failure of Master Licensee to provide any particular service, either initial or continuing, will not excuse you from paying any of the fees including but not limited to, the Franchise

Fee, Royalty Fees or Marketing and Advertising Fees.

SECTION 8 - TERRITORY

8.1 During the period this Agreement is in effect and provided you are not in default of any of the terms contained herein, Master Licensee will not grant a franchise nor license others to Direct Market in your Territory, except as provided in this Agreement.

8.2 Your Territory has been calculated having a business demographic (determined by demographic information providers selected by Franchisor in its sole and absolute discretion) of the nominal number of businesses as set out in Attachment 1. Your Franchise Fee has been calculated based on the number of businesses in the Territory and the total population in that Territory. Given that fluctuations can occur in the total number of businesses in your Territory, You agree that:

A. Upon renewal of this Agreement in accordance with Section 2.1; if the business population has increased by ten percent (10%) or greater, calculated against the original Territory business population the Minimum Business Coach Requirement will be adjusted in accordance with the Franchisor's then-current Minimum Business Coach Requirement formula which will in turn adjust the Minimum Royalty;

B. In the event that the business population of the Territory decreases, you will not be entitled to any reduction or refund of any portion or whole of the Franchise Fee or any other fees that you have paid Franchisor and Master Licensee. However, Master Licensee may, in its absolute discretion, review your Minimum Business Coach Requirement and reduce it in accordance with the then-current formula for the Minimum Business Coach Requirement.

8.3 You acknowledge that that the demographics of your Territory is unique and may vary substantially from the Territory of other ActionCOACH franchisees, including but not limited to, business population, density, business type, number of employees employed by businesses, annual revenues or other local economic and market conditions and Master Licensee is under no obligation to grant you similar terms.

8.4 Your franchise is exclusive, except as provided in Section 8.1. There may be other Business Coaches providing Coaching Services in the Territory as set out in Attachment 3. In addition, Franchisor and Licensor may sell products in the Territory via Across- Area Marketing Programs. Master Licensee will communicate to you any policies that Franchisor or Licensor issues to coordinate Across-Area Marketing Programs.

8.5 You may not Direct Market or advertise in any media whose primary circulation or footprint is outside of your Territory. Franchisor and Master Licensee may establish terms and conditions under which you may advertise on the Internet. Should you receive a request for services from a Client or prospective client outside of the Territory, and ten percent or more of your Revenues are already coming from outside your Territory, then you must refer the request to Master Licensee. If the Client or prospective client's principal office is outside of the Territory and Franchisor has not licensed any third party to operate in that Territory or the prospective Client is not located in the Territory of another Firm, Master Licensee may refer the request for services back to you.

8.6 You, your NBC or your EBCs may provide Coaching Services to Clients outside of the Territory but within the Country only if:

(i) You have obtained the prior written approval of the Master Licensee. You agree to provide any additional information that the Master Licensee may request to verify the referral relationship or in accordance with any referral or strategic alliance policy set out in the Manuals as amended from time-to-time by Franchisor; and

(ii) No more than ten percent (10%) of your monthly Gross Revenues are earned outside of the Territory or in accordance with Franchisor's or Master Licensee's then-current policy set out in the Manuals as amended from time to time on the provision of Coaching Services outside of the Territory.

8.7 Master Licensee may authorize another Business Coach to provide Coaching Services to clients within the Territory where it is satisfied that the Business Coach has been referred as a result of an existing client relationship.

8.8 You may request Master Licensee's approval to relocate your Business to the territory of another ActionCOACH master licensee. If both master licensees approve your request, Master Licensee will assign this Agreement to the master licensee for the new Territory, and upon the assignment, You must pay Master Licensee a Relocation Fee as specified in Attachment 1 to compensate Master Licensee for its lost future income from your franchise.

8.9 The right to provide Coaching Services to Blue Chip Accounts outside your Territory is hereby specifically excluded. You acknowledge that other Business Coaches may provide Coaching Services to Blue Chip Accounts at or from locations in the Territory. With the prior written consent of Master Licensee, You may provide Coaching Services to Blue Chip Accounts at or from locations in a territory or DDMA of another Business Coach, within the Master Licensee's Country at the sole discretion of Master Licensee, whose decision shall be final and binding on You. ActionCOACH retains the sole and exclusive right to identify Clients or potential Clients as Blue Chip Accounts who are outside the Master Licensee's Country and permit other Business Coaches to provide Coaching Services in accordance with Franchisor's policy (as amended from time to time) on Blue Chip Accounts. All disputes relating to Blue Chip Accounts will be resolved by Franchisor, whose decision will be final and binding upon all parties.

8.10 You acknowledge that it is necessary for Franchisor and Master Licensee to identify, manage and service Blue Chip Accounts to ensure the consistent delivery and co-ordination of Coaching Services provided to Blue Chip Accounts.

SECTION 9 – OFFICE LOCATION

9.1 You can locate your office anywhere within the Territory. The office must at all times be well presented and of a professional nature. Your approved office location is specified in Attachment 1. You must notify Master Licensee (in advance, if possible) if you intend to change your office location, or if for any reason you are or will be unable to operate the Business from your then-current approved office location (such as a taking by eminent domain, termination of your lease, mortgage default, or damage or repair). The Term of this Agreement will not be extended by any such interruption, nor will you be excused from paying Marketing and Advertising Fees or Royalty Fees during such interruption.

9.2 Your office must comply, at your sole cost and expense, with the fit out guide contained in the Manuals which may be amended from time to time.

9.3 You confirm your approval of any office location which is specified in Attachment 1 and acknowledge that You have:

A. made all necessary enquiries and have conducted your own due diligence in relation to the office location;

B. absolutely and unconditionally satisfied yourself as a result of these enquiries and your own due diligence as to the suitability of the office location and the location of the office for the conduct of the Business; and

C. entered into this Agreement as a result of your own assessment of all of these matters and not in reliance upon any alleged statement, warranty, condition or representation made to or alleged to have been made to You by Master Licensee, Franchisor or by any person on behalf of Master Licensee or Franchisor.

D. If no premises are specified in Attachment 1 then You must, prior to obtaining approval of the office location, confirm in writing your approval of the office location approved under Section 9.1 and acknowledge that it has met the requirements specified in Section 9.3 (A), (B) and (C).

SECTION 10 - MANUALS

10.1 You acknowledge that the Manuals are furnished to you on loan and that they remain the sole property of Licensor at all times. You must not make any copies (paper, electronic, or otherwise) of the Manuals. You agree to immediately return the Manuals to Master Licensee if you cease to be a Business Coach for any reason.

10.2 Licensor or Franchisor may revise the Manuals at any time and from time to time, which you must follow. Master Licensee will communicate any such changes to you. Such revisions may include, without limitation, changes with respect to:

- A. The authorized Coaching Services;
- B. Operating procedures;
- C. Advertising and promotions;
- D. Equipment and supplies;
- E. Dress codes;
- F. Additions or modifications of Marks;
- G. Accounting and reporting systems and forms; and
- H. Insurance requirements.

10.3 You agree to operate the Business in accordance with the Manuals, as modified from time to time. Failure to comply with the standards set forth in the Manuals will constitute a material breach of this Agreement.

SECTION 11 – YOUR DUTIES AND OBLIGATIONS

11.1 You agree to use your best efforts to increase the reputation of, and demand for, Coaching Services in the Territory.

11.2 You agree to strictly comply with all present and future standards, specifications and procedures prescribed by Licensor or Franchisor and communicated by Master Licensee or set out in the Manuals, including but not limited to the following requirements:

A. You, your Business Coaches and Key Personnel must complete the ActionCOACH training program, at a location designated by Franchisor. You must complete training before the Business opens. Your Business Coaches are not permitted to provide Coaching Services until after they have completed the Franchisor's training. Attendance by You and your Business Coaches at Franchisor's Regional Conferences (including the Business Excellence Forum) is mandatory. You are responsible for all salary, travel expenses, and other expenses of persons attending programs, seminars, and conferences offered by Franchisor or Master Licensee.

B. Attendance by your Business Coaches at Franchisor's Regional Conferences is mandatory. You are responsible for all salary, travel expenses, and other expenses of persons attending programs, seminars, and conferences offered by Franchisor or Master Licensee.

C. You must identify all of your employees to Master Licensee, and must ensure that they are suitably qualified to run the Business properly. You must keep Master Licensee informed at all times regarding the names, background and experience of all personnel.

D. You, your NBC and your EBCs may offer only the Coaching Services and related products approved by Franchisor for sale by Business Coaches in Canada. If Franchisor authorizes any additional Coaching Services or products for sale by ActionCOACH business coaches and designates such services or products as mandatory, you must begin offering them at the time and in the manner required by Franchisor.

E. All personnel must be professional in dress and appearance, in a manner consistent with

the requirements of Franchisor and Master Licensee.

F. You must operate the Business only under the Marks and under no other trade name or business name. However, you must make it clear to Clients, employees and the general public that you are an independent party operating the Business under license from Master Licensee. You may not use the Marks as any part of a corporate or other legal name, but you may append “d/b/a ActionCOACH” after your corporate or legal name using the then current naming convention as approved by Master Licensee.

G. You must attend all seminars, workshops and exhibitions hosted or arranged on behalf of the Business and/or its Clients as reasonably required by Master Licensee. At your cost, you must display signs at such events in accordance with the Manuals’ specifications.

H. You must pay all debts and taxes arising in connection with the Business when due, including debts payable to Master Licensee.

I. You must comply with all laws applicable to the Business.

J. You must participate in Client satisfaction surveys, and participate in programs derived from such surveys. You must also cooperate with, and participate in, Across-Area Marketing Programs.

K. You must provide the supervision, support and instruction required to be given to your NBC and EBCs.

L. Prior to contracting with or employing, You must require your Key Personnel, employees, NBCs and EBCs to sign a nondisclosure and non-compete agreement in a form acceptable to Master Licensee and Franchisor.

M. Throughout the Term, you must be of good character and must not indulge in what the Master Licensee reasonably considers to be unethical conduct or acts of moral turpitude or do anything which might damage the goodwill attaching to the Marks and other intellectual property associated with the System, or damage any other ActionCOACH businesses within or outside the Territory, whether franchised or operated by Franchisor (or its Affiliates).

11.3 You must submit to Master Licensee the reports and information specified in the Manuals from time to time, and you must submit them in the form and manner prescribed by the Manuals. The required reports include:

A. A report entitled “Action Plan,” which outlines the goals, strategies, and actions you set for development of the Business. This report will be completed and delivered from time to time within ten (10) business days of Master Licensee’s request.

B. A report entitled “Key Performance Indicators”, which summarizes the activities of the Business for each week. This report must be completed and delivered to Master Licensee at the end of each week or as otherwise specified in the Manuals. If you fail to deliver the required information in a timely manner, Master Licensee, in addition to any other remedies available under this Agreement, may suspend or terminate the services provided to you by Master Licensee under this Agreement.

C. Weekly marketing results and sales performance reports.

D. Detailed financial statements for the Business by 31 March after the end of each Financial Year for that Financial Year including a balance sheet, a profit and loss statement and a source and application of funds statement prepared by the Franchisee’s accountant, using generally accepted accounting principles or the then method widely accepted as standard by the accounting profession in Canada, certifying that the contents are true and correct and are a fair and accurate view of the Business.

11.4 You acknowledge and agree that the submission of all required reports is a primary responsibility of each Business Coach. You also agree to give Master Licensee and Franchisor independent access to the information in your computer system relating to your ActionCOACH Business.

11.5 You may appoint Key Personnel to serve in place of the Firm Owner in the Business, as long as that individual: (i) has been approved by Master Licensee and trained by Franchisor; (ii) has signed Franchisor's then-current Key Personnel agreement with you for the management of the Business; (iii) does not provide Coaching Services to Clients of the Business (iv) has direct responsibility for all operations of the Business and has the authority to bind you in any dealings with Master Licensee or Franchisor.

11.6 Master Licensee has the right to inspect your office upon reasonable prior notice, which will not be less than seventy two (72) hours if your office is located in your home. Master Licensee has the right, at any time, to discuss with your Clients and personnel any matters that may pertain to the Business and to compliance with this Agreement.

11.7 Master Licensee may call ad hoc meetings of Business Coaches, which will not number more than twelve (12) per year. You will use your best endeavors to attend.

11.8 While this Agreement is in effect, and for three (3) years after its termination or expiration or any transfer approved under Section 20, you agree to supply Master Licensee with your home address, telephone number, and email address, as well as the home addresses, telephone numbers, and email addresses of your directors, officers, and employees.

11.9 You must:

A. Inform Master Licensee in writing of, and promptly act to address, all Client complaints at your cost and in accordance with any relevant provision set out in the Manuals.

B. If You fail to address a Client complaint within two (2) Business Days, Master Licensee may attempt to address the complaint.

C. If Master Licensee attempts to address a Client complaint due to your failure to satisfactorily address the complaint, You must pay the reasonable costs incurred by Master Licensee in attempting to address the complaint.

11.10 Subject to any applicable Law, You must:

A. collect the information from Clients specified in the Manuals or otherwise in writing by Franchisor or Master Licensee;

B. collect Client information in the manner specified in the Manuals or otherwise in writing by Franchisor or Master Licensee;

C. provide Franchisor and Master Licensee with all Client Information, in the form specified in the Manuals, at the end of each Month or within twenty four (24) hours after receiving a request from Master Licensee.

11.11 Franchisor and/or Master Licensee may establish and maintain a Client database to store Client Information.

11.12 All Clients and the information contained in both the Client Forms completed by Clients and the client database are and will remain the sole property of Franchisor and Master Licensee.

11.13 Your appointment of a Business Coach shall be subject to the following:

A Nominated Business Coach must: (i) be approved by Master Licensee and trained by Franchisor; (ii) sign a Nominated Business Coach Agreement with you; and (iii) have direct

responsibility for all operations of the Business and has the authority to bind you in any dealings with Master Licensee or Franchisor.

You are entitled to appoint Employee Business Coaches under the following conditions: (i) your EBC must be approved by Master Licensee and trained by Franchisor, and (ii) your EBC must sign and Employee Business Coach agreement with you.

You may appoint an unlimited number of Employee Business Coaches but in no case less than the Minimum Business Coach Requirement.

There shall be no license fees due for the appointment of your EBCs. However, you must pay Training Fees and Quarterly Conference and Technology Fees for each EBC as indicated in Attachment 1.

SECTION 12 - MINIMUM PERFORMANCE AND MINIMUM BUSINESS COACH REQUIREMENT

12.1 You must achieve Minimum Performance (excluding the first six (6) month period of operation of the Business) and Minimum Business Coach Requirement which the Franchisee accepts are minimum criteria which the Franchisee must perform and are not targets or objectives.

12.2 If You fail to achieve the Minimum Performance or Minimum Business Coach Requirement in any Assessment Period You must attend a meeting held by Master Licensee, at your cost, to discuss the performance of the Business.

12.3 You must at the meeting referred to in Section 12.2: (a) provide Master Licensee and Franchisor with a written explanation for the failure to achieve the Minimum Performance and/or the Minimum Business Coach Requirement, if requested to do so by Master Licensee or Franchisor; and (b) if requested by Master Licensee or Franchisor, set out specific strategies or actions to be taken to address the failure which are acceptable to Master Licensee and Franchisor.

12.4 If Master Licensee and Franchisor consider that you have failed to achieve the Minimum Performance or Minimum Business Coach Requirement for reasons within your control, Master Licensee or Franchisor may require You, your NBC, your EBCs and employees, to undertake additional training, at your cost.

12.5 If You fail to: (a) attend a meeting with Master Licensee in accordance with Section 12.2; (b) attend and complete additional training or procure additional training that your NBC, your EBCs and/or employees are required to attend and complete to the satisfaction of Franchisor as required by Master Licensee and Franchisor under Section 12.4; (c) implement any agreed strategy or action resulting from the meeting referred to in Section 12.2; (d) meet Minimum Performance and/or Minimum Business Coach Requirement within six (6) months of: attending a meeting with Master Licensee; or You, your NBC, your EBCs and/or your employees completing additional training, as required under Section 12.4, You must, within six (6) months of the date upon which Master Licensee notifies You that You have failed to meet one (1) or more of your obligations under this section, transfer the Business in accordance with the procedure set out in Section 20.

12.6 If You are required to transfer the Business under Section 12.5 and fail to do so within the required time frame, Master Licensee may terminate this Agreement by written notice to You and the Master Licensee is not required to pay any compensation to You or any other person in respect of the termination.

12.7 Master Licensee will review and set a new Minimum Performance Requirement upon Renewal in accordance with the formula specified in Attachment 1.

SECTION 13 - PURCHASE OF EQUIPMENT, INVENTORY AND SUPPLIES

13.1 Except for equipment and products that are proprietary to Licensor or Franchisor, you may

purchase your equipment, software, supplies, and other items from any reputable manufacturer or supplier. To the extent that Franchisor publishes standards for non-proprietary equipment, software, telephone lines, Internet service, supplies, stationery, or other items used in the Business, you must use only items meeting the applicable standards. If you receive notice from Master Licensee of a change in the applicable standards, you agree to comply with the new or revised standards as soon as practicable.

SECTION 14 - INSURANCE AND INDEMNIFICATION

14.1 You must purchase before the Business opens, and at all times thereafter maintain in full force and effect, all insurance policies of the types and with the minimum policy limits prescribed by Master Licensee and/or Franchisor from time to time (but in no event less than the coverage required under applicable law), including without limitation:

- A. Professional indemnity insurance;
- B. Comprehensive general liability insurance;
- C. Workers' compensation insurance and employers' liability insurance without any limit as to the amount;

Insurance as may be required by the terms of any lease, mortgage or other loan for the Business;

Business interruption insurance; and

Any additional insurance that Master Licensee or Franchisor may inform you is required.

All liability policies must list Master Licensee and Franchisor as additional named insured. Your liability insurance will not be limited in any way by reason of any insurance that may be maintained by Master Licensee or Franchisor.

14.2 All policies of insurance must be with responsible companies qualified to do business and in good standing in the province where the Business is located. At Master Licensee's or Franchisor's request, you must furnish certificates issued by each of your insurers indicating that all premiums due have been paid, that all required insurance is in full force and effect, and that the insurance will not be terminated or changed without at least thirty (30) days' prior written notice from the insurer to Master Licensee and Franchisor. Within five (5) days of any request by Master Licensee, you must deliver a copy of all insurance policies to Master Licensee for examination.

14.3 If you fail to obtain or maintain adequate insurance, Master Licensee or Franchisor may, at its sole discretion, obtain insurance for you in your name. Within five (5) days of written request by Master Licensee or Franchisor, you must reimburse Master Licensee or Franchisor for any costs incurred in obtaining insurance on your behalf.

14.4 You agree to indemnify Master Licensee, Franchisor and Licensor and hold each of them harmless against all claims, expenses, and liabilities of any kind arising from, or in connection with, the operation of the Business, except to the extent that such liabilities arise from the gross negligence or willful acts of the party seeking indemnification from you. This indemnity will remain in force after expiration or termination of this Agreement or after any transfer approved under Section 20. This indemnity is not limited by the amount of insurance that you carry.

14.5 All property used in the Business will be maintained at your sole risk, and if any property is damaged in any way, Master Licensee will not compensate you except to the extent the damage was caused by Master Licensee's gross negligence or willful acts.

SECTION 15 - TRADEMARKS AND CONFIDENTIAL INFORMATION

15.1 You acknowledge Licensor's exclusive ownership of and rights in the Marks and in the System. All goodwill now or in the future associated with your use of the Marks will accrue exclusively to the benefit of Licensor. You agree that you will not, during or after the term of this Agreement:

- A. contest or aid in contesting the validity or ownership of the Marks;
- B. take any action in derogation of Licensor's, Franchisor's, or Master Licensee's rights with respect to the Marks, whether now existing or later obtained; or
- C. use, register or attempt to register the Marks in your own name for any purpose, including but not limited to, any registration at any government or domain name registry. You may, however, register a "d/b/a" or a fictitious business name certificate in connection with the operation of the Business with the written permission of the Master Licensee.

15.2 You agree to:

- A. use the Marks only in connection with the Business;
- B. use the Marks only in accordance with the Manuals;
- C. reproduce the Marks exactly and accurately; and
- D. change, discontinue, or substitute for any of the Marks, at your own expense, if Master Licensee notifies you that Licensor or Franchisor has modified the Marks to be used in Canada.

15.3 You acknowledge that you will have access to the Manuals and other valuable trade secrets, know how, methods, information, recruiting techniques, accounting procedures, control procedures, and marketing techniques relating to the System (collectively, the "Confidential Information"). The Confidential Information was developed at significant cost, is owned by Licensor, and is necessary to the operation of the Business. You further acknowledge that such Confidential Information was unknown to you prior to negotiation for and execution of this Agreement. You will take all steps necessary, at your own expense, to protect such Confidential Information and will not divulge it either during the Term of this Agreement or thereafter. Your employees may have access to the Confidential Information only to the extent necessary to perform particular tasks, and only after first signing a confidentiality agreement, in a form acceptable to Franchisor. You will be responsible for all unauthorized disclosures of Confidential Information by any person to whom you give access to the Confidential Information. Upon expiration or termination of this Agreement or any transfer approved under Section 20, you will return or destroy all Confidential Information.

15.4 You must immediately inform Master Licensee of any suspected, known or threatened infringement of or challenge to the Marks or unauthorized disclosure or use of Confidential Information. You must assist and cooperate with Master Licensee, Franchisor and Licensor in taking such action, if any, as they deem appropriate to protect the Confidential Information and the Marks.

15.5 You agree that all data you collect from Clients and prospective clients in connection with the Business is deemed to be jointly owned by Master Licensee and Franchisor. You are licensed to use such data only while this Agreement is in effect. Upon expiration or termination of this Agreement or an approved transfer of the Business to a new owner, you must comply with Section 17 and not use any Client or prospective client data for any purpose contrary to Section 15.2.

SECTION 16 - RESTRICTIONS ON COMPETITION

16.1 During the Term of this Agreement, you may not, either directly or indirectly through any other person or entity, participate in, be employed by, act as a coach to, provide financial assistance to, or acquire any interest in any business that offers business coaching and mentoring services ("Competing Business") to clients in Canada.

16.2 The restriction in Section 16.1 will also apply for a continuous two (2) year period after the expiration or termination of this Agreement or after a transfer approved under Section 20, but only as to clients in their territory and within one hundred (100) kilometres of the their territory. In addition, for two (2) years after the expiration, termination, or approved transfer of this Agreement, you will not solicit, for the benefit of any Competing Business, any person who was a Client of the Business during the two (2) years immediately before expiration, termination, or transfer.

16.3 During the term of this Agreement and for a continuous two (2) year period after its expiration or termination or after a transfer approved under Section 20, you may not employ or otherwise interfere with the employment relationship of any person who is employed by Licensor, Franchisor, or Master Licensee.

16.4 Master Licensee and Franchisor have the right unilaterally to reduce the scope of any restriction in this Section 16 by written notice to you.

16.5 This Section and Section 15 apply to your NBCs, EBCs, employees and individuals holding an ownership interest in the Business, and any persons or legal entities controlled by the foregoing individuals. At Master Licensee's request, you must furnish Master Licensee with executed agreements from such individuals, in forms acceptable to Master Licensee, in which they agree to be bound by Sections 15 and 16.

16.6 You agree that damages caused to Master Licensee, Franchisor, and Licensor for failure to comply with Section 15 or Section 16 are irreparable. You agree that Master Licensee, Franchisor, and Licensor may seek injunctive relief, without notice to you, in addition to any other relief that may be available to them for breach of Section 15 or Section 16.

16.7 In the event of a breach of the provisions of Sections 15 or 16, Franchisor is entitled to liquidated damages from you in the amount of Two Hundred Fifty Thousand Canadian Dollars (CAD250,000.00). You expressly agree that this amount is not a penalty but a reasonable estimate of the damages that would result from any such breach. In the event that legal action becomes necessary for the enforcement of any of the provisions of Sections 15 or 16 of this Agreement or to collect the liquidated damages provided herein, the prevailing party shall receive in addition to any other damages or relief awarded, its reasonable attorney's fees, together with appropriate costs and interest. You agree that in the event of a breach of any of the provisions of Sections 15 or 16, Franchisor shall be entitled to recover injunctive relief as well as liquidated damages, and that the liquidated damages provision included herein does not provide Franchisor with an adequate remedy at law for any such breaches which you may commit.

16.8 If a court or arbitrator determines that any restriction or provision in this Section 16, strictly applied, would be invalid or unenforceable, then the restriction or provision will be deemed modified to the extent necessary (but only to that extent) to make it valid and enforceable. If a dispute regarding enforceability of Section 16.2 or 16.3 is resolved in favor of Master Licensee and Franchisor, the two (2) year period (or the period deemed to be reasonable by the court or arbitrator) will run from the date of the order permitting its enforcement.

SECTION 17 – DEFAULT AND TERMINATION

17.1 Termination by You.

If you are in compliance with this Agreement and Master Licensee materially breaches this Agreement and fails to cure the breach within sixty (60) days after you deliver a written notice of the breach to Master Licensee, you may terminate this Agreement, effective ten (10) days after you deliver a notice of termination to Master Licensee. You must comply with the provisions of Section 18.

17.2 Termination by Master Licensee – No Right to Cure.

In addition to its other rights of termination contained in this Agreement, Master Licensee will have the

right to terminate this Agreement by written notice, effective immediately, if you:

- A. voluntarily abandon the franchise relationship;
- B. are convicted of a criminal offense directly related to the Business, or convicted of any felony;
- C. fail to cure a default under this Agreement which materially impairs the goodwill associated with the Marks within twenty four (24) hours after receiving written notice to cure;
- D. fail to cure a material violation of any health, safety, sanitation or other regulatory law, ordinance, standard, practice or regulation, or operate the Business in a manner that presents a health or safety hazard to its employees, Clients, or the general public;
- E. make or permit an unauthorized transfer of this Agreement or of any direct or indirect interest in the Business;
- F. submit to Master Licensee two (2) or more sales reports, financial statements, or other information or supporting records, in any period of twelve (12) consecutive months, which understate by more than five percent (5%) the Gross Revenues of the Business;
- G. make material misrepresentations in your application for the franchise or any other material report or statement to Master Licensee;
- H. fail to submit sales reports or financial statements when due on three (3) or more occasions in any twelve (12) month period;
- I. fail to pay Royalty Fees, Marketing and Advertising Fees, or other amounts owed to Master Licensee when due on three (3) or more occasions in any twelve (12) month period;
- J. fail on three (3) or more occasions in a twelve (12) month period to pay creditors, employees, or suppliers on a timely basis;
- K. fail on three (3) or more occasions in a thirty six (36) month period to achieve an overall score of at least eighty percent (80%) on Franchisor's compliance audit or a score of at least seventy percent (70%) for any section of the compliance audit;
- L. fail to achieve Minimum Performance in three (3) or more Assessment Periods during the Term.

17.3 Termination by Master Licensee – Failure to Cure.

Except as provided in Section 17.2, you will have thirty (30) days from receipt of notice of default from Master Licensee to cure any material breach of this Agreement or failure to comply with any material specification, standard or operating procedure prescribed by Master Licensee or Franchisor. If you fail to cure the breach within the thirty (30) day period, Master Licensee will have the right to terminate this Agreement by written notice without any further opportunity to cure.

SECTION 18 – OBLIGATIONS UPON EXPIRATION OR TERMINATION

18.1 Upon expiration or termination of this Agreement, you must:

- A. Notify your Clients and prospective clients that you are no longer an authorized ActionCOACH franchisee or Business Coach;
- B. Promptly pay to Master Licensee all amounts owed based on business conducted through the date of expiration or termination;

C. Immediately discontinue the use of all Marks, the Manuals, the Confidential Information, and all materials of any kind that are identified with the System. You must return all of these materials to Master Licensee and, at Master Licensee's request, assign your telephone numbers, fax numbers, email addresses, domain names, related listings, and advertising to Master Licensee or Franchisor. Unless otherwise provided by applicable law, you must execute an assignment ("Conditional Assignment of Telephone and Directory Listings"), in a form set forth in Attachment 6;

D. Surrender an unaltered database of all Clients and prospective clients, and remove and return any electronic database system provided to you by Master Licensee.

E. Provide Master Licensee with executed copies of all Client agreements and immediately execute any further agreements requested by Master Licensee necessary to assign any Client agreements to Master Licensee.

F. Immediately amend or terminate your business registration of any d/b/a or fictitious name or any other registration or filing containing the Marks, so as to delete the Marks and all references to anything associated with the System. If you have not furnished evidence of compliance with this obligation within thirty (30) days, you grant Master Licensee a limited power of attorney to amend or terminate all registrations and filings on your behalf, this appointment being coupled with an interest to enable Master Licensee to protect the System.

G. Comply with the provisions of Section 16 (Restrictions on Competition).

18.2 The expiration or termination of this Agreement will not affect, modify or discharge any claims, rights, causes of action or remedies that Master Licensee, Franchisor, or Licensor may have against you.

18.3 You acknowledge that injuries caused by your failure to comply with this Section 18 are irreparable. You agree that Master Licensee will be entitled to injunctive relief in addition to any other relief that may be available for breach of this Section 18.

18.4 If Master Licensee terminates this Agreement based on your default, you must pay Master Licensee liquidated damages, calculated as follows: (a) the average of your monthly Royalty Fees and Marketing and Advertising Fees due for the last twelve (12) months before termination (not including the months before the Royalty Fee and Marketing and Advertising Fee obligations begin under Sections 4.1 and 4.2); (b) multiplied by the lesser of twenty four (24) or the number of months remaining in the then-current term under Section 2, (c) discounted to present value using the then-current prime rate of interest quoted by Master Licensee's principal commercial bank; (d) minus the present value (determined using the same period as in (b) and the same discount rate as in (c)) of the expenses of performance avoided by Master Licensee as a result of termination of this Agreement.

SECTION 19 – THIRD PARTY RIGHTS OF FRANCHISOR AND LICENSOR

19.1 You acknowledge and agree that all of Master Licensee's rights and all of your obligations under this Agreement inure to the benefit of Franchisor and Licensor, and that they each have a third-party beneficiary interest in this Agreement. You agree that Franchisor and Licensor have the right to exercise any rights of Master Licensee and/or to enforce any of your obligations if Master Licensee fails to do so.

19.2 Upon termination or expiration of the Master License Agreement for any reason, this Agreement will remain in effect, and Master Licensee's interest in this Agreement will be deemed to be automatically assigned to and assumed by Franchisor. You agree to be bound by the assignment upon receipt of notice from Franchisor of the effective date of the assignment.

SECTION 20 - TRANSFER

20.1 By Master Licensee.

Master Licensee may transfer its rights under this Agreement as it sees fit without notice to you, subject

to the terms of the Master License Agreement. This Agreement will inure to the benefit of Master Licensee's successors and assigns.

20.2 By You -- General.

A. None of your rights or obligations under this Agreement, nor any direct or indirect interest in the Business, may be transferred without Master Licensee's prior written consent, which will not be unreasonably withheld, and your full compliance in all other respects with the terms of this Section 20. Any action contrary to this Section 20 will be a material breach of this Agreement and will be void.

If this Agreement has been transferred to an entity under Section 20.4 below, any proposed transfer of any ownership interest in the entity will be subject to all of the provisions of this Section 20.

C. No transfer that requires Master Licensee's consent may be completed until at least sixty (60) days after Master Licensee receives written notice of the proposed transfer. You agree to provide all information and documentation relating to the proposed transfer that Master Licensee reasonably requests. Master Licensee may withhold its consent on any reasonable grounds, including, but not limited to, failure to satisfy any of the conditions imposed under Section 20.3.

D. Master Licensee has the right to communicate with and counsel both you and the proposed transferee on any aspect of a proposed transfer.

E. All approved transferees will be bound by this Agreement and liable for all obligations under it. No stockholder in any corporation or other entity to which you transfer this Agreement will have any rights under this Agreement by reason of such ownership.

20.3 Conditions to Transfers.

No transfer will be approved by Master Licensee or be effective unless and until:

A. The proposed transferee has been approved by Master Licensee as meeting the then-current qualifications for a Firm Owner;

B. The proposed transferee has paid the then-current training fee and has satisfactorily completed the ActionCOACH training program, except that part or all of this requirement may be waived if the transferee has completed the training program within the last five (5) years;

C. You have settled all outstanding accounts with Master Licensee, and there is no other existing material default in the performance of your obligations under this Agreement or any other agreement you may have with Master Licensee;

D. You have executed a general release of all claims against Master Licensee, Franchisor, and Licensor, in a form acceptable to Master Licensee and Franchisor;

E. You have paid to Master Licensee a transfer fee in the amount designated in Attachment 1 to this Agreement ("Transfer Fee"); and

F. The transferee has executed a new Firm Business Coach Franchise Agreement in the form then being offered by Master Licensee to new Firm Owners in the Country.

20.4 Transfer to a Corporation, Partnership, etc.

If you are an individual (and not a business entity) and you desire to transfer this Agreement to a corporation, partnership, trust, or other entity, you may do so only if:

A. The entity is newly formed and its authorized activities are limited to operating the Business;

B. You are the majority owner and have sole power to direct and control the management and affairs of the entity;

C. You remain jointly liable with the entity for all obligations of the Business Coach under this Agreement. You acknowledge and agree that the assumption of your obligations by the entity does not limit your personal obligations under this Agreement, and that you and the entity will be jointly and severally liable.

D. You continue to devote your full time and best efforts to manage the operations of the Business, unless you have a General Manager or similar designee approved by Master Licensee;

E. The entity signs an agreement with Master Licensee assuming, jointly and severally, all of your obligations under this Agreement; and

F. The stock certificates, certificated units of partnership or certificated beneficial interests of the corporation, partnership or trust bear the following legend:

"The (shares of capital stock) (partnership interest) (beneficial interest) represented by this certificate are subject to the terms and conditions set forth in that certain Business Coach Franchise Agreement dated Insert Date between the Company and **ActionCOACH Canada Master License Ltd.**, a copy of which is on file in the Company's principal office and a copy of which will be provided to the holder of record hereof upon written request without charge."

20.5 Death, Incapacity or Personal Bankruptcy.

A. If You (or any owner, if this Agreement has been transferred to an entity) die, become incapacitated, or enter bankruptcy proceedings, the executor, administrator, personal representative, or trustee may apply to Master Licensee in writing within one hundred twenty (120) days after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to transfer the affected interest in the Business. The transfer will be subject to the provisions of Sections 20.2 and 20.3, except that no Transfer Fee will be required. In addition, if the deceased or incapacitated person is the General Manager, Master Licensee will have the right (but not the obligation) to take over operation of the Business until the transfer is completed and to charge a reasonable management fee for such services. For purposes of this Section, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (i) for a period of thirty (30) or more consecutive days; or (ii) for sixty (60) or more total days during a calendar year. In the case of transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of Sections 19.3, the executor may transfer the decedent's interest to another successor that Master Licensee has approved, subject to all of the terms and conditions for transfers contained in this Agreement.

B. If you die (or any owner dies, if this Agreement has been transferred to an entity), the executor may terminate this Agreement by signing a termination agreement and release satisfactory to Master Licensee and Franchisor. Upon executing and submitting the appropriate termination documents, the estate and its representatives will have no further obligation under this Agreement except for any matters that exist as of the date of such termination.

SECTION 21 – OPTION TO PURCHASE

21.1 Master Licensee will have the option, but no obligation, to purchase all of the assets of the Business upon receipt of notice from you under Section 20.2 of your intention to sell the Business to an independent third party pursuant to a bona fide written offer to purchase. The purchase price for assets will be the price specified in the written bona fide purchase offer from the third party. If Master Licensee cannot reasonably be required to furnish the same consideration as the third party, then Master Licensee may purchase the interest for the reasonable equivalent in cash. If you and Master Licensee cannot agree on the reasonable equivalent in cash within a reasonable time, each party will designate an independent appraiser, and the average of the two (2) appraised values will be binding. Master Licensee

will have the right to set off all amounts due from you under this Agreement, as well as the cost of any appraisals, against the purchase price.

21.2 Master Licensee will notify you of its intention to exercise the option to purchase (a "Notice of Intent") within thirty (30) days following receipt of notice from you under Section 20.2. You will have fourteen (14) days following receipt of Master Licensee's Notice of Intent to object to any of its terms. If Master Licensee declines to exercise its rights under Section 21.1 within thirty (30) days, you may thereafter sell the Business to the third party identified in the disclosed purchase offer, but not at a lower price or on more favorable terms than you previously disclosed to Master Licensee. Any such sale will be subject to the terms set forth in Section 20.

21.3 The purchase and sale contemplated in this Section will be consummated as soon as practicable. Following the delivery of a Notice of Intent as specified in Section 20.2, Master Licensee, or its designee, will have the right to operate the Business pending the closing of the sale.

SECTION 22 – GENERAL PROVISIONS

22.1 Relationship of Parties.

You do not have any authority to act on behalf of, or as an agent of, Master Licensee, Franchisor, or Licensor for any purpose, nor may you hold yourself out as having such authority. No fiduciary, agency, employment, or partnership relationship exists between you and Master Licensee. You are an independent contractor responsible for all obligations and liabilities of the Business, including any claims or demands based on damage or destruction of property or on injury, illness or death of any person arising directly or indirectly from, or in connection with, the operation of the Business.

22.2 No Conflict with Other Agreements.

You represent that you are not a party to or subject to any agreement that might conflict with the terms of this Agreement.

22.3 Prevailing Party Reimbursement.

In any legal action or arbitration involving you and Master Licensee and/or Franchisor, the prevailing party will be entitled to recover its investigation costs, collection costs, reasonable attorneys' fees, court costs, and all litigation or arbitration expenses, including arbitrators' fees.

22.4 No Waiver.

No failure or delay on the part of Master Licensee or Franchisor in connection with the enforcement or exercise of any rights under this Agreement will affect Master Licensee's or Franchisor's right to strictly enforce this Agreement at any time. No custom or practice regarding this Agreement will preclude the strict enforcement of this Agreement. No waiver by Master Licensee of performance of any provision of this Agreement will constitute a waiver of Master Licensee's or Franchisor's rights to enforce that provision at any future time.

22.5 Entire Agreement; Amendments.

This Agreement constitutes the entire agreement between you and Master Licensee and supersedes all prior agreements, negotiations, correspondence, and representations, whether oral or written, concerning the same subject matter; provided however, that nothing in the foregoing clause is intended to disclaim any representations made by Master Licensee in the Franchise Disclosure Document provided to you in connection with your entry into this Agreement. Except as expressly provided herein, this Agreement may be modified only by a written document signed by you and an authorized representative of Master Licensee.

22.6 Survival.

All provisions of this Agreement that by their terms or by reasonable implication are intended to survive the termination or expiration of this Agreement or a transfer approved under Section 20, including your obligations of non-competition, confidentiality, return of proprietary items, and indemnity, will remain in effect after the expiration or termination of this Agreement or a transfer approved under Section 20.

22.7 Severability.

If any term or provision of this Agreement or the application thereof to any person, property or circumstance is determined by a court or arbitrator to be invalid or unenforceable, the remainder of this Agreement will be unaffected and will remain in full force and effect. Should this prove impractical, Master Licensee will have the option of terminating this Agreement upon written notice to you.

22.8 Governing Law.

This Agreement will be interpreted in accordance with and governed as follows:

For any claims enforceable under local franchise legislation, by the laws of the province where the Business is located as indicated in Attachment 1; and

For non-statutory based claims or any other claims, by the laws of the province in which Master Licensee's principal office is located at the time of the dispute, except as otherwise required by the laws of the province in which the Business is located

22.9 Mediation and Arbitration.

A. This dispute resolution clause applies to claims (except claims by Master Licensee for any payment to be made by Franchisee to Master Licensee under this Agreement) by and against all parties and their affiliates, successors, owners, managers, officers, directors, employees, agents, and representatives, as to claims arising out of or relating to this Agreement, or of violation of any applicable law or regulation, except as stated below. This dispute resolution clause will survive expiration, termination or a transfer approved under Section 20.

B. Subject to Sections 22.9C, 22.9D and 22.9E, all matters in difference between the parties in relation to this Agreement shall be subject to the following:

(i) The parties shall use commercially reasonable efforts to negotiate a settlement to the dispute within thirty (30) days from written notice by a party requesting to negotiate settlement;

(ii) If the parties are unable to negotiate a settlement within the said thirty (30) day period, Master Licensee shall have the right to elect whether or not to refer the dispute to mediation by a single mediator, chosen by Master Licensee. Mediation will be conducted in accordance with the procedures of the ADR Institute of Canada's Arbitration Rules, unless the parties agree to use a different mediation service. The award and determination of the mediator shall be binding upon the parties and their respective heirs, executors, administrators or assigns. However, the mediation will be conducted in Las Vegas, Nevada and in accordance with the American Arbitration Association if Franchisor is a party to or joined in the mediation.

C. Any dispute relating to or arising out of this Agreement, and subject to negotiation and mediation, and not resolved within sixty (60) days, must be resolved exclusively by mandatory arbitration in accordance with the rules of the ADR Institute of Canada's Arbitration Rules. Arbitration will be conducted solely on an individual, not a class-wide, basis, unless all parties so agree. No award in arbitration will have any effect of preclusion or collateral estoppel in any other adjudication or arbitration. If Franchisor is a party to or joined in the arbitration, the exclusive venue of the arbitration will be, at Franchisor's option, either Las Vegas, Nevada, USA or the city or county in which Franchisor's principal office is located at the time the demand for arbitration is filed. If Franchisor is not a party to or joined in the arbitration, the exclusive venue of the arbitration will be set in the city or county in which Master Licensee's principal office is located at the time the demand for arbitration is filed.

D. Notwithstanding Section 22.8 and unless otherwise provided by applicable law, all issues relating to arbitrability or the enforcement of this Section 22.9 are governed by the Commercial Arbitration Act (R.S.C., 1985, c. 17 (2nd Supp.)) and Canadian common law. Judgment on an arbitration award, or on any award for interim relief, may be entered in any court having jurisdiction, and will be binding.

E. Each party to any arbitration or litigation under this Agreement waives, to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against any other party, except as allowed under law for trademark, trade secret, and copyright infringement.

F. Except as otherwise expressly provided in this Agreement, no right or remedy conferred upon or reserved to any party by this Agreement is intended to be, or will be deemed, exclusive of any other right or remedy provided herein or by law or equity, but each will be cumulative of every other right or remedy.

G. Nothing in this Section 22.9 bars any person's right to seek preliminary, provisional, or declaratory relief in a court of competent jurisdiction.

H. The parties may propose other methods of dispute resolution process in regard to a dispute under this Agreement and such process may be used to resolve the dispute if agreed to by all parties.

22.10 Notices.

All notices pursuant to this Agreement must be in writing and be delivered in person or mailed by certified or other receipted mail, or by Federal Express or other receipted commercial delivery service, or by facsimile or electronic mail. The addresses for notice will be those set forth in Attachment 1. You or Master Licensee, with notice to the other party, may change the address to which notices will be sent.

22.11 Successors.

This Agreement will inure to the benefit of and be binding on you and Master Licensee, and your and Master Licensee's respective successors, assigns, heirs, executors, administrators, and personal representatives.

22.12 Costs to alter contracts.

If you request, and Master Licensee approves, any amendment to this Agreement after the date of this Agreement, you agree to reimburse Master Licensee (and Franchisor, if applicable) for their reasonable costs (including attorneys' fees) incurred in connection with such amendment.

22.13 Acknowledgments.

YOU ACKNOWLEDGE THAT YOU HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE FIRM BUSINESS COACH FRANCHISE AND THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISK AND WILL BE LARGELY DEPENDENT UPON YOUR ABILITY AS AN INDEPENDENT BUSINESSPERSON. MASTER LICENSEE EXPRESSLY DISCLAIMS THE MAKING OF, AND YOU ACKNOWLEDGE THAT YOU HAVE NOT RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL SALES, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

YOU ACKNOWLEDGE THAT YOU RECEIVED A BUSINESS COACH FRANCHISE DISCLOSURE DOCUMENT AT LEAST FOURTEEN (14) CALENDAR DAYS BEFORE THE DATE ON WHICH YOU SIGNED THIS AGREEMENT OR PAID ANY CONSIDERATION.

YOU ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND THIS AGREEMENT, AND THAT MASTER LICENSEE HAS GIVEN YOU AMPLE TIME AND OPPORTUNITY, AND HAS ENCOURAGED YOU, TO CONSULT WITH ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT.

[Signature page follows]

THE PARTIES have caused this Agreement to be duly executed as evidenced by their signatures appearing below.

APPROVED AND EXECUTED AS OF THE EFFECTIVE DATE.

FRANCHISEE

By: _____

Title: _____

If Franchisee is a corporation or other entity, all persons with ownership interest in Franchise must sign below and specify their ownership interest percentage. All such persons must personally, jointly and severally guarantee the obligations to Master Licensee under this Agreement by executing the Personal Covenant and Guarantee in the form that appears as Attachment 2 to this Agreement.

Name:

Percentage Interest:

MASTER LICENSEE

By: _____

Title: _____

**ATTACHMENT 1
TO THE FIRM FRANCHISE AGREEMENT**

- | | |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 Parties | Master Licensee -
Name: ActionCOACH Canada Master License Ltd.
Address: 519 - 17 th Avenue Southwest
Suite 810
Calgary AB T2S 0A9
Email:

Franchisee -
Name:
Address:
Email: |
| 2 Country | Country: Canada

Territory: See Attachment 3 |
| 3 Franchise Fee | Franchise Fee: \$139,000 |
| 4 Term | Term: 15 years
Effective Date:
Expiry Date:
Renewal Term: 15 years |
| 5 Royalty Fee | Monthly Base Royalty Fee of CAD2,000 or 10% of preceding month's Gross Revenue ("GR"), whichever is higher |
| 6 Marketing and Advertising Fee | The monthly Marketing and Advertising Fee is 5% of Gross Revenues in the preceding month (capped at CAD1500 per month) and is due on the 5th day of each calendar month, except that no Marketing and Advertising Fee is due with respect to Gross Revenues in the month in which you or your NBC, as applicable, complete the induction training program or the month following. |

7 Minimum Performance Requirement and Minimum Business Coach Requirement

Minimum Performance: An average Gross Revenue of –
☐ CAD9,500 per month per Business Coach each Assessment Period

Minimum Business Coach:

<i>Year</i>	<i>Minimum EBC Requirement</i>	<i>Cumulative No. of EBCs operating at end of the Year</i>
<i>1</i>	<i>2 EBC</i>	<i>2</i>
<i>2</i>	<i>0 EBC</i>	<i>2</i>
<i>3</i>	<i>0 EBC</i>	<i>2</i>
<i>4</i>	<i>1 EBC</i>	<i>3</i>
<i>5</i>	<i>0 EBC</i>	<i>3</i>
<i>6</i>	<i>0 EBC</i>	<i>3</i>
<i>7</i>	<i>0 EBC</i>	<i>3</i>
<i>8</i>	<i>0 EBC</i>	<i>3</i>
<i>9</i>	<i>0 EBC</i>	<i>3</i>
<i>10</i>	<i>0 EBC</i>	<i>3</i>
<i>11</i>	<i>0 EBC</i>	<i>3</i>
<i>12</i>	<i>0 EBC</i>	<i>3</i>
<i>13</i>	<i>0 EBC</i>	<i>3</i>
<i>14</i>	<i>0 EBC</i>	<i>3</i>
<i>15</i>	<i>0 EBC</i>	<i>3</i>

8 Assessment Period

Each period of 3 consecutive months during the Term commencing on the 7th month from the Effective Date

9 Minimum Key Personnel Requirement

- Business Development Manager; or
- Marketing Manager;

and at least 1 of the above must attend the Franchisee Training with you (or your NBC if you are a legal entity) before the Business starts its operations.

10	Training Fee	\$25,000 for You (or your NBC if you are a legal entity) and 1 Key Personnel attending on the same training dates. The fee does not include travel, accommodation, or meal costs. However, it does include meals during the training sessions. \$5,000 per trainee for your EBCs and other Key Personnel, for the 5-day training. The fee does not include travel, accommodation, or meal costs. However, it does include meals during the training sessions.
11	Renewal Fee	CAD5,000
12	Quarterly Conference and Technology Fee	CAD495, plus CAD395 per EBC
13	Transfer Fee	CAD5,000
14	Relocation Fee	CAD10,000
15	Interest Rate	1.5% per month or the maximum rate permitted by law, whichever is less
16	Business Coaches	Nominated Business Coach: Employee Business Coaches:
17	Office Location (if different from the address in Item 1 above)	
18	Tradenames and Trademarks	ActionCOACH



**ATTACHMENT 2
TO THE FIRM FRANCHISE AGREEMENT**

PERSONAL COVENANT AND GUARANTEE

We, the undersigned (collectively, "Guarantor"), in order to induce ("Master Licensee") to enter into a Business Coach Franchise Agreement (the "Agreement") with ("Franchisee"), and for valuable consideration receipt of which is hereby acknowledged from Franchisee, agree to personally guarantee performance of all of Franchisee's obligations under the Agreement, including, without limitation, payment of all monetary obligations of Franchisee to Master Licensee. In addition, we agree to be personally bound by the confidentiality, non-competition, transfer, and dispute resolution provisions of the Agreement. We acknowledge that our obligations under this Personal Guarantee are joint, several, personal and irrevocable.

In particular, the Guarantor jointly and severally guarantees payment to Master Licensee of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to Master Licensee from or by Franchisee or by any successor of Franchisee by reason of or in relation to the Agreement.

It is agreed that:

No change in the name, objects, capital stock, ownership, control or constitution of Franchisee shall in any way affect liability of the Guarantor, or any of them, with respect to transactions occurring before or after any such change. If Franchisee amalgamates with one (1) or more other corporations, this Personal Covenant and Guarantee shall continue and apply to all debts and liabilities owing to Master Licensee resulting from the amalgamation. Master Licensee shall not be required to inquire into or confirm the powers of the Franchisee or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from Master Licensee shall be deemed to form part of the debts or liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Franchisee or of its directors or agents, or was in any way irregular, defective or improper.

Master Licensee, without consent of the Guarantor and without exonerating in whole or in part the Guarantor (or any one of them), may grant time, renewals, extensions, indulgences, releases and discharges to, may or may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts or liabilities guaranteed or the Agreement itself and otherwise deal with, the Franchisee, as Master Licensee may see fit.

This shall be a continuing guarantee, and shall guarantee any ultimate balance owing to Master Licensee, including all costs, charges and expenses which Master Licensee may incur in enforcing or obtaining payment of amounts due from Franchisee.

Master Licensee shall not be obliged to seek recourse against Franchisee before being entitled to payment from Guarantor. Guarantor hereby renounces (a) the benefits of discussion and division, (b) claiming and setting up against Master Licensee any right which Guarantor may have to be subrogated in any of the rights of Master Licensee.

This Personal Covenant and Guarantee shall be construed in accordance with the laws of the province where the Business is located as indicated in Attachment 1 of the Agreement. If any provision of this Personal Covenant and Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall

be severed herefrom solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision shall be unaffected hereby.

The Guarantor acknowledges that this has been delivered free of any conditions and that no representations have been made to them affecting their liability, save as specifically indicated herein.

The Guarantor represents and warrants that (i) they fully understand the provisions of this Personal Covenant and Guarantee and their obligations hereunder, (ii) they have been afforded the opportunity to engage independent legal counsel, at their own expense, to explain the provisions of this Personal Covenant and Guarantee, and (iii) they have either engaged such legal counsel in connection with this Personal Covenant and Guarantee or has decided, at their sole discretion, not to do so.

GUARANTORS:

Witness

PRINTED

SIGNED

Date:_____

Witness

PRINTED

SIGNED

Date:_____

Witness

PRINTED

SIGNED

Date:_____

CERTIFICATE OF NOTARY PUBLIC

I HEREBY CERTIFY THAT:

The persons named wherein below, as Guarantor in the Personal Covenant and Guarantee dated executed in favor of ActionCOACH Canada Master License Ltd., which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/they had executed the same.

Name

Residence

I satisfied myself by examination of him/they, that he/they are aware of the contents of the Personal Covenant and Guarantee and understand it.

Given at this day of, 20 ... under hand and seal of this office.

(Seal)

Notary Public in and for the

.....

STATEMENT OF GUARANTOR/S

I/We are the person/s named in this certificate.

.....

Name:

.....

Name:

.....

Name:

.....

Name:

**ATTACHMENT 3
TO THE FIRM FRANCHISE AGREEMENT**

Territory

Your designated Territory consists of the following postal codes, postal codes and/or counties in the Province of:

If Canada Post alters the boundaries or numbers of any of the postal codes referencing the Designated Territory, Master Licensee will use its best endeavors to reassign the redesignated postal codes that corresponds as closely as possible to the previously held postal codes. You must advise Master Licensee if you become aware of any change to Postal Code boundaries or any other change which alters the Designated Territory.

Franchisees that have the Right to Direct Marketing in this Territory

The following franchisees and their Business Coaches have the right to direct market within the DDMA.

**ATTACHMENT 4
TO THE FIRM FRANCHISE AGREEMENT**

CONDITIONAL ASSIGNMENT OF TELEPHONE AND DIRECTORY LISTINGS

In consideration of _____ ("Assignee") concurrently granting an ActionCOACH Firm Business Coach Agreement ("Franchised Business") to _____ ("Assignor"), and other valuable consideration, Assignor assigns to Assignee all telephone numbers, directory listings, fax numbers, Internet web site addresses and domain names, and other listings, whether in electronic or other media, used or to be used by Assignor in the operation of the Franchised Business. Assignee assumes the performance of all of the terms, covenants, and conditions of the telephone or directory company with respect to these listings with the same force and effect as if they had been originally issued to Assignee. This Assignment is valid on the effective date and is irrevocable. Assignee may fill in, add or change the effective date and the listings at any time. The telephone or directory company is authorized to rely on this Assignment. The parties will hold harmless and indemnify the telephone or directory company from any claims based on reliance on this Assignment.

Date:

ASSIGNOR

ASSIGNEE

.....
Name:

Position/Title:

.....
Name:

Position/Title:

**ATTACHMENT 5
TO THE FIRM BUSINESS COACH FRANCHISE AGREEMENT**

DIRECT DEBIT AUTHORIZATION FORM

Effective date of Authorization:	
Type of Authorization: <input type="checkbox"/> New Authorization <input type="checkbox"/> Change banking information <input type="checkbox"/> Change payment amount <input type="checkbox"/> Discontinue electronic payment <input type="checkbox"/> Change payment date	
Last Name _____ First Name _____	
Address _____	
City _____ Province _____ Postal Code _____	
Please debit payments from my (check one): <input type="checkbox"/> Chequing Account (attach voided check when returning) <input type="checkbox"/> Savings Account (contact your financial institution for Routing#)	Routing Number: _____ <i>(valid routing #'s must start with 0, 1, 2, or 3)</i> Account Number: _____
Date of first payment: _____ Date of last payment (optional): _____	Frequency of payment: <input type="checkbox"/> Monthly on the 1 st (ROYALTY) <input type="checkbox"/> Monthly on the 5 th (MARKETING)
Deduction Amount: ROYALTY: If you have signed a franchise agreement with percentage based Royalty Fee, you will be deducted the amount due based on gross revenues reported in the ActionMEMBERS KPI system. MARKETING: If you have signed a franchise agreement with percentage based Marketing and Advertising Fee, you will be deducted the amount due based on gross revenues reported in the ActionMEMBERS KPI system.	
AGREEMENT I authorize ActionCOACH Canada Master License Ltd. to process debit entries to my account. I understand that this authority will remain in effect until I provide reasonable notification to terminate authorization. Authorized Signature: _____ Date: _____	
FOR OFFICE USE ONLY:	DATE:

ATTACHMENT 6

GUARANTEE RE: FRANCHISE FEES FOR MULTIPLE TERRITORY FIRM FRANCHISE PURCHASE

It is hereby agreed between the Parties that should You, the Franchisee, in the twelve (12) months following the completion of Franchisee Training:

1. invest sufficient time and money to ensure that You conduct a minimum of eight (8) diagnostic meetings with prospective clients (such meetings to be evidenced by audio recording) per month;
2. email to the Master Licensee a recording and a self-critique of each of your "Coach on Deck" calls (the 20 minute or greater mini-coaching call before you go and meet with a business owner) and email to the Master Licensee a recording and a self-critique of each of your "complimentary coaching sessions" (also known as business diagnostics or business health check meetings) with local business owners within seven (7) days of completion until you are converting 1 in 3 business diagnostics to clients or more; and
3. remain current in all your obligations to Master Licensee under this Agreement;

and not bank (the term 'bank' means the receipt of payments for ActionCOACH business coaching services provided by your Nominated Coach) more than ten thousand CAD (\$10,000) in any of the twelve (12) months following the initial training program, then You shall be entitled, by serving written notice within 30 days of the twelfth (12th) completed month following the initial training program, to terminate the Business Coach Franchise Agreement without liability and within 30 days of such notice the Master Licensee shall confirm in writing that the Business Coach Franchise Agreement is terminated by mutual consent and shall refund in full the Franchise Fee paid at that date, not including the training fee.

Please note that this Guarantee is only applicable to franchisees that purchase multiple exclusive territory rights (more than one Firm Franchise territory).

SCHEDULE A-3
Nominated Business Coach Agreement (A-3)



SCHEDULE A-3
to
BUSINESS COACH FRANCHISE DISCLOSURE DOCUMENT
ActionCOACH Canada Master License Ltd.
Nominated Business Coach Agreement



NOMINATED BUSINESS COACH AGREEMENT

For

The FIRM

Nominated Business Coach Agreement

This Agreement is entered into effective as of [date] between and among [Name of Franchise Owner] ("Franchise Owner"), [Name of Nominated Business Coach] ("NBC") and ActionCOACH Canada Master License Ltd. ("Master Licensee").

RECITALS

Franchise Owner is a franchisee of Master Licensee with respect to either (i) an individual ActionCOACH business coaching franchise under a Practice Business Coach Franchise Agreement ("BCFA") or (ii) as FIRM business coaching franchise under a FIRM Business Coach Agreement located in [city, state and/or province]. The Practice or FIRM at issue is referred to as the "Franchise Agreement."

Both the Firm Franchise Agreement and the Practice Business Coach Franchise Agreement permits only one (1) person at a time to provide Coaching Services to Clients of the Business and bind the Franchisee in any dealings with Master Licensee or ActionCOACH Canada, Ltd. ("Franchisor"), and permits the Franchise Owner, under certain circumstances, to appoint a Nominated Business Coach in lieu of Franchise Owner.

Franchise Owner wishes to appoint NBC as Nominated Business Coach under the Franchise Agreement effective as of [Appointment Date] ("Appointment Date").

Master Licensee has approved the appointment of NBC and NBC has either completed the training required by Franchisor, or will complete such training prior to providing any Coaching Services under the Franchise Agreement.

The parties agree as follows:

DEFINITIONS

1.1 Unless otherwise defined in this Agreement, all capitalized terms used in this Agreement have the same meaning as in the Franchise Agreement.

APPOINTMENT AND AUTHORITY

Franchise Owner appoints NBC as the Nominated Business Coach for the Business effective as of the Appointment Date.

In the case of a Practice Business Coach Franchise Agreement, effective as of the Appointment Date, NBC shall have full responsibility for all operations of the Business and shall have the authority to speak for and bind Franchise Owner in any dealings with Master Licensee or Franchisor.

In the case of a FIRM, Franchise Owner retains full responsibility for the operations of the Business and full authority in any and all dealings with Master Licensee or Franchisor.

FRANCHISE OWNER'S OBLIGATIONS

Franchise Owner shall:

ensure that NBC is at all times trained, at the cost of Franchise Owner, in the delivery of the Coaching Services, to the reasonable satisfaction of Master Licensee and Franchisor;

ensure that NBC delivers the Coaching Services strictly in accordance with the System,

including the Manuals, and strictly in accordance with the requirements of the Franchise Agreement;

with respect to a Practice Business Coach Franchise Agreement only, ensure that Franchise Owner does not provide Coaching Services or participate in the Business in any way other than purely in an administrative capacity.

Franchise Owner shall compensate NBC for his or her services as separately arranged between them. The form of the arrangement must generally conform to Franchisor's then- current remuneration model or as otherwise agreed in writing by Master Licensee.

Franchise Owner acknowledges that its indemnity obligation under the Franchise Agreement applies to any loss or claim suffered by Master Licensee, Franchisor, or ActionCOACH IPCo, Ltd. (which together with Franchisor shall be collectively referred to as "Licensor"), or any of their respective affiliates in consequence of:

NBC not strictly observing or performing his or her obligations under this Agreement; or

NBC's acts, omissions or activities in the delivery of the Coaching Services to Clients.

NBC'S OBLIGATIONS

NBC acknowledges that: (i) as the Nominated Business Coach for the Business, he or she will be given access to the System; (ii) the contents of the System are confidential and are proprietary to Licensor; and (iii) Franchise Owner has been licensed by Master Licensee to use the System subject to the terms of the Franchise Agreement. NBC represents that he or she has received and read a copy of the Franchise Agreement and agrees to be bound by its provisions.

Personal Liability

NBC agrees to be personally bound by all provisions of the Franchise Agreement relating to confidentiality (§ 15, Franchise Agreement), non-competition (§ 16, Franchise Agreement), restrictions on transfer (§ 20, Franchise Agreement), and dispute resolution (§ 22, Franchise Agreement).

NBC agrees that he or she must not:

use the Confidential Information for any purpose other than carrying out his or her obligations under this Agreement and the Franchise Agreement; or

appropriate, copy, memorize or in any manner reproduce any of the Confidential Information, except to the extent required to carry out NBC's obligations under this Agreement and the Franchise Agreement.

NBC agrees that: (i) with respect to NBC, the two (2) year period specified in Section 16.2 of the Franchise Agreement shall run from the date on which NBC ends his or her association with Franchise Owner; and (ii) the non- competition obligations imposed by Section 16 of the Franchise Agreement are reasonable as to duration, geographical area and restrained conduct, and extend no further than is reasonably necessary to protect the legitimate interests of Franchise Owner, Master Licensee, Franchisor and Licensor. NBC represents that such restrictions will not prevent NBC from earning a living after ending NBC's association with Franchise Owner.

Nothing in this Section 4.2 is intended to impose an obligation on NBC to keep confidential any information that is generally known or publicly available other than as a result of a breach by the NBC of his or her obligations under this section.

NBC specifically acknowledges that:

damages are not a sufficient remedy for any breach of this section;

Franchise Owner, Master Licensee, Franchisor, and Licensor are entitled to specific performance or injunctive relief (as appropriate) as a remedy for any breach or threatened breach by the NBC, or any person to whom the NBC has disclosed Confidential Information; and

these remedies are in addition to any other remedies available either at law or in equity.

Compliance with Manuals

NBC must carry out his or her activities as the Nominated Business Coach for the Business in accordance with the methods and procedures prescribed in the Manuals and in all supplemental bulletins and notices from Master Licensee or Franchisor. NBC acknowledges that compliance with the System and the Manuals is essential to preserve, maintain, and enhance the reputation and goodwill built by the System.

NBC'S OBLIGATIONS ON TERMINATION

No Further Involvement

NBC agrees that he or she will not provide Coaching Services to Clients of the Business after the end of NBC's service as Nominated Business Coach under the Franchise Agreement, except if NBC is then an owner of the FIRM of which the Franchise Agreement is a part and NBC serves as Nominated Business Coach with respect to at least one (1) of the other BCFA's in the FIRM.

Confidentiality and Non-Competition

NBC acknowledges his or her personal obligations under the Franchise Agreement, particularly those in relation to confidentiality and non-competition (Sections 14 and 15), and agrees to continue to comply with such obligations after the end of NBC's service as Nominated Business Coach under the Franchise Agreement.

You agree that damages caused to Master Licensee, Franchisor, and Licensor of your failure to comply with this Section 5.2 are irreparable. You agree that Master Licensee, Franchisor, and Licensor may seek injunctive relief, without notice to you, in addition to any other relief that may be available to them for breach hereof. In the event of such breach, Franchisor is entitled to liquidated damages from you in the amount of Two Hundred Fifty Thousand Dollars (US\$250,000.00). You expressly agree that this amount is not a penalty but a reasonable estimate of the damages that would result from any such breach. In the event that legal action becomes necessary for the enforcement of this Section 5.2 or to collect the liquidated damages provided herein, the prevailing party shall receive in addition to any other damages or relief awarded, its reasonable attorney's fees, together with appropriate costs and interest.

You agree that in the event of a breach of this Section 5.2, Franchisor shall be entitled to recover injunctive relief as well as liquidated damages, and that the liquidated damages provision included herein does not provide Franchisor with an adequate remedy at law for any such breaches which you may commit.

If a court or arbitrator determines that any restriction or provision in this Section 5.2, strictly applied, would be invalid or unenforceable, then the restriction or provision will be deemed modified to the extent necessary (but only to that extent) to make it valid and enforceable. If a dispute regarding such enforceability is resolved in favor of Master Licensee and Franchisor, the two (2) year period (or the period deemed to be reasonable by the court or arbitrator) will run from the date of the order permitting its enforcement.

GENERAL PROVISIONS

No Waiver

No provision of this Agreement may be waived or varied except in writing signed by the party who is to be bound. None of the following things will preclude Master Licensee from insisting upon strict compliance by another party with the provisions of this Agreement:

Master Licensee's failure to take advantage of any default or breach of any provision of this Agreement;

any custom or practice which may develop between the parties;

a previous waiver by Master Licensee of a particular breach; or

an attempt by Master Licensee to mitigate damages.

Partial Invalidity

If any provision of this Agreement is determined to be void or unenforceable by any court or arbitrator, that determination will not affect any other provision of this Agreement. It is the intention of the parties that if any provision is capable of two constructions, one of which would render the provision unenforceable and the other of which would render the provision valid, then the provision will have the meaning which renders it valid.

Governing Law

This Agreement will be interpreted in accordance with and governed as follows:

For any claims enforceable under local franchise legislation, by the laws of the province where the Business of Franchisee is located as indicated in Recital A of this Agreement; and For non-statutory based claims or any other claims, by the laws of the province in which Master Licensee's principal office is located at the time of the dispute, except as otherwise required by the laws of the province in which the Business is located.

Further Assurance

Each party must do, sign, execute and deliver all acts and documents reasonably required of it or them by notice from another party effectively to carry out and give full effect to this Agreement and the rights and obligations of the parties under it.

FRANCHISE OWNER - [Name of Franchise Owner]

-
..... Printed Name
SIGNED

-
..... Printed Name
SIGNED

NBC - [Name of Nominated Business Coach]

-
..... Printed Name
SIGNED

MASTER LICENSEE – ActionCOACH Canada Master License Ltd.

.....
Printed Name

.....
SIGNED

SCHEDULE A-3
Non-disclosure and Non-compete Agreement (A-3)



SCHEDULE A-4
to
BUSINESS COACH FRANCHISE DISCLOSURE DOCUMENT
ActionCOACH Canada Master License Ltd.
Nondisclosure and Noncompete Agreement

NONDISCLOSURE AND NONCOMPETE AGREEMENT

This Agreement is entered into on [Date] between [Franchisee] (referred to as “we,” “us,” and “our”), located at [Franchisee’s Address], and [Name of Employee] (referred to as “you” and “your”), located at [Employee’s Address]. You are signing this Agreement in consideration of, and as a condition to, your association with us and the compensation, dividends, or other payments and benefits you will receive from us.

BACKGROUND

We are a franchised Business Coach of ActionCOACH Canada Master License Ltd. (“Master Licensee”) under a Business Coach Franchise Agreement dated [Date]. We have a license to use the Marks, the System, and the Confidential Information owned by ActionCOACH IPCo, Ltd. and licensed to ActionCOACH Canada, Ltd. (collectively, “Licensor”). Master Licensee recognizes that, in order to effectively operate our business, we must give our employees access to certain confidential information and trade secrets owned by Licensor. Disclosure of this confidential information and trade secrets to unauthorized persons, or its use for any purpose other than the operation of our business, would harm us, Master Licensee, Licensor, other franchise owners, and ActionCOACH Canada, Ltd. (“Franchisor”). Accordingly, Master Licensee requires us to have you sign this Agreement.

AGREEMENT

As used in this Agreement, “Confidential Information” means all manuals, trade secrets, know how, methods, training materials, information, recruiting techniques, accounting procedures, control procedures, and marketing techniques relating to the ActionCOACH business coaching and mentoring business and system. In addition, Confidential Information includes all marketing plans, advertising plans, business plans, financial information, client information, employee information, and other proprietary information of Licensor, Franchisor, Master Licensee, or us (collectively, the “Interested Parties”) that you obtain during your association with us.

You agree not to disclose any Confidential Information to anyone outside of our organization (other than the Interested Parties) and not to use any Confidential Information for any purpose except to carry out your duties as our employee. You also agree not to claim any ownership in or rights to Confidential Information and not to challenge or contest Licensor’s ownership of it. These obligations apply both during and after your association with us.

If your association with us ends for any reason, you must return to us all records described in Paragraph 1, all other Confidential Information, and any authorized or unauthorized copies of Confidential Information that you may have in your possession or control. You may not retain any Confidential Information after your association with us ends.

You may not, during your association with us, without our prior written consent:

Own, operate, engage in, be employed by, act as a consultant to, provide financing or assistance to, participate in, or have any interest in any business that offers business coaching and mentoring services (“Competing Business”) to clients in the Canada; or

Divert or attempt to divert any clients or prospective clients to any Competing Business.

Paragraph 4 will continue to apply for two (2) years after your association with us ends, regardless of the reason that your association with us ends. However, Paragraph 4(a) will only continue to apply to businesses operating in the geographic area where you performed work for us. In addition, for two (2) years after your association with us ends, you may not solicit, for the benefit

of any Competing Business, any person who was a client of our business during the two (2) years immediately before your disassociation.

You may not attempt to circumvent the restrictions in Paragraphs 1 through 5 by engaging in prohibited activity indirectly through any other person or entity.

If you breach or threaten to breach any part of this Agreement, you agree that we will be entitled to injunctive relief (without posting bond) as well as a suit for damages.

If any part of this Agreement is declared invalid for any reason, the invalidity will not affect the remaining provisions of this Agreement. If a court finds any provision of this Agreement to be unreasonable or unenforceable as written, you agree that the court may modify the provision to make it enforceable and that you will abide by the provision as modified.

This Agreement is independent of any other obligations between us. This means that it is enforceable even if you claim a breach of any other agreement, understanding, commitment or promise between you and us.

You are signing this Agreement not only for our benefit, but also for the benefit of Licensor, Franchisor and Master Licensee. Licensor, Franchisor and Master Licensee have the right to enforce this Agreement directly against you.

This is not an employment agreement. Nothing in this Agreement creates or should be taken as evidence of an agreement or understanding by us, express or implied, to continue your association with us for any specified period.

Your obligations under this Agreement cannot be waived or modified except in writing.

This Agreement will be interpreted in accordance with and governed as follows:

For any claims enforceable under local franchise legislation, by the laws of the province where the Business of Franchisee is located as indicated in page 1 of this Agreement; and

For non-statutory based claims or any other claims, by the laws of the state in which Franchisor's principal office is located at the time of the dispute, except as otherwise required by the laws of the province in which the Business is located

If we have to take legal action to enforce this Agreement, we will be entitled to recover from you all of our costs, including reasonable attorneys' fees, to the extent that we prevail on the merits.

You certify that you have read and fully understood this Agreement, and that you entered into it willingly.

EMPLOYEE

Witness:

.....
Printed Name:
Date:

.....
Printed Name:
Date:

SCHEDULE A-4
Release (A-4)



SCHEDULE A-5
to
BUSINESS COACH FRANCHISE DISCLOSURE DOCUMENT
ActionCOACH Canada Master License Ltd.

Release

RELEASE

THIS RELEASE is executed on [date] by [Name of Franchise Owner] ("Franchisee") as an express condition of transfer or renewal of the Business Coach Franchise Agreement dated [date of BCFA] between **ActionCOACH Canada Master License Ltd.** ("Master Licensee") and Franchisee.

1. Release by Franchisee. Franchisee, for himself/itself and his/its heirs, personal representatives, and all other persons acting on his/its behalf or claiming under him/it (collectively, the "**Franchisee Releasers**"), hereby releases and forever discharges Master Licensee, ActionCOACH Canada, Ltd. and ActionCOACH IPCo, Ltd., and their respective past and present officers, directors, shareholders, members, parents, subsidiaries, affiliates, agents, employees, attorneys, insurers, representatives, predecessors, successors, and assigns, and each of them, from any and all claims, debts, liabilities, demands, obligations, costs, expenses, suits, actions, and causes of action, of whatever nature, known or unknown, suspected or unsuspected, vested or contingent (collectively, "**Claims**") that the Franchisee Releasers ever had, now have, or may in the future have, arising out of or relating to any act, omission or event occurring on or before the date of this Release.

2. Risk of changed facts. The Franchisee Releasers understand that the facts in respect of which the release in Section 1 above is given may turn out to be different from the facts now known or believed by the parties to be true. The Franchisee Releasers hereby accept and assume the risk of the facts turning out to be different and agree that its release shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

3. No prior assignment. Franchisee represents and warrants that he/she/it is the sole owner of all Claims and rights released by Franchisee hereunder and that Franchisee has not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1 above.

4. Covenant not to sue. Franchisee (on behalf of the Franchisee Releasers) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 above with respect to any Claim released under Section 1 above.

5. Complete defense. Franchisee: (i) acknowledges that this Release shall be a complete defense to any Claim released under Section 1 above; and (ii) consents to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

6. Authorization. The person who executes this Release on behalf of Franchisee represents and warrants that Franchisee has authorized that person to enter into this Release on behalf of Franchisee. Franchisee represents and warrants that it has the authority to enter into this Release not only on its own behalf, but also on behalf of the other persons and entities to be bound by its signature.

7. Successors and assigns. This Release will inure to the benefit of and bind the successors, assigns, heirs and personal representatives of Franchisee.

IN WITNESS WHEREOF, Franchisee has executed this Release as of the date first above written.

FRANCHISEE

.....

... [Name]

[If Franchisee is an entity, indicate Position/Title of signatory here]

SCHEDULE A-5
Compliance Questionnaire (A-5)



SCHEDULE A-6
to
BUSINESS COACH FRANCHISE DISCLOSURE DOCUMENT

ActionCOACH Canada Master License Ltd.

Compliance Questionnaire

**QUESTIONNAIRE TO BE COMPLETED BEFORE
YOU SIGN THE BUSINESS COACH FRANCHISE AGREEMENT**

You are preparing to enter into an ActionCOACH Business Coach Franchise Agreement with Master Licensee ("we" or "us"). The purpose of this Questionnaire is to confirm that you understand the terms of the contract and that no unauthorized statements or promises have been made to you. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

When and where did you have your first face-to-face meeting with our representative(s)?

Approximate date of first meeting:

Place of meeting:

Which of our representative(s) have you been dealing with?

Name(s):

Have you personally read the ActionCOACH Business Coach Franchise Disclosure Document (FDD)?

Yes _____ No _____

Did you give us a signed receipt for the copy of the FDD that we furnished to you?

Yes _____ No _____ If yes, on what date? _____

Do you understand all of the information contained in the FDD?

Yes _____ No _____

If not, what parts of the FDD do you not understand? (Attach additional pages, if necessary.)

Have you personally read the Business Coach Franchise Agreement (the "Agreement")?

Yes _____ No _____

Do you understand all of the terms of the Agreement?

Yes_____ No _

If not, what parts of the Agreement do you not understand? (Attach additional pages, if necessary.)

Has any of our representatives recommended that you have the FDD and agreements reviewed by an attorney or other professional advisor?

Yes_____ No _____

Have you, in fact, discussed the FDD, the agreements, and the benefits and risks of operating an ACTIONCOACH Business Coach franchise with an attorney, accountant, or other professional advisor?

Yes_____ No _____

If yes, name and profession of advisor:

If No, do you wish to have more time to do so? Yes_____ No _____

We do not provide historical financial performance representation. We do not authorize our salespeople to provide information concerning the actual or potential financial performance of a Business Coach franchise. Has any employee of ActionCOACH Canada, Ltd. or Master Licensee, or any other person speaking on our behalf (this does not include Business Coaches whom you contact on your own) made any statement or representation (oral, written, or visual) which is inconsistent with the above?

The amount of money that others have made or that you may earn as a Business Coach?

Yes_____ No _____

The revenue that a Business Coach franchise will generate?

Yes_____ No _

The costs you may incur in operating the Business Coach franchise?

Yes_____ No _

Any other financial performance information about Business Coach franchises?

Yes_____ No _

If your answer to any part of Question 10 is "yes," please describe the statement or representation. Please include when, where, and by whom the statement or representation was made. Please provide full details in the following space. (Attach additional pages, if necessary.)

Have you contacted any existing Business Coaches about their financial performance?

Yes_____ No _

If your answer to Question 12 is "yes," please describe the type of information that they shared with you in the following space. (You do not need to identify the Business Coaches with whom you spoke.)

Please think about the statements or promises made to you by our employees (or by any other person purporting to speak on our behalf) concerning the advertising, marketing, training, support, or assistance that we will furnish to you. Were any such statements or promises contrary to, or different from, the information contained in the FDD?

Yes_____ No _____

If you answered "Yes" to Question 14, please provide full details in the following space. (Attach additional pages, if necessary.)

Before today, have you entered into any agreement with us concerning our franchise opportunity?

Yes_____ No_____ If Yes, please describe:

Have you paid any money to us before today in connection with our franchise opportunity?

Yes_____ No_____

If Yes, please describe:

In entering into the Agreement, are you relying on any statement, promise, or assurances by us, or by anyone speaking or purporting to speak on our behalf, other than the terms of the Agreement itself? If "Yes", please provide full details in the following space. (Attach additional pages, if necessary.)

Would you agree that the success or failure of your Business Coach franchise will depend in large part upon your own skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms, and other economic and business factors?

Yes_____ No _____

In which province do you reside?

In which state do you intend to operate the Business Coach franchise?

Have you selected a specific office location from which you propose to operate the Business Coach franchise?

Yes _____ No _____

If yes, please specify the location:

Do you have personal knowledge of the market area in which you will operate?

Yes _____ No _____

Did you obtain advice from anyone other than our representatives in selecting your market and/or your office location?

Yes _____ No _____ If yes, name of advisor:

If not, do you wish to have more time to do so?

Yes _____ No _____

Have all of your questions concerning your proposed investment in a Business Coach franchise been answered to your satisfaction?

Yes _____ No _____

* * *

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

FRANCHISE APPLICANT

Date:

SCHEDULE B



**THE FOLLOWING INFORMATION FORMS PART OF THE DISCLOSURE DOCUMENT
REQUIRED TO BE PROVIDED UNDER THE ACTS**

SCHEDULE B

to the BUSINESS COACH FRANCHISE DISCLOSURE DOCUMENT

**ActionCOACH Canada Master License Ltd.
Litigation, Bankruptcy and Related Matters**

Previous convictions and pending charges

Neither the Franchisor, nor any of the Franchisor's associates, nor any directors, general partners or officers of the Franchisor have been convicted, within the previous ten (10) years, of fraud, unfair or deceptive business practices, or a violation of a law that regulates franchises or business. None of the foregoing have pending charges involving fraud, unfair or deceptive business practices, or a violation of a law that regulates franchises or business.

Prior and pending administrative orders and penalties and pending administrative actions

None of the Franchisor, the Franchisor's associates, and the directors, general partners or officers of the Franchisor have been subject to an administrative order or penalty imposed under a law of any jurisdiction regulating franchises or business. None of the foregoing are the subject of any pending administrative actions to be heard under such a law.

Prior and pending civil actions

There are no prior or pending civil actions involving allegations related to misrepresentation, unfair or deceptive business practices or violating a law that regulates franchises or business, including a failure to provide proper disclosure to a franchisee against Franchisor, the Franchisor's associates, and the directors, general partners or officers of the Franchisor:

Bankruptcy and insolvency proceedings

Other than as disclosed below, there have not been any bankruptcy or insolvency proceedings, voluntary or otherwise, in the six years prior to the date of this disclosure document,

- i) against the Franchisor or the Franchisor's associate;
- ii) against a corporation whose directors or officers include or included a current director, officer or general partner of the Franchisor;
- iii) against a partnership whose general partners include or included a current director, officer or general partner of the Franchisor; and
- iv) against a director, general partner or officer of the Franchisor in their personal capacity.

SCHEDULE C



**THE FOLLOWING INFORMATION FORMS PART OF THE DISCLOSURE
DOCUMENT REQUIRED TO BE PROVIDED UNDER THE ACTS**

SCHEDULE C

to the BUSINESS COACH FRANCHISE DISCLOSURE DOCUMENT

**ActionCOACH Canada Master License Ltd.
Communication System Specifications**

Hardware Requirements:

Intel or AMD-based system capable at a minimum of running Microsoft Windows 7

Alternatively, Macintosh system capable of running the latest version of MacOS

Desktop, laptop or tablet depending on your preference

External USB hard drive – 500 GB or larger for document backups

For convenience, choose a drive that offers a “one-touch” backup solution

For complete protection, obtain multiple drives. Get in the habit of (at least monthly) storing a complete backup of your computer off-site in a safe deposit box or equivalent secure location

Surge protector

For complete protection, purchase an uninterruptible power supply (or UPS)

Software Requirements:

Microsoft Office 2007 (or 2008 for Mac)

Standard edition or better – must contain PowerPoint

Adobe Reader v8 or better (free download from <http://www.adobe.com>)

Adobe Acrobat creation utility

There are freeware utilities available that do this without requiring purchase of the full

Adobe Acrobat application See <http://www.primopdf.com>.

QuickBooks (recommended) or equivalent business finance software Anti-Virus software

Web browser

Mozilla Firefox 2 or better is recommended (free download from

<http://www.getfirefox.com>)

Internet Explorer 6 or better is acceptable, but discouraged

IE7 under Windows Vista is known to cause problems with some ActionCOACH websites, such as webmail, and is not supported

Opera and Safari are NOT SUPPORTED Skype

(recommended) or other instant messenger service

CRM Software

Telecommunication Requirements:

Minimum of two office phone lines and one dedicated fax line*

VoIP providers, such as Vonage, which can accommodate these requirements are acceptable

Broadband connectivity, minimum of 768kb/s download speed and 384 kb/s upload speed is recommended but not required, as download speed is generally limited by geographical restrictions

Plain paper fax machine (high paper capacity preferred)

Alternatively, an online fax service such as eFax is acceptable. In this case, it would not be necessary to obtain a dedicated fax line.

SCHEDULE D



**THE FOLLOWING INFORMATION FORMS PART OF THE DISCLOSURE DOCUMENT
REQUIRED TO BE PROVIDED UNDER THE ACTS**

SCHEDULE D

to the BUSINESS COACH FRANCHISE DISCLOSURE DOCUMENT

ActionCOACH Canada Master License Ltd.

Training Programs

**10 Day Training Program
For FIRM, Practice (5) Year and Practice (Premium)**

Day	Subject	Activities And Group Work	Class Hours	Materials
Day 1	Welcome to Action	Intro and Positioning the Team	14	PowerPoint, Notes, Flipchart, Handouts, Activities
	Trainer Earn The Right	Trainers background		
	About Learning	Confusion and Success Mindset		
	System Overview	Follow the ActionCOACH system		
	Change the Way You Think	Generalized Principles		
	Action Coach Business System	Product ladder intro		
	Profit System			
	Table topic	What have you learned so far		
	Exercise	Learning Review		
	WIFLE Introduction	What I Feel Like Expressing		
Day 2	Volleyball	Review	16	PowerPoint, Notes, Flipchart, Handouts, Activities
	Review of Day 1 slides	Review of Day 1 slides		
	Action Coach Coaching System	Intro - teach to fish and 6 steps intro		
	Action Coach Coaching System	Mastery/ Financial Mastery		
	Action Coach Coaching System	Service Training		
	Exercise	Service Rich Review		
	Exercise	Mastery Review		
	Action Coach Coaching System	Niche		
	Exercise	Niche Review		
	Leverage Game Night System	Play Leverage after dinner		
Day 3	Volleyball	Review	16	PowerPoint, Notes, Flipchart, Handouts, Activities
	Review of Day 2 slides	Review of Day 2 slides		
	Action Coach Sales Training	Workshop Presentation		
	Leverage System	9 Ways to Systematize		
	Exercise	Leverage Review		
	Team System	6 Keys to a Winning Team		
	Shake Hands Game	Team Activity		
	Squares Game	Team Activity		
	Exercise	Team Review		
	Action Coach Recruitment	4 Hr Recruitment System		
	Exercise	Recruitment Review		
	Action Coach Synergy System	Duplication - / to X		
	Exercise	Synergy		
	Action Coach Results System	Results & Future Coaching		
	Book Recommendations	Top 10 Books		
	Exercise	Results & Future Coaching		
	WIFLE	What I Feel Like Expressing		
	Feedback Form	Complete feedback form		
Day 4	Volleyball	Review	14	PowerPoint, Notes, Flipchart, Handouts, Activities
	Outside Business Analysis	Review of Outside Business Ops		
	Review of Day 3 slides	Review of Day 3 slides		
	Action Coach Marketing System	13 Step System - Step 1		
	Ad Giants	Intro & online demo		
	Action Members	Intro & online demo		
	Exercise	Review Step 1		
	Action Coach Marketing System	13 Step System - Step 2		
	Exercise	Review step 2		
	Action Coach Marketing System	13 Step System - Step 3 & 4		
	Exercise	Role Play step 3		
	Exercise	Role Play step 4		

Day	Subject	Activities And Group Work	Class Hours	Materials
	Action Coach Marketing System	13 Step System - Step 5 & 6		
	Action Coach Marketing System	14 Step System - Step 7 & 8		
	Exercise	Role Play step 7		
	Exercise	Role Play step 8		
	Action Coach Marketing System	Step 9 - Homework for Day 5		
	Exercise	13 Step Review 1 - 8		
	WIFLE	What I Feel Like Expressing		
Day 5	Volleyball	Review	14	PowerPoint, Notes, Flipchart, Handouts, Activities
	Exercise	Steps 9-13		
	Review of Day 4 slides	Review of Day 4 slides		
	Review of Ropes Course	Learning and Breakthrough's		
	Selling	Characteristics of Sales Person		
	The Coaching Sales Process	8 Steps to the Sale		
	Exercise	Coach on Deck Role Play		
	Exercise	Diag Role Play		
	Exercise	13 Step Review 9 - 13		
	Exercise	Review Welcome Pack		
Day 6	Volleyball	Review	14	PowerPoint, Notes, Flipchart, Handouts, Activities
	Review of Day 5 slides	Review of Day 5 slides		
	Business Rich	Positioning and selling		
	Business Rich	Presentation Overview		
	Exercise	Business Rich		
	Growth Club	Positioning and selling		
	Growth Club	Presentation Overview		
	Exercise	90 Day Planning		
	Exercise	Review Growth Club		
	Exercise	Review the Day - questions for Trainer		
	Feedback Forms	Complete feedback forms		
Day 7	Volleyball	Review	14	PowerPoint, Notes, Flipchart, Handouts, Activities
	Review of Day 6 slides	Review of Day 6 slides		
	Action Coach Coaching System	Welcome book and Starter Pack		
	Exercise	Review the Coach System		
	Action Coach Coaching System	1st 6 Weeks		
	Action Coach Coaching System	Positioning System		
	Action Coach Coaching System	Positioning Role Play		
	Exercise	Review Positioning		
	Action Coach Coaching System	Alignment System		
	Action Coach Coaching System	Alignment Role Play - personal		
	Action Coach Coaching System	Alignment Role Play - business		
	Action Coach Coaching System	Alignment Role Play - solutions		
	Exercise	Review Alignment		
	Action Coach Coaching System	The Alignment Training Day		
	Action Coach Coaching System	Week 3 - Education		
	Exercise	Review Education		
	Action Coach Coaching System	Week 4 - community		
	Exercise	Review Education		
	Action Coach Coaching System	Week 5 results		
	Exercise	Review Results		
	Action Coach Coaching System	Week 6 referrals		
	Exercise	Review Referrals		
Day 8	Volleyball	Review	14	PowerPoint,
	Review of Day 7 slides	Review of Day 7 slides		

Day	Subject	Activities And Group Work	Class Hours	Materials
	Action Coach Summary	13 Weeks - 90 Day Plan		Notes, Flipchart, Handouts, Activities
	Exercise	90 Day Plan		
	Action Coach Summary	13 weeks coaching		
	Exercise	Coaching Script		
	Action Coach Summary	Coaching Process		
	Exercise	Coaching Role Play		
	Exercise	Review Coaching		
	Action Coach Summary	1st 12 Months Coaching		
	Exercise	Review Coaching		
	Action Coach Summary	Results Review - 13 weeks		
	Exercise	Review 13 Week System		
Day 9	Volleyball	Review	14	PowerPoint, Notes, Flipchart, Handouts, Activities
	Review of Day 8 slides	Review of Day 8 slides		
	Action Coach Presenting System	Mastery & super Learning		
	Exercise	Presenting		
	Action Coach Presenting System	Presenting the 5 Ways		
	Exercise	Presenting the 5 Ways		
	Exercise	Review 5 Ways Presenting		
	WIFLE	Group WIFLE		
	Dinner	The Lavo at The Palazzo		
Day 10	Volleyball	Review Final	8	PowerPoint, Notes, Flipchart, Handouts, Activities
	Review of Day 9 slides	Review of Day 9 slides		
	System Flow Chart	Build a system flow chart		
	System Flow Chart	Present to each other		
	The Action Coach Business System	Goal Platinum		
	Dream Goal Plan Action	Race to Platinum		
	Online Support	Review websites		
	Exercise	Share your Dreams		
	Exercise	Present Goals to each other		
	Exercise	Review 90 Day Plans		
	Feedback Forms	Complete feedback forms		

5-Day Training Program

For Practice (Pro) and Employee Business Coaches

Day	Subject	Activities And Group Work	Classes	Materials
Day 1	Welcome to Action	Intro and Positioning the Team	8	PowerPoint, Notes, Flipchart, Handouts, Activities
	Trainer Earn The Right	Trainers background		
	About Learning	Confusion and Success Mindset		
	System Overview	Follow the ActionCOACH system		
	Change the Way You Think	Generalized Principles		
	Action Coach Business System	Product ladder intro		
	Profit System			
	Table topic	What have you learned so far		
	WIFLE Introduction	What I Feel Like Expressing		
	Action Coach Coaching System	Intro - teach to fish and 6 steps intro		
	Action Coach Coaching System	Mastery/ Financial Mastery		
	Action Coach Coaching System	Service Training		
	Action Coach Coaching System	Niche		
Day 2	Action Coach Sales Training	Action Coach Sales Training	8	PowerPoint, Notes, Flipchart, Handouts, Activities
	Leverage System	9 Ways to Systematize		
	Team System	6 Keys to a Winning Team		
	Shake Hands Game	Team Activity		
	Squares Game	Team Activity		
	Action Coach Recruitment	4 Hr Recruitment System		
	Action Coach Synergy System	Duplication - / to X		
	Action Coach Results System	Results & Future Coaching		
	Book Recommendations	Top 10 Books		
	Feedback Form	Complete feedback form		
	Action Coach Marketing System	13 Step System - Step 1		
	Ad Giants	Intro & online demo		
	Action Members	Intro & online demo		
	Action Coach Marketing System	13 Step System - Step 2		
	Action Coach Marketing System	13 Step System - Step 3 & 4		
	Action Coach Marketing System	13 Step System - Step 5 & 6		
	Action Coach Marketing System	14 Step System - Step 7 & 8		
	Action Coach Marketing System	Step 9 - Homework for Day 5		
	WIFLE	What I Feel Like Expressing		
Day 3	Selling	Selling	8	PowerPoint, Notes, Flipchart, Handouts, Activities
	The Coaching Sales Process	8 Steps to the Sale		
	Business Rich	Positioning and selling		
	Business Rich	Presentation Overview		
	Growth Club	Positioning and selling		
	Growth Club	Presentation Overview		
Day 4	Feedback Forms	Complete feedback forms	8	PowerPoint, Notes, Flipchart, Handouts, Activities
	Action Coach Coaching System	Action Coach Coaching System		
	Action Coach Coaching System	1st 6 Weeks		
	Action Coach Coaching System	Positioning System		
	Action Coach Coaching System	Positioning Role Play		
	Action Coach Coaching System	Alignment System		
	Action Coach Coaching System	Alignment Role Play - personal		
	Action Coach Coaching System	Alignment Role Play - business		
	Action Coach Coaching System	Alignment Role Play - solutions		
	Action Coach Coaching System	The Alignment Training Day		
	Action Coach Coaching System	Week 3 - Education		
	Action Coach Coaching System	Week 4 - community		
	Action Coach Coaching System	Week 5 results		

	Action Coach Coaching System	Week 6 referrals		
Day 5	Action Coach Summary	13 Weeks - 90 Day Plan	8	PowerPoint Notes, Flipchart, Handout, Activities
	Action Coach Summary	13 weeks coaching		
	Action Coach Summary	Coaching Process		
	Action Coach Summary	1st 12 Months Coaching		
	Action Coach Summary	Results Review - 13 weeks		
	Action Coach Presenting System	Mastery & super Learning		
	Action Coach Presenting System	Presenting the 5 Ways		
	WIFLE	Group WIFLE		
	Dinner	The Lavo at The Palazzo		

SCHEDULE E



**THE FOLLOWING INFORMATION FORMS PART OF THE DISCLOSURE
DOCUMENT REQUIRED TO BE PROVIDED UNDER THE ACTS**

SCHEDULE E

to the BUSINESS COACH FRANCHISE DISCLOSURE DOCUMENT

ActionCOACH Canada Master License Ltd.

Licenses, Permits and Authorizations required in the Territory

Unless otherwise specifically indicated, this Schedule E describes the licenses, registrations, authorizations or other permissions that you are required to obtain, under any applicable federal or provincial law or municipal by-law, to operate the franchise in the Territory. Specific requirements for Manitoba, New Brunswick and Ontario are also described below. If you plan to operate your franchise in another province or territory, you should confirm if any licenses and permits are required in that jurisdiction.

Federal Government Business Number

The Business Number is a single number for businesses to deal with the federal government. The Business Number can encompass one or more of the following accounts: goods and services or harmonized taxes (see below), payroll deductions, import/export duties and corporate income tax. There is no fee for a Business Number. For more information on the Business Number, contact the Canada Revenue Agency ("CRA").

Municipal Permits and Licenses

Each municipal government in the provinces of Manitoba, New Brunswick, and Ontario has the authority to issue its own business licenses within its jurisdiction. Since there is no uniformity throughout the provinces regarding municipal licenses for businesses, franchisees should consult with the appropriate local officials to determine whether a franchisee's business will be affected by local regulations and licensing requirements. By way of example, a franchisee may be required to obtain permits relating to building codes, signage, electrical, mechanical, and plumbing. Businesses must also meet the zoning by-laws that control property uses in their municipality. Contacts for local governments are in the blue pages of the telephone directory under municipal government.

Harmonized Sales Tax (New Brunswick and Ontario only)

The federal government of Canada and the provincial governments of New Brunswick and Ontario have harmonized the federal Goods and Services Tax ("GST") and their respective provincial sales taxes ("PST") to create a combined federal and provincial harmonized sales tax ("HST"). Businesses in New Brunswick and Ontario are required to obtain a Business Number in order to register for HST with the CRA. There is no fee for either registration. Further information can be obtained from the CRA, or provincial retail sales tax offices, both of which are listed in the blue pages of the telephone directory. Further information on HST and GST is available at <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/menu-eng.html> while additional information on transitional tax issues in Ontario is available at: <http://www.rev.gov.on.ca/en/taxchange/>.

Retail Sales Tax (Manitoba only)

Under the Manitoba Retail Sales Tax Act, retail sales tax ("RST") is collected on most goods and certain services sold for the purpose of consumption or use and not for resale. The general tax rate is 7% which is charged at the point of sale. The tax is calculated on the selling price before the GST is applied. For further details, you may contact the General Office of the Manitoba Department of Finance, Taxation Division at 1-800-564-9789.

Health and Post-Secondary Education Tax Levy (Manitoba only)

The Manitoba Department of Finance administers the collection of a Health and Post-Secondary Education Tax Levy ("HE Levy"). Employers with a permanent establishment in Manitoba that pay remuneration to employees in Manitoba are subject to the HE Levy. Employers may register at <https://taxcess.gov.mb.ca/>. For further information on the HE Levy, you may contact the Manitoba Department of Finance, Taxation Division at 1-800-564-9789.

Workers Compensation Board (Manitoba only)

Employers having employees in Manitoba may be required to register for coverage with the Worker's Compensation Board of Manitoba ("WCB") pursuant to the Workers Compensation Act. To determine eligibility and/or to register for coverage contact the WCB at 1-800-362-3340 or visit <http://www.wcb.mb.ca/purchase-wcb-coverage>.

WorkSafeNB (New Brunswick only)

Employers with 3 or more workers are required to register for coverage with the WorkSafeNB. WorkSafeNB administers no-fault workplace accident and disability insurance for employers and their workers and is funded solely through employer assessments. Applications for WorkSafeNB coverage can be completed online at http://www.worksafenb.ca/index_e.asp or by contacting WorkSafeNB toll-free at 1-800-222-9775.

Workplace Safety & Insurance Board ("WSIB") (Ontario only)

Most industries in Ontario are covered by the Workplace Safety & Insurance Act. Businesses must register with the WSIB and employers must pay into the insurance fund of the WSIB through assessments on their payrolls. Businesses are required to contact the WSIB within 10 days of hiring their first worker. Businesses can obtain a registration kit by contacting the nearest WSIB office. The registration kit includes information on assessments, coverage, accident reporting requirements and appeals procedures.

Employer Health Tax ("EHT") (Ontario only)

The Ontario Ministry of Health administers a comprehensive government plan of health insurance for Ontario residents. Employers with a permanent establishment in Ontario must register for the EHT. Employers with an annual payroll of less than CAD400,000 are exempted from the EHT. Employers operating a business in Ontario, with annual payrolls in excess of CAD400,000, are required to pay the EHT either monthly or annually based on total calendar year of gross payroll. For additional information on the EHT, you can call the Ontario Ministry of Finance Information Centre at 1-800-263-7965.

Waste Diversion (Ontario only)

Legislation in Ontario has been enacted to provide for the development, funding and operation of waste diversion programs. The Ontario government has created a body called Stewardship Ontario that ensures ensure certain companies that introduce packaging and printed materials into the Ontario consumer marketplace share in the funding of blue box recycling programs. Under the Stewardship Ontario program, businesses may be obligated to register and/or pay as "stewards" for all of the residential blue box waste distributed into the marketplace depending on certain mandated criteria, such as sales thresholds and waste threshold exemptions. For more information, you may contact Stewardship Ontario at www.stewardshipontario.com.

In addition to those identified above, you may be required under other federal or provincial laws or under the by-laws of a municipal or other local authority to obtain licences, registrations, authorizations or other permissions to operate an ActionCOACH business coach franchise.

Accordingly, you should make inquiries and/or speak with their advisors to determine whether the above licences, registrations, authorizations or permissions, or any other licences, registrations, authorizations or other permissions are required for the operation of an ActionCOACH business coach franchise or whether additional licenses not listed above are required for said purpose.

SCHEDULE F



**THE FOLLOWING INFORMATION FORMS PART OF THE DISCLOSURE
DOCUMENT REQUIRED TO BE PROVIDED UNDER THE ACTS**

SCHEDULE F

to the BUSINESS COACH FRANCHISE DISCLOSURE DOCUMENT

ActionCOACH Canada Master License Ltd.

Business Coaches in Canada as of December 31, 2018

Alberta

Kevin Simpson
Suite 210 7710 5th Street SE
Calgary, Alberta T2H 2L9
403-688-3668

Cheryl Dyck
97 Sterling Springs Crescent
Calgary, Alberta T3Z 2J7
403 282 3209

Wendy Simpson
Suite 210 7710 5th Street SE
Calgary, Alberta T2H
2L9 403-688-3668

Gregory Stonehocker
231 Squamish Crt
Lethbridge, Alberta T1K 7Y9
(403) 524-3636

Kent Boehm
Suite 208, 3907-3A Street NE
Calgary, Alberta T2E 6S7
403 260-9015

Jarrod Stanton
Suite 210 7710 5th Street SE
Calgary, Alberta, T2H 2L9 403-
685-3357

Luc Beriault
640 Third Street SE
Medicine Hat, Alberta
T1A 0H5 403-527-6724

British Columbia

Rob Carol
2791 Mara Drive
Coquitlam, BC, V3C
5L4 604-942-2866

Robert Cooper
4627 Canal Road
Pender Island, BC V0N 2M1

Quebec

Olivier Care
Suite 400, 1020 Bouvier
Street, Quebec City,
QC, G2K 0K9

Catherine Davo
Suite 400, 1020 Bouvier Street
Quebec City, QC, G2K 0K9

Ontario

Lindsay Slavin
4386 Adriana Ave
Beamsville, ON L0R 1B6

Ken Zelazny
260 Sheldon Drive, Suite B
Cambridge, Ontario N1T
1A8 519 620-9020

Tony Roy
147 Attwood Dr.
Cambridge, Ontario N1T 2A5
519- 729-0033

Dan Holstein
215 - 3385 Harvester Road,
Burlington, ON L7N 3N2
519-620-9020

Terry Lussier
70 Raftus Square
Nepean, Ontario K2J 2S2
613-440-0597

Juan Folch
1401 Golden Meadow Trail
Oakville, Ontario L6H 3H1
905 338 2258

SCHEDULE G



**THE FOLLOWING INFORMATION FORMS PART OF THE DISCLOSURE
DOCUMENT REQUIRED TO BE PROVIDED UNDER THE ACTS**

SCHEDULE G

to the BUSINESS COACH FRANCHISE DISCLOSURE DOCUMENT

ActionCOACH Canada Master License Ltd.

Franchise Outlets that Left the System
in the one year prior to May 31, 2018

- The table below describes the number of ActionCOACH Business Coach franchise outlets in Canada that were opened during the fiscal years ending December 31, 2017 and December 31, 2018, as well as information on which outlets have been terminated, cancelled, not renewed, reacquired or which have otherwise closed or left the System during the same fiscal year.

A. Outlets For Fiscal Year Ended December 31, 2017

	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewal	Re-acquired	Ceased Operation / Others	Outlets at End of Year
AB	11	3	3	0	0	1	10
BC	2	0	0	0	0	0	2
ON	9	0	0	0	0	0	9
Total	22	3	3	0	0	1	21

B. Outlets For Fiscal Year Ended December 31, 2018

	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewal	Re-acquired	Ceased Operation / Others	Outlets at End of Year
AB	10	0	0	1	0	4	5
BC	2	1	0	0	0	0	3
ON	9	0	0	0	0	3	6
QC	0	1	0	0	0	0	1
Total	21	2	0	1	0	7	15

- The list below shows the name, last known addresses and telephone numbers (where available) of every Business Coach in Canada who had an agreement terminated, not renewed, reacquired or otherwise voluntarily or involuntarily ceased to do business during the year ended December 31, 2018 as described in the table above.

Nagui Bihelek
22 Cougar Ridge View SW
Calgary, Alberta T3H 4X3
403-475 1575

Laura Bechard
Suite 210 7710 5th Street
SE Calgary, Alberta T2H
2L9 403-688-3668

Janet Henderson
Suite 210 7710 5th Street
SE Calgary, Alberta T2H
2L9
403-688-3668

Ted Rodych
55 Desert Blume Cres
Desert Blume, Alberta T1B
0A4 403-548-1903

Garth McDonald
1-55220 - RR 13, Cheviot
Hills Subd., Onoway,
AB, T0E 1V0
403 866 1618

Humberto Gutierrez 109
Ashberry Place
Waterloo, Ontario N2T 1G8
519-954-0707

Kevin Savoy

737 Rock Road
Oxford Mills, Ontario K0G 1S0
613-859-0804

Grant Mellow

2238 Rembrandt Road Ottawa,
Ontario K2B 7P5 613-721-
2229

SCHEDULE H



THE FOLLOWING INFORMATION FORMS PART OF THE DISCLOSURE
DOCUMENT REQUIRED TO BE PROVIDED UNDER THE ACTS

SCHEDULE H

to the BUSINESS COACH FRANCHISE DISCLOSURE DOCUMENT

ActionCOACH Canada Master License Ltd.

Important Provisions of the Franchise Agreements (Termination, Renewal,
Transfer, Dispute Resolution, etc.)

This table lists the termination, renewal and transfer provisions of the proposed franchise and related agreements. It also lists other material provisions. You should read these provisions in the agreements in Schedules A-1, A-2, A-3 and A-4 to the disclosure document.

Provision	Section	Summary (Summary applies to both FIRM and PRACTICE Business Coach Franchise unless otherwise stated)
a. Length of the franchise term	Section 2	15 years (FIRM); 15 years (PRACTICE - Premium)
b. Renewal or extension of the term	Section 2	Successive terms of 15 years (FIRM); Successive terms of 15 years (PRACTICE)
c. Requirements for you to renew or extend	Section 2	Give notice at least 6 months before expiration, be current in payments and remedy any specified breaches, have received no more than 1 notice of default in last 24 months, good record of compliance with Agreement and Manual, achieve minimum performance and Business Coach requirements, sign updated form of franchise agreement (which may contain materially different terms and conditions than your original agreement), upgrade image and appearance of business as needed, pay renewal fee, sign release.
d. Termination by you	Section 17.1	You can terminate if we commit a material default and fail to cure within 60 days.
e. Termination by us without cause	Not applicable	Not applicable
f. Termination by us for cause	Section 17.2 & 17.3	We may terminate your franchise for cause.
g. "Cause" defined - curable defaults	Section 17.3	You have 30 days to cure for non-payment of fees, non-submission of reports, and any other default not listed in h. below.
h. "Cause" defined – non-curable defaults	Section 17.2	Non-curable defaults: abandonment, conviction of crime, trademark misuse, health or public safety hazard, unapproved ownership transfer, failure to maintain a business office, understatement of Gross Revenues by 3% or more twice within 12 months, failure to submit reports, pay fees, or pay creditors 3 times in 12 months, misrepresentations in franchise application or reports.
i. Your obligations on termination/ non-renewal	Sections 6.2, 14.4, 15, 16.2, 16.7 & 18	Obligations include notification to Clients and prospective clients, payment of amounts due, complete de-identification and cessation of use of marks, surrender of Client and prospective client database, withdrawal of fictitious name filings, payment of liquidated damages (if we terminate based on your default), and compliance with indemnification clause and post-term non-compete. In case of violation of the confidentiality or non-competition covenants, you will be liable for liquidated damages in the amount of \$250,000.

Provision	Section	Summary (Summary applies to both FIRM and PRACTICE Business Coach Franchise unless otherwise stated)
j. Assignment of contract by us	Section 20.1, 19.2	No restriction on our right to assign. If our Master License Agreement expires or is terminated, our interest in your agreement is automatically assigned to ACCL, which will be responsible only for obligations after the date of its assumption of your agreement.
k. "Transfer" by you - defined	Section 20.2	Includes assignment of the Franchise Agreement and sale or other transfer of any ownership interest in the business.
l. Our approval of transfer by you	Section 20.2	We have the right to approve all transfers.
m. Conditions for our approval of transfer	Section 20.3	We approve proposed transferee, transferee pays training fee and completes training, you pay outstanding obligations and cure other defaults, you sign general release and pay transfer fee, transferee signs new franchise agreement (at our option). If you are a FIRM owner, you may not transfer your Nominated Business Coach Agreement and/or any of your individual Employee Business Coach agreements unless you are transferring all these existing agreements together as a complete FIRM.
n. Our right of first refusal to acquire your business	Section 20	We can match any offer for your business.
o. Our option to purchase your business	Section 20	Only after notice of your intention to sell to a third party. See n. above.
p. Death or disability	Section 20.5	Your heirs or personal representatives must apply within 120 days for consent to transfer your interest. Standard conditions apply, except no transfer fee is required. In case of death, your executor can buy out of the remaining term of the Franchise Agreement.
q. Non-competition covenants during the term of franchise	Section 16.1, 16.7 and 16.8	No involvement in any business that offers business coaching or mentoring services in Canada ("Competing Business"). You may not employ or otherwise interfere with the employment relationship of any person who is employed by us, ACCL or any Master Licensee. In case of violation of the non-competition covenant, you will be liable for liquidated damages in the amount of \$250,000.
r. Non-competition covenants after the franchise is terminated or expires	Section 16.2, 16.7 and 16.8	You may not engage in any of the activities described in q. above for 2 years after expiration, termination, or transfer. You may not solicit, for the benefit of any Competing Business, any person who was a Client of the Business during the 2 years immediately before expiration, termination or transfer. All of the above applies in the Territory and for 100 miles outside of the Territory. In case of violation of the non-competition covenant, you will be liable for liquidated damages in the amount of \$250,000.
s. Modification of the agreement	Sections 10.3 & 22.5	Amendments must be in writing. ACCL has the right to make changes to the Manuals.

Provision	Section	Summary (Summary applies to both FIRM and PRACTICE Business Coach Franchise unless otherwise stated)
t. Integration/merger clause	Section 22.5	Only the terms of the Franchise Agreement are binding (subject to federal or local law). Any other promises may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Section 22.9	If the parties are unable to negotiate a settlement within the said thirty (30) day period, Master Licensee shall have the right to elect whether or not to refer the dispute to mediation by a single mediator, chosen by Master Licensee. Mediation will be conducted in accordance with the procedures of the ADR Institute of Canada's Arbitration Rules, unless the parties agree to use a different mediation service. The award and determination of the mediator shall be binding upon the parties and their respective heirs, executors, administrators or assigns. However, the mediation will be conducted in Las Vegas, Nevada and in accordance with the American Arbitration Association if Franchisor is a party to or joined in the mediation.
v. Choice of law	Section 22.8	The law of the province in which the Business is located.

SCHEDULE I
FINANCIAL STATEMENTS 2018

* As the Canadian Master Licensee was incorporated on March 27 2018, the following financial statements represent the period of March 27, 2018 to December 31, 2018.

ACTIONCOACH CANADA MASTER LICENSE LTD

Balance Sheet
Unaudited - See Notice to Reader
as at December 31, 2018

	<u>2018</u>
ASSETS	
Current Assets	
Operating Account - Cash Funds	141,746
Marketing Fund - Cash Funds	8,349
Total Current Assets	150,095
Long-Term Assets	
Long-Term Investments (NOTE 7)	575,000
Property, Plant, and Equipment (NOTE 6)	504
Total Long-Term Assets	575,504
TOTAL ASSETS	725,599
LIABILITIES & SHAREHOLDER'S EQUITY	
Current Liabilities	
Accounts Payable and Accrued Liabilities	3,589
Franchise Deposits Received	10,000
Taxes Payable	7,426
Total Current Liabilities	21,015
Long Term Liabilities	
Business Development Bank of Canada Loan Facility (NOTE 8)	250,000
Due to Related Parties (NOTE 9)	1,851
Total Long-Term Liabilities	251,851
TOTAL LIABILITIES	272,866
Shareholder's Equity	
Class A Shares	196,643
Class B Shares	196,643
Total Share Capital (NOTE 10)	393,286
Retained Earnings	
Retained Earnings, Beginning of Period	-
Current Earnings	59,447
Total Retained Earnings	59,447
TOTAL EQUITY	452,733
TOTAL LIABILITIES & SHAREHOLDER'S EQUITY	725,599

ACTIONCOACH CANADA MASTER LICENSE LTD

Statement of Income and Retained Earnings

Unaudited - See Notice to Reader

For the Year Ended December 31, 2018

	<u>2018</u>
REVENUES	
Franchise Sales	225,000
Royalty Revenues (NOTE 3)	126,883
Marketing Fund Revenues (NOTE 4)	36,087
Training Fees (NOTE 5)	25,000
TOTAL REVENUES	412,970
EXPENSES	
Advertising and Promotions - General	3,025
Amortization of Tangible Assets (NOTE 6)	367
Business Fees and Licenses	3,650
Commissions	74,548
General and Administrative	20,157
Income Taxes	-
Interest and Bank Charges	17,149
Labour and Subcontractor Expenses	72,015
Marketing Fund - Advertising and Promotions (NOTE 4)	41,614
Marketing Fund - Royalty Fees (NOTE 4)	14,435
Meals and Entertainment	2,808
Professional Fees	26,907
Provision for Income Tax	8,298
Royalty Fees (NOTE 3)	32,604
Training Fees (NOTE 5)	25,000
Travel Expenses	10,946
TOTAL EXPENSES	353,523
NET INCOME	59,447
Retained Earnings	
Retained Earnings, Beginning of Period	-
Dividends Distributed	-
TOTAL RETAINED EARNINGS	59,447

SCHEDULE J



THE FOLLOWING INFORMATION FORMS PART OF THE DISCLOSURE
DOCUMENT REQUIRED TO BE PROVIDED UNDER THE ACTS

SCHEDULE J

to the BUSINESS COACH FRANCHISE DISCLOSURE DOCUMENT

ActionCOACH Canada Master License Ltd.
Contents of Online Manual

Please note that as of the issuance date of this Disclosure Document, ACCL has completely implemented an online WIKI format version of the Manuals and no longer issues written Manuals.

1 4 Week Foundation Program

- 1.1 Intention of the 4 Week Foundation Program
- 1.2 Foundation Program Checklist

2 Coaching

- 2.1 Start a New Client
- 2.2 First 6 Weeks of Coaching
- 2.3 13 Week Coaching Cycle
- 2.4 6 Steps - Mastery
- 2.5 6 Steps - Niche
- 2.6 6 Steps - Leverage
- 2.7 6 Steps - Team
- 2.8 6 Steps – Synergy and Results
- 2.9 Coaching Tools
- 2.1 KPI's
- 2.11 Coaching Challenges
- 2.12 PlanningCLUB
- 2.13 GrowthCLUB
- 2.14 BusinessRICH
- 2.15 FinanceRICH
- 2.16 TimeRICH
- 2.17 SeminarCLUB
- 2.18 6 Steps Workshop
- 2.19 5 Ways
- 2.2 BookCLUB and DVDCLUB
- 2.21 ActionCLUB
- 2.22 ProfitCLUB
- 2.23 Master Mentors
- 2.24 Securing a Sponsor Webinar

3 Firm

- 3.1 People
- 3.2 Roles and Responsibilities
- 3.3 Recruiting
- 3.4 Training
- 3.5 90 Day Coach Foundation Program
- 3.6 Conferences
- 3.7 Operations
- 3.8 Office
- 3.9 Technology
- 3.1 Communication
- 3.11 Financials
- 3.12 Policies
- 3.13 Legal
- 3.14 Marketing
- 3.15 Stock List

- 3.16 Firm Marketing
- 3.17 Standards
- 3.18 Brand Management
- 3.19 Planning and Reporting
- 3.2 Goals
- 3.21 Planning
- 3.22 Reporting
- 3.23 Standard Forms

4 MasterCOACH

- 4.1 Coaching Agreements
- 4.2 Monthly Reporting
- 4.3 Event Approval
- 4.4 Marketing and Promoting
- 4.5 Fees
- 4.6 Management and Administration
- 4.7 Minimum Standards
- 4.8 Removal

5 Sales

- 5.1 13 Step Process Overview
- 5.2 Step 1: Build a Database
- 5.3 Step 2: Direct Mail
- 5.4 Steps 3 to 11: Steps Leading to Diagnostic
- 5.5 Step 12: Diagnostic
- 5.6 Improving your Sales Skills
- 5.7 Scripts

6 Coaching for a Cause

- 6.1 Welcome Book
- 6.2 Introduction
- 6.3 Steps Involved
- 6.4 Sales Letter
- 6.5 Program Outline
- 6.6 5 Ways for Non-Profits
- 6.7 Approved PR Templates
- 6.8 Fact Sheet
- 6.9 Q&A with Brad Sugars
- 6.1 Structure of Regional Boards
- 6.11 Agreement Form
- 6.12 Coaching for a Cause Official Presentation at Global
- 6.13 Recommended Reading
- 6.14 Coaches Share their Non-Profit Experience
- 6.15 Instructions for Registering and Promoting a Cause in the website
- 6.16 Coaching for a Cause Website Training Webinar
- 6.17 Coaching for a Cause Interview with Brad Sugars
- 6.18 Using a Pro Bono Coaching to Grow your Business
- 6.19 Coaching for a Cause Webinars

7	Marketing
7.1	ActionCOACH Marketing Rules of the Game
7.2	ActionCOACH Marketing Policies and Procedures
7.3	Resources
7.4	Marketing Strategies
7.5	Advertising and General Marketing
7.6	Public Relations
7.7	Webinars Media
8	Marketing Media
8.1	5 Ways
8.2	6 Steps
8.3	ActionCLUB
8.4	Business Excellence Forum
8.5	BusinessRICH
8.6	Coach Level Certificates
8.7	Continuation Education Credits - NASBA
8.8	French Materials
8.9	GrowthCLUB
8.1	Leverage Game Nights
8.11	PlanningCLUB
8.12	ProfitCLUB
8.13	SeminarCLUB
8.14	Sporting Flyers
8.15	Take the Field
8.16	Testimonials
8.17	Tickets / Gift Certificates / Vouchers
9	ActionMEDIA
9.1	Weekly Training Conference Calls
9.2	Coaching
9.3	Workshops and Seminars
9.4	CD of the Month
9.5	Firm Training
9.6	Strategic Partnerships
9.7	Business Excellence Awards
9.8	ML Media
9.9	Resources and How To Videos
9.1	Books
9.11	Conference Videos
10	IT
10.1	Email
10.2	FAQs
10.3	ActionHELP
10.4	Infrastructure
10.5	Passwords
10.6	Web Sites
10.7	CRM

11 ActionMEMBERS

- 11.1 About ActionMEMBERS
- 11.2 ActionHELP
- 11.3 Main Arena
- 11.4 Home Run
- 11.5 Notice Board
- 11.6 Game Plan
- 11.7 Playbook
- 11.8 Scouting
- 11.9 Scorecard
- 11.1 Locker Room
- 11.11 Administration

12 ActionCOACH CRM

- 12.1 What is your ActionCOACH CRM
- 12.2 What is the Web Site
- 12.3 How can I contact WSI for Support / Training
- 12.4 Coach Ben Fewtrell - Training Videos
- 12.5 How CRM can work with your daily KPI's
- 12.6 6 Common Questions

13 ExecutiveCOACH

- 13.1 "IN" the ExecutiveCOACH Business
- 13.2 Fit 4 Action Tools
- 13.3 The Executive Coaching Process
- 13.4 The Executive Coaching Skills and Techniques
- 13.5 Providing and Calculating ROI with Executive Coaching
- 13.6 6 Common Questions
- 13.7 "ON" the ExecutiveCOACH Business

14 Master Licensee Manual

- 14.1 Accounting
- 14.2 Business
- 14.3 Marketing
- 14.4 Coaching
- 14.5 Compliance
- 14.6 Legal
- 14.7 Sales
- 14.8 Training

SCHEDULE K
GENERAL SECURITY AGREEMENT

THIS AGREEMENT made as of the ____ day of _____, 2018.

BETWEEN:

ABC Inc., a corporation incorporated under the laws of the Province of Ontario;
(hereinafter referred to as the "Borrower")

OF THE FIRST PART,

-- and --

ActionCOACH Canada Master License Ltd., a federally incorporated company
registered to conduct business in the Province of Alberta;
(hereinafter referred to as the "Lender")

OF THE SECOND PART.

WHEREAS the Borrower and the Lender have entered into a Loan Agreement in the amount of _____ Thousand Dollars (\$_____,000.00);

AND WHEREAS as security for such arrangement the Borrower has agreed to provide a promissory note in the amount of _____ Thousand Dollars (\$_____,000.00) in favour of the Lender to the Lender (the "Note");

NOW THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants and agreements of the parties contained herein, the sum of one dollar paid by each party hereto each of the other parties hereto and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto) it is agreed as follows:

ARTICLE ONE -- DEFINITIONS AND INTERPRETATION

1.1 Definitions. In this agreement unless something in the subject matter or context is inconsistent therewith:

(a) "Act" means the *Personal Property Security Act* (Ontario) and the regulations thereunder, as amended from time to time, or any legislation that may be substituted therefor;

(b) "Agreement" means this agreement and any amendments hereto agreed to by all of the parties evidenced in writing;

(c) "Collateral" means, subject to Section 2.4, any and all of the undertaking, property and assets of the Borrower which are now or at any time hereafter owned by the Borrower or in which the Borrower now has or at any time hereafter acquires any interest of any nature whatsoever, including without in any way limiting the generality of the foregoing:

(i) All present and future equipment of the Borrower, including all machinery, fixtures, plant, tools, furniture, vehicles of any kind or description, all spare parts, accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto;

(ii) all present and future inventory of the Borrower, including all raw materials used or consumed in the business or profession of the Borrower, work-in-progress, finished goods, goods used for packing, materials used in the business of the Borrower not intended for sale, and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ("Inventory");

(iii) all present and future debts, demands and amounts due or accruing due to the Borrower whether or not earned by performance, including without limitation its book debts, accounts receivable and claims under policies of insurance; and all contracts, security interests and other rights and benefits in respect thereof ("Accounts");

(iv) all present and future intangible personal property of the Borrower, including all contract rights, goodwill, patents, trademarks, trade names, business styles, copyrights and other industrial property, and all other choses in action of the Borrower of every kind, whether due at the present time or hereafter to become due or owing;

(v) all present and future documents of title of the Borrower, whether negotiable or otherwise including all warehouse receipts and bills of lading;

(vi) all present and future agreements made between the Borrower as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods ("Chattel Paper");

(vii) all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)), and all other writings that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment ("Instruments");

(viii) all present and future money of the Borrower, whether authorized or adopted by the Parliament of Canada as part of its currency or any foreign government as part of its currency;

(ix) all present and future securities held by the Borrower, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Borrower in property or in an enterprise or which constitute evidence of an obligation of the issuer; and including an uncertificated security within the meaning of Part VI (Investment Securities) of the *Business Corporations Act* (Ontario) and all substitutions therefor and dividends and income derived therefrom ("Securities");

(x) all books, accounts, invoices, letters, papers, documents and other records in any form evidencing or relating to the undertaking, property and assets of the Borrower which are subject to the Security Interest; and

(xi) all Proceeds.

(d) "Deficiency" means, at any time, the difference, if any, between:

(i) the aggregate of:

(A) the amount of the Obligations at that time, and

(B) the Reasonable Expenses incurred prior to that time; and

(ii) the proceeds of disposition received by the Lender from a disposition of the Collateral in accordance with Subsection 4.1(h);

(e) "Event of Default" means the occurrence of one or more of the following events:

(i) the Borrower fails to pay to the Lender any indebtedness forming part of the Obligations as and when the same shall be due and payable by the Borrower to the Lender; and

(ii) the Borrower defaults in the performance of any of the other Obligations;

(f) "Insurance Proceeds" means all proceeds of insurance payable to the Borrower under policies of insurance maintained by the Borrower from time to time;

(g) "Note" means the promissory note dated _____, 20____, payable by the Borrower to the Lender in the amount of _____ Thousand Dollars (\$_____,000.00), a copy of which is attached hereto as Schedule "A";

(h) "Obligations" means all indebtedness, liabilities and obligations (whether direct, indirect, absolute, contingent or otherwise) of the Borrower to the Lender existing from time to time under or pursuant to either one or both of the Note or this Agreement;

(i) "Prime Bank Rate" means the commercial lending rate of interest, expressed as an annual rate, quoted or published by the Bank of Canada as the reference rate of interest from time to time (commonly known as "prime") for the purpose of determining the rate of interest that it charges to its commercial customers for loans in Canadian funds;

(j) "Proceeds" means property in any form derived, directly or indirectly, from any dealing with the Collateral or other Proceeds and includes any payment representing indemnity or compensation for loss to the Collateral or other Proceeds, including without limitation, all Insurance Proceeds;

(k) "Reasonable Expenses" means any and all reasonable expenses incurred from time to time by the Lender, or any Receiver, in the preparation of this Agreement, in the perfection or preservation of the Security Interest, in enforcing payment or performance of the Obligations or any part thereof or in locating, taking possession of, transporting, holding, repairing, processing, preparing for and arranging for the disposition of and/or disposing of the Collateral and any and all other reasonable expenses incurred by the Lender or any Receiver as a result of the Lender or a Receiver exercising any of their rights or remedies hereunder and any and all reasonable legal expenses including those incurred in any legal action or proceeding or appeal therefrom

commenced, or taken in good faith by the Lender and any and all reasonable fees and disbursements of any solicitor, accountant or valuator or similar person employed by the Lender in connection with any of the foregoing;

(l) "Receiver" means a receiver, receiver and manager or any similar person appointed in accordance with Subsection 4.1(n); and

(m) "Security Interest" shall have the meaning assigned thereto in Section 2.1.

ARTICLE TWO -- CREATION OF SECURITY INTEREST

2.1 *Grant of Security Interest.* Subject to Section 2.4, as continuing security for the due and timely payment and performance by the Borrower of the Obligations, including but not limited to the due observance of the Note, the Borrower hereby grants to the Lender a security interest (the "Security Interest") in the Collateral.

2.2 *Proceeds of Collateral.* For greater certainty, the Security Interest shall extend to the Proceeds of the Collateral.

2.3 *No Postponement.* The Borrower and the Lender acknowledge and agree that they do not intend to postpone the time for attachment of the Security Interest.

2.4 *Excepted from Collateral.* The last day of any term reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Borrower is hereby excepted out of the Collateral. As further continuing security for the due and timely payment and performance by the Borrower of the Obligations, the Borrower agrees that it will stand possessed of the reversion of one day remaining in the Borrower in respect of each such term, respectively, upon trust to assign and dispose of the same in such manner as the Lender may from time to time direct in writing and, upon any sale of any such leasehold premises by the Lender as provided for herein, the Lender shall, for the purpose of vesting the aforesaid residue of any such term in any purchaser or any other person, firm or corporation, be entitled by deed or other written instrument to appoint such purchaser or other person, firm or corporation as a new trustee of the aforesaid residue of any such term in place of the Borrower and to vest the same accordingly in the new trustee freed and discharged from any obligation whatsoever respecting the same.

2.5 *Transfers to Lender.* The Borrower shall, upon request from the Lender, forthwith deliver to the Lender to be held by the Lender hereunder all instruments, securities, letters of credit, advances of credit and negotiable documents of title in its possession or control, and shall, where appropriate, duly endorse the same for transfer in blank or as the Lender may direct and shall make all reasonable efforts to forthwith deliver to the Lender any and all consents or other instruments or documents necessary to comply with any restrictions on the transfer thereof in order to transfer the same to the Lender.

2.6 *Additional Security.* As further continuing security for the due and timely payment and performance by the Borrower of the Obligations, the Borrower, subject to Section 2.4, hereby grants, bargains, sells, assigns and transfers to the Lender all Collateral such that title thereto and ownership therein shall belong to and be vested in the Lender, provided that the Lender shall not thereby assume or be liable for any obligations or payments in respect of any of the Collateral and further provided that, upon the sale of any Inventory by the Borrower in accordance with the provisions of Section 2.7, title thereto and ownership therein shall be automatically divested from the Lender and provided further that, upon the termination of this Agreement in accordance with

Section 9.2, title to and ownership in the Collateral shall be automatically revested in the Borrower without any further act of the Lender or the Borrower.

2.7 Ordinary Course of Business. Unless and until an Event of Default shall occur, the Inventory may be sold by the Borrower in the ordinary course of its business and for the purpose of carrying on the same.

2.8 Borrower not to Encumber Collateral. The Borrower shall not create, assume, incur or permit to exist any mortgage, hypothec, charge, pledge, assignment, security interest, lien or other encumbrance in, on or of the Collateral or any part or parts thereof other than the Security Interest or other security interests perfected by registration at the date hereof.

ARTICLE THREE -- COLLECTION OF PROCEEDS

3.1 Payments to Lender. The Lender may, before as well as after the occurrence of an Event of Default, notify any person obligated to the debtor in respect of an Account, Chattel Paper or an Instrument to make payment to the Lender of all such present and future amounts due thereunder whether or not the Borrower was theretofore making collections on the Collateral. From time to time and upon the request in writing of the Lender, the Borrower shall also so notify such persons to make payment directly to the Lender.

3.2 Demand for Payment. In addition to the rights of the Lender provided for in Section 3.1, it is understood and agreed that the Lender may, at any time on or after the occurrence of an Event of Default make demand for payment of any monies secured hereby and take control of any Proceeds.

3.3 Monies in Trust for Lender. In the event that the Borrower shall collect or receive any Accounts or shall be paid for any of the other Collateral or shall receive any Proceeds, all money so collected or received by the Borrower shall be received by the Borrower as trustee for the Lender and shall be paid to the Lender forthwith upon demand and shall, for all purposes, be deemed to form part of the Collateral.

ARTICLE FOUR -- DEFAULT AND REMEDIES

4.1 Enforcement of Security. Upon the occurrence of any Event of Default, the Security Interest hereby granted shall immediately become enforceable and the Lender may, forthwith or at any time thereafter and without notice to the Borrower, except as provided by applicable law or this agreement, take one or more of the following actions:

(a) declare any or all of the Obligations not then due and payable to be immediately due and payable by giving notice in writing thereof to the Borrower and, in such event, such Obligations shall be forthwith due and payable by the Borrower to the Lender;

(b) pursuant to the power of attorney granted to the Lender by the Borrower contemporaneously herewith, execute on behalf of the Borrower and register such further and other instruments whether pursuant to any legislation in any province of Canada relating to the registration of mortgages, charges, hypothecs, pledges, liens or other security interests or encumbrances against land or otherwise, against the Collateral or any of it as may be necessary or desirable in order to fix its priority as a creditor of the Borrower vis-à-vis other creditors of the Borrower;

(c) commence legal action to enforce payment or performance of the Obligations;

(d) require the Borrower, at the Borrower's expense, to assemble the Collateral at a place or places designated by notice in writing given by the Lender to the Borrower, and the Borrower agrees to so assemble the Collateral;

(e) require the Borrower, by notice in writing given by the Lender to the Borrower, to disclose to the Lender the location or locations of the Collateral and the Borrower agrees to make such disclosure when so required by the Lender;

(f) without legal process, enter any premises where the Collateral may be situate and take possession of the Collateral by any method permitted by law;

(g) repair, process, complete, modify or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Borrower or otherwise;

(h) dispose of the Collateral by private or public sale, lease or otherwise upon such terms and conditions as the Lender may determine and whether or not the Lender has taken possession of the Collateral;

(i) carry on all or any part of the business or businesses of the Borrower and may, to the exclusion of all others including the Borrower, enter upon, occupy and use all or any of the premises, buildings, plant, undertaking and other property of or used by the Borrower for such time and in such manner as the Lender sees fit and the Lender shall not be liable to the Borrower for any act, omission or negligence in so doing or for any rent, charges, depreciation, damages or other amount in connection therewith or resulting therefrom;

(j) file such proofs of claim or other documents as may be necessary or desirable to have its claim lodged in any bankruptcy, winding-up, liquidation, dissolution or other proceedings (voluntary or otherwise) relating to the Borrower;

(k) borrow money for the purpose of carrying on the business of the Borrower or for the maintenance, preservation or protection of the Collateral, whether or not in priority to the mortgages, charges, hypothecs, assignments and Security Interest hereby created and granted, to secure repayment of any money so borrowed;

(l) where the Collateral has been disposed of by the Lender as provided in Subsection 4.1(h), commence legal action against the Borrower for the Deficiency;

(m) where the Lender has taken possession of the Collateral as herein provided, the Lender shall retain the Collateral irrevocably, to the extent not prohibited by law, by giving notice thereof to the Borrower and such retention shall reduce the amount of the Obligations by an amount equal to the fair market value, as reasonably determined by the Lender, of the Collateral so retained;

(n) appoint, by an instrument in writing delivered to the Borrower, a Receiver of the Collateral, and remove any Receiver so appointed and appoint another or others in its stead, or institute proceedings in any court of competent jurisdiction for the appointment of a Receiver, it being understood and agreed that:

(i) The Lender may appoint any person, firm or corporation as Receiver;

(ii) such appointment may be made at any time either before or after the Lender shall have taken possession of the Collateral;

(iii) the Lender may from time to time fix the reasonable remuneration of the Receiver and direct the payment thereof out of the Collateral or any proceeds derived from a sale or other disposition of dealing thereof or therewith; and

(iv) the Receiver shall be deemed to be the agent of the Borrower for all purposes and, for greater certainty, the Lender shall not be in any way responsible for any actions, whether wilful, negligent or otherwise, of any Receiver or for any tax liabilities arising from the use, sale or other disposition of the Collateral by the Receiver (unless all rights of ownership in the Collateral have been transferred to and vested in the Lender prior to the use, sale or other disposition thereof by the Receiver), and the Borrower hereby agrees to indemnify and save harmless the Lender from and against any and all claims, demands, actions, costs, damages, expenses or payments which the Lender may hereafter suffer, incur or be required to pay as a result of, in whole or in part, any action taken by the Receiver or any failure of the Receiver to do any act or thing;

(o) pay or discharge any mortgage, charge, encumbrance, lien, adverse claim or security interest claimed by any person, firm or corporation and reasonably established to the satisfaction of the Lender in the Collateral and the amount so paid shall be added to the Obligations and shall bear interest at the Prime Bank Rate plus ten percent (10%) per annum calculated monthly until payment thereof;

(p) exercise all of the rights under all contracts, notes, debentures or other instruments in writing comprising the Collateral as fully and effectually as if the Lender was the absolute owner thereof;

(q) commence legal proceedings for and on behalf of and in the name of the Lender and at the expense of the Borrower in order to enforce the rights of the Borrower under any contracts, agreements, indentures or other instruments in writing which may form part of the Collateral; and

(r) take any other action, suit, remedy or proceeding authorized or permitted by this Agreement, the Act or by law or equity.

4.2 Duty of Lender to Act Reasonably. In enforcing its rights hereunder the Lender shall be required to act at least to the standards which are consistent with the commercial practices of a person carrying on a business in a distress, default or liquidation situation.

4.3 Sale of Collateral. The Borrower and the Lender acknowledge and agree that any sale referred to in Subsection 4.1(h) may be either a sale of all or any portion of the Collateral and may be by way of public tender, private contract or otherwise without notice, advertisement or any other formality, all of which are hereby waived by the Borrower. To the extent not prohibited by law, any such sale may be made with or without any special condition as to the upset price, reserve bid, title or evidence of title or other matter and from time to time as the Lender in its sole discretion thinks fit with power to vary or rescind any such sale or buy in at any public sale and resell without being answerable for any loss. The Lender may sell the Collateral for a consideration payable by instalments either with or without taking security for the payment of such instalments and may make and deliver to any purchaser thereof good and sufficient deeds, assurances and conveyances of the Collateral and give receipts for the purchase money, and any such sale shall be a perpetual bar, both at law and in equity, against the Borrower and all those claiming an interest in the Collateral by, from, through or under the Borrower.

4.4 Lender to Mean Receiver. For the purposes of Sections 4.1, 4.2 and 4.3, a reference to "Lender" shall, where the context permits, include any Receiver appointed in accordance with Subsection 4.1(n).

4.5 Payment of Reasonable Expenses. The amount of the Reasonable Expenses shall be paid by the Borrower to the Lender from time to time forthwith after demand therefor is given by the Lender to the Borrower together with interest chargeable thereon at the Prime Bank Rate plus five percent (5%) per annum calculated monthly and payment of such Reasonable Expenses together with such interest shall be secured by the Security Interest.

4.6 Payment of Deficiency. Where the Collateral has been disposed of by the Lender as provided herein, the Deficiency shall be paid by the Borrower to the Lender forthwith after demand therefor has been given by the Lender to the Borrower together with interest chargeable thereon at the Prime Bank Rate plus five percent (5%) per annum calculated monthly and the payment of the Deficiency together with such interest shall be secured by the Security Interest.

4.7 Lender's Remedies. The Lender's rights and remedies, whether provided for in this agreement or otherwise, are, to the fullest extent possible in law, mutually exclusive and are cumulative and not alternative.

4.8 No Obligation to Dispose of Collateral. The Lender shall not be under any obligation to, or be liable or accountable for any failure to, enforce payment or performance of the Obligations or to seize, realize, take possession of or dispose of the Collateral and shall not be under any obligations to institute proceedings for any of such purposes.

ARTICLE FIVE -- POSSESSION OF COLLATERAL BY LENDER

5.1 Collateral in the Possession of Lender. Where any Collateral is in the possession of the Lender,

(a) the Lender shall have no duty of care whatsoever with respect to such Collateral other than to use reasonable care in the custody and preservation thereof, provided that the Lender need not take any steps of any nature to defend or preserve the rights of the Borrower therein against prior parties;

(b) the Lender may, at any time following the occurrence of an Event of Default, grant or otherwise create a security interest in such Collateral upon any terms whether or not such terms impair the Borrower's right to redeem such Collateral; and

(c) the Lender may, at any time following the occurrence of an Event of Default, use such Collateral in any manner and to such extent as it, in its sole discretion, deems necessary or desirable.

ARTICLE SIX -- FIXTURES

6.1 Fixtures. The Borrower acknowledges and agrees that no Collateral shall become affixed to any real property other than real property owned by the Borrower in respect of which a mortgage or charge in favour of the Lender has been duly registered in all appropriate offices of public record.

ARTICLE SEVEN -- ACKNOWLEDGEMENTS BY THE BORROWER

7.1 Acknowledgments by the Borrower. The Borrower:

- (a) acknowledges receipt of a true copy of this Agreement;
- (b) acknowledges and agrees that this Agreement may be assigned by the Lender, without the consent of and without notice to the Borrower, to such person, firm or corporation as the Lender may determine and, in such event, such person, firm or corporation shall be entitled to all of the rights and remedies of the Lender as set forth in this Agreement or otherwise and the Lender shall be released and discharged from its obligations hereunder; and
- (c) agrees not to assert against any assignee of the Lender, and the rights of such assignee are not subject to, any claim, defence, demand, set-off or other right, whether at law or in equity, that the Borrower has or may have against the Lender.

ARTICLE EIGHT -- WAIVER

8.1 Waiver by Borrower. To the extent not prohibited by law, the Borrower hereby waives the benefit of all of the provisions of the Act or any other legislation which would in any manner adversely affect the Lender's rights or remedies hereunder.

8.2 Waiver by Lender. The Lender may, in whole or in part, waive any breach of any of the provisions of this Agreement by the Borrower, any default by the Borrower in the payment or performance of any of the Obligations or any of its rights and remedies whether provided for hereunder or otherwise provided that no such waiver shall be considered to have been given unless given expressly by the Lender to the Borrower in writing.

8.3 Failure of Lender to Exercise Rights. The Lender may, at any time, grant extensions of time or other indulgences to, accept compositions from or grant releases and discharges to the Borrower in respect of the Collateral or otherwise deal with the Borrower or with the Collateral and other security held by the Lender, all as the Lender may see fit, and the Borrower agrees that any such act or any failure by the Lender to exercise any of its rights or remedies, whether provided for hereunder or otherwise, shall in no way affect or impair the Security Interest or the rights or remedies of the Lender, whether provided for in this Agreement or otherwise.

ARTICLE NINE -- EFFECTIVE DATE AND TERMINATION

9.1 Effective Date. This Agreement shall become effective according to its terms immediately upon the execution hereof by the Lender and the Borrower. This Agreement and the Security Interest are in addition to and not in substitution for any other Agreement made between the Lender and the Borrower or any other security granted by the Borrower to the Lender whether before or after the execution of this Agreement. The Security Interest shall be a general and continuing security notwithstanding that the Obligations shall at any time or from time to time be fully satisfied or performed and shall continue in full force and effect until terminated as provided in Section 9.2.

9.2 Termination of Agreement. This Agreement may be terminated by written agreement made between the Lender and the Borrower or by notice in writing given by the Borrower to the Lender at any time when all of the Obligations have been fully satisfied and performed by the Borrower. Upon termination of this Agreement in accordance with the provisions of this Section 9.2, the Lender shall, at the request and expense of the Borrower, make and do all such acts and things and execute and deliver all such financing statements, instruments, agreements and documents as the Borrower reasonably considers necessary or desirable to discharge the Security Interest,

to release and discharge the Collateral therefrom and to record such release and discharge in all appropriate offices of public record.

ARTICLE TEN -- POWER OF ATTORNEY

INTENTIONALLY LEFT BLANK

ARTICLE ELEVEN -- REGISTRATION

11.1 Borrower to Effect Registrations. The Borrower will promptly effect all registrations, filings, recordings and all re-registrations, refilings and re-recordings of or in respect of this Agreement and the Security Interest in all offices in all jurisdictions and at such times as may be necessary or of advantage in perfecting, maintaining and protecting the validity, effectiveness and priority hereof and/or of the Security Interest.

ARTICLE TWELVE -- GENERAL CONTRACT PROVISIONS

12.1 Notices. All notices, requests, demands or other communications (collectively, "Notices") by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party as follows:

(a) To the Borrower at:

(b) To the Lender at:

**ActionCOACH Canada Master License
Ltd.**

Suite 810, 519 17th Avenue Southwest

Calgary, AB T2S 0A9 Canada

or at such other address as may be given by such person to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or transmitted, or, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery or by facsimile transmission.

12.2 Additional Considerations. The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this agreement and every part thereof.

12.3 Counterparts. This agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

12.4 Time of the Essence. Time shall be of the essence of this agreement and of every part hereof and no extension or variation of this agreement shall operate as a waiver of this provision.

12.5 Entire Agreement. This agreement constitutes the entire agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the agreement.

12.6 Enurement. This agreement shall enure to the benefit of and be binding upon the parties and their respective successors and assigns.

12.7 Currency. Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

12.8 Headings for Convenience Only. The division of this agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this agreement.

12.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the non-exclusive jurisdiction of the Courts of such Province.

12.10 Gender. In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word "person" shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

12.11 Calculation of Time. When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first business day following such non-business day.

12.12 Legislation References. Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

12.13 Severability. If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Agreement.

12.14 *Transmission by Facsimile.* The parties hereto agree that this Agreement may be transmitted by facsimile or such similar device and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if originals and each party hereto undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

IN WITNESS WHEREOF the parties have duly executed this General Security Agreement this _____ day of _____, 20_____.

ABC Inc.

Per:
Authorized Signing Officer

ActionCOACH Canada Master License Ltd.

Per:
Authorized Signing Officer

PROMISSORY NOTE

\$_____,000.00

Due in instalments

FOR VALUE RECEIVED ABC Inc. (the "Borrower") promises to pay to the order of ActionCOACH Canada Master License Ltd. (the "Lender") the principal amount of _____ Thousand Dollars (\$_____,000.00) in lawful money of Canada, with interest at the Bank of Canada Prime Rate plus Four (Prime +4%) percent per annum, calculated semi-annually and paid monthly, not in advance. Principal and Interest shall be payable in monthly instalments in the amount of _____ Thousand Dollars a (\$_____,000.00) commencing the _____ (_____) day of _____, 20____, up to and including the _____ (____) day of _____, 20____, at which time the full balance owing to the Lender shall be paid, unless otherwise agreed by the Borrower and Lender.

Upon default in payment of any payment when due hereunder, the entire unpaid balance of the principal amount shall become immediately due and payable without notice or demand and the undersigned covenants to pay interest thereon and on subsequent overdue interest at the rate of five per cent (5.0%) per annum calculated annually, both before and after judgment, until paid in full. The covenants to pay interest shall not merge on the taking of a judgment or judgments with respect to any of the obligations herein stipulated for.

The Borrower hereby waives demand and presentment for payment, notice of non-payment, protest, notice of protest, notice of dishonour, bringing of suit and diligence in taking any action.

DATED at _____, this ____ day of _____, 2018.

ABC Inc.

Per: _____

Name:

I have authority to bind the corporation

SCHEDULE L
PERSONAL GUARANTEE

Whereas, **ABC Inc.**, (hereinafter called the "Borrower"), desires to transact business with and obtain credit or a continuation of credit from **ActionCOACH Canada Master License Ltd.**, a federally incorporated company (hereinafter called "Creditor");

Whereas, Creditor is unwilling to extend or continue credit to the Borrower unless it receives a guarantee of the undersigned covering the Liabilities of the Borrower to Creditor, as hereinafter defined.

Now, therefore, in consideration of the premises and of other good and valuable consideration and in order to induce Creditor from time to time, in its discretion, to extend or continue credit to the Borrower, the guarantor guarantees payment of all liabilities of the Borrower to Creditor of whatever nature, whether now existing or hereafter incurred, whether created directly or acquired by Creditor by assignment or otherwise, whether matured or unmatured and whether absolute or contingent (all of which are herein collectively referred to as the "Liabilities of the Borrower").

The undersigned agrees that, with or without notice or demand, the undersigned shall reimburse Creditor, to the extent that such reimbursement is not made by the Borrower, for all expenses (including counsel fees) incurred by Creditor in connection with any of the Liabilities of the Borrower or the collection thereof.

This guarantee is a continuing guarantee and shall remain in full force and effect irrespective of any interruptions in the business relations of the Borrower with Creditor.

All monies available to Creditor for application in payment or reduction of the Liabilities of the Borrower may be applied by Creditor in such manner and in such amounts and at such time or times as it may see fit to the payment or reduction of such of the Liabilities of the Borrower as Creditor may elect, and the obligations pursuant to this guarantee shall not be affected by any surrender or release by the Borrower of any other security held by it for any claim hereby guaranteed.

The undersigned hereby waives (a) notice of acceptance of this guarantee and of extensions of credit by Creditor to the Borrower (b) presentment and demand for payment of any of the Liabilities of the Borrower (c) protest and notice of dishonor or default to the undersigned or to any other party with respect to any of the Liabilities of the Borrower; (d) all other notices to which the undersigned might otherwise be entitled; and (e) any demand for payment under this guarantee.

This is a guarantee of payment and not of collection and the undersigned further waives any right to require that any action be brought against the Borrower or any other person or to require that: resort be had to any security Or to any balance of any deposit account or credit on the books of Creditor in favor of the Borrower or any other person.

No delay on the part of Creditor in exercising any rights hereunder or failure to exercise the same shall operate as a waiver of such rights; no notice to or demand on the undersigned shall be deemed to be a waiver of the obligations of the undersigned or of the right of Creditor to take further action without notice or demand as provided herein; not in any event shall any modifications or waiver of the provisions of this guarantee be effective unless in writing nor shall any such waiver be applicable except in the specific instance for which given.

This guarantee is, and shall be deemed to be, a contract entered into under and pursuant to the laws of the Province of Ontario and shall be in all respects governed, construed, applied and enforced in accordance with the laws of said Province.

By: _____

Address:

Witness: _____

SCHEDULE M

RECEIPT

(You sign, date and keep this copy)

TO: ActionCOACH Canada Master License Ltd.
RE: RECEIPT OF THE ActionCOACH BUSINESS COACH FRANCHISE
DISCLOSURE DOCUMENT (Canada, excluding Quebec)

The undersigned, and/or the undersigned for the legal entity named below, hereby acknowledge having received from ActionCOACH Canada Master License Ltd. and accepted a Disclosure Document dated December 31, 2018.

Date of Receipt: _____
Place of Receipt: _____

Signature: _____
Name: _____
Position/Title: _____

For or on behalf of: (if recipient is a legal entity or entity to be incorporated)

(Name of Entity)

RECEIPT

(You sign, date and Give Us this copy)

TO: ActionCOACH Canada Master License Ltd.
RE: RECEIPT OF THE ActionCOACH BUSINESS COACH FRANCHISE
DISCLOSURE DOCUMENT (Canada, excluding Quebec)

The undersigned, and/or the undersigned for the legal entity named below, hereby acknowledge having received from ActionCOACH Canada Master License Ltd. and accepted a Disclosure Document dated December 31, 2018.

Date of Receipt: _____
Place of Receipt: _____

Signature: _____
Name: _____
Position/Title: _____

For or on behalf of: (if recipient is a legal entity or entity to be incorporated)

(Name of Entity)

