POLICY ON FRANCHISEES PROVIDING

SERVICES OUTSIDE OF THEIR TERRITORY

(Effective Date: June 7, 2024)

# Background

Zoomin Groomin unit franchisees (“Franchisees”) are granted the exclusive right to offer mobile pet grooming services and related products (“Services”) under the Zoomin Groomin system and branding inside the designated territory as defined in their Franchise Agreement (the “Territory”). The Franchise Agreement does not grant Franchisees the right to operate outside the boundaries of their territory. A Franchisee may request permission, which the Franchisor may grant in its sole discretion. This Policy sets forth the policies and procedures for Franchisees to follow to provide mobile pet grooming services or related products outside of their territory.

# Our Philosophy

Zoomin Groomin believes in fostering mutually beneficial success as together, we serve pet parents. To foster growth, the Franchisor may grant a Franchisee permission, on a case-by-case basis, to provide services outside of their territory.

# Grant of Permission

Prior written permission is required to provide Services outside of the Territory. The Franchisor may grant or deny permission in its sole discretion. Any such permission will be limited in scope and duration. Any permission granted is subject to revocation without notice.

# Procedure for Requesting Permission

To request permission, a Franchisee must send the written request to provide Services outside of your territory to the Chief Executive Officer by email using the attached form. The Franchisor will approve or deny the request within fifteen (15) days. Otherwise, the request will be deemed “denied”.

# Terms of Permission

Any permission granted is only temporary in nature. The best way for a Franchisee to gain protection over any geographical region is to purchase the franchise rights to that territory. A Franchisee delivering Services outside their Territory assumes the risk that they may cultivate business relationships that must be transitioned to another Franchisee who purchases that Territory. The undeveloped area could be sold at any point in time. The Permission granted by Franchisor is subject to any written plans and guidance for transitioning pet parents to a new Franchisee including notification that a new franchisee has acquired the right to operate within such area.

# Procedure on Withdrawal of Approval

The Franchisor will notify the Franchisee if any previously granted permission is revoked. Typically, this will occur because a new franchisee has purchased franchise rights over such Territory. However, the Franchisor has the right to revoke or withdrawal its permission for any reason, or no reason at all, unless and until such territory is sold. Upon notice of revocation, the Franchisee will within five (5) business days:

## stop providing Services outside of the Franchisee’s designated territory,

## refrain from contacting pet parents outside of the Franchisee’s Territory; and

## provide the list of all pet parents to which Services were provided

## take commercially reasonable efforts to transition all pet parents to the new franchisee.

Time is of the essence when complying with a transition to a new franchisee.

# Consequences of Operating Without Permission

Operating outside of the designated Territory without Zoomin Groomin’s permission is a breach of the Franchise Agreement. On the first occurrence, the Franchisor will send a formal notice and an opportunity to cure. If the Franchisee fails to stop providing Services as directed, then further evidence of Services outside of the Territory will be grounds for termination of the Franchise Agreement. The Franchisor reserves the right to pursue all available equitable and remedies under law.

# Profit Passover

Franchisees who provides Services in another Franchisee’s territory will remit 50% of any grooming fee and 100% of any convenience fee to the Franchisee with rights over the Territory where the Services were provided.

# Indemnity

Each Franchise Agreements requires the Franchisee to indemnify, defend, and hold the Franchisor harmless for any Claims for Damages related to the Franchisee’s activities and breach. This means that the Franchisor will demand payment for intrusion into another Franchisee’s exclusive territory, if a Claim is made.

**REQUEST AND AGREEMENT TO PROVIDE SERVICES OUTSIDE OF THE TERRITORY**

I, (“I” or “Franchisee”) request written permission to offer mobile pet grooming services or related products (collectively “Services”) outside of the geographic boundaries of my territory in the following zip codes:

 (the “Limited Extended Territory”)

By submitting this request, I represent and warrant to Zoomin Groomin USA LLC d/b/a Zoomin Groomin that, if permission is granted, I will operate my Zoomin Groomin franchised business in the Limited Extended Territory pursuant to the terms and conditions of my franchise agreement, the Operations Manual, and Zoomin Groomin’s Policy on Franchisees Providing Services Outside Their Territories as issued June 7, 2024. I will follow all terms, conditions, rules and procedures for providing services and remitting royalties to Zoomin Groomin.

Furthermore, I understand and acknowledge that any permission is limited in nature, freely revocable for any reason or no reason, and the only way I can gain protection over the Limited Extended Territory is to purchase franchise rights in the Limited Extended Territory by disclosure of the then-current franchise disclosure document, execution of the then-current franchise agreement, and payment of the then-current franchise fee.

Franchisee represents and warrants that, if permission is granted, I will: (1) stop providing Services in the Limited Extended Territory immediately upon notice, (2) provide Zoomin Groomin with a full and complete list of all customers to whom Services were provided in the Limited Extended Territory, and (3) take all commercially reasonable efforts to transition all such customers to the new franchisee who purchased rights in the Limited Extended Territory.

Franchisee represents and warrants that, if permission is granted, I will not: (a) discourage a customer from engaging the new franchisee, (b) disparage Zoomin Groomin or the new franchisee, or (c) otherwise engage in any conduct that is reasonably likely to harm Zoomin Groomin or the new franchisee.

Should Franchisee deliver Services in another franchisee’s territory, then Franchisee will also pay such other franchisee a profit Passover of 50% of any grooming fee(s) and 100% of any convenience fee(s). Franchisee authorizes Zoomin Groomin to collect and remit such profit passover.

**Requested by:**

 Franchisee Name Signature Signor Name/Title Date

**Response**:

Permission to operate in the Limited Extended Territory is: Granted Rejected

If granted, Zoomin Groomin relies upon the representations and warranties, and other good and valuable consideration, in granting its permission.

Zoomin Groomin:

Signature Signor Name/Title Date