



مستشارين خليج اذقيزوري لادعير  
Western Gulf Advisory W.L.L.

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FRANCHISE APPLICATION AGREEMENT

12/11/2008

This Franchise Application Agreement [The "agreement"] is effective on 11 of December 2008

BETWEEN

W.G.A The Western Gulf Advisory [the "franchisor"], a company organized and existing under the laws of the kingdom of Bahrain with its head office located at-Western Gulf Advisory WLL 81/82 Orchid Business Centre, Seef District, BLDG#2795, Road#2835, Block#428.

AND

Raziff Razaali [the "applicant"], an individual having Malaysian nationality with the resident of - 28-1-12 Villa, Pawana Jalan Pawang, 54000 Kuala Lumpur.

Whereas applicant recognizes the value of the franchisor's reputation, know how and unique experience with respect to the operation of financial and legal advisory firm.

Whereas applicant wishes to apply to obtain a franchise to operate a Western Gulf Advisory in Malaysia at civic address-.

Now therefore, the parties here to [The "Franchise"] witness that.

1. The applicant hereby make an application to enter into a franchise agreement with franchisor upon substantially the same terms and conditions as are set forth below and such other terms and conditions as are generally contain in the franchisor's standard form of franchise agreement, a copy of which is annexed here to as scheduled 1 [the "franchise agreement"], subject to such reasonable modifications as may mutually be agreed upon by the parties.
2. The applicant shall incorporate a cooperation herein after [called as Western Gulf Advisory SDNBHD Malaysia] to enter in to the franchise agreement with franchisor, and to administer the franchise and otherwise execute the obligation of the franchise under the franchise agreement.
3. The franchisor shall grant [Western Gulf Advisory] SDN BHD Malaysia to be incorporated the right to use the franchisor system, business format, method, procedure, standards and trademarks, including the trade mark {Western Gulf Advisory}, in connection with the operation of the [Western Gulf Advisory Malaysia] at Level 23, Tower2, Etiqa twins,11 Jalan Pinang, 50450 Kuala Lumpur Federal Territory.
4. Mr. Raziff Razaali the applicant shall pay an initial franchise fee of four million US dollars to be agreed upon by the parties for the opportunity to operate above




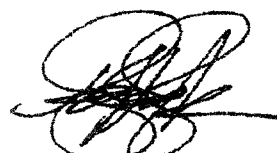
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mentioned franchise upon execution of this agreement. By no later than 18<sup>th</sup> December 2008 and subsequently enter into franchise agreement and attach as schedule 1

5. In addition to the initial franchise fee, Mr. Raziff Razaali shall pay a continuing weekly royalty, throughout the original and any renewal term of the franchise agreement, based on gross billing of the franchise, as defined in the [article] number of the franchise agreement. The royalty rate payable during the initial term of franchise agreement is 87.5% of total gross billing derived from the operation of the franchise. Royalties payable during any renewable term may be varied, at the discretion of the franchisor, to reflect the current royalty fee being charged by the franchisor.
6. In addition to the foregoing royalty fee Mr. Raziff Razaali shall pay a continuing weekly marketing fee, throughout the original and any renewal term of the franchise agreement, based on gross billing of the franchise, as defined in the franchise agreement. The marketing fee payable during the initial term of the franchise agreement is 3% of the weekly gross billing derived from the operation franchise. The marketing fee is subject to variation any renewal term at the discretion of the franchisor on the same basis as the foregoing royalty fees.
7. In addition to the foregoing royalty and marketing fees Mr. Raziff Razaali shall pay to the franchisor a continuing weekly advertising contribution; which shall not exceed 1% of gross billing as defined in the franchise agreement, for the use of any regional and national advertising funds which may be established by the franchisor. The said advertising contribution is subject to a variation in any renewal term at the discretion of the franchisor on the same basis as the foregoing royalty fees.
8. The franchise agreement shall have an initial term of five years, and if Mr. Raziff Razaali qualifies, may be renewed for an additional period of five years, subject to the term and condition of article [To be mentioned in the franchise agreement].
9. Mr. Raziff Razaali shall execute a sublease agreement with the franchisor upon substantially the same terms and conditions as are contained in the franchisors draft sublease agreement, a copy of which is annexed hereto as scheduled 2 [the "sublease agreement"] subject to such reasonable modifications as may here after be mutually agreed upon the parties.
10. Mr. Raziff Razaali and the company to be incorporate between shall enter into a agreement to purchase the assets of the franchise, substantially upon the terms and

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conditions of the draft Asset purchase agreement annexed here to schedule 3, at a price to be negotiate between the parties here to [the "Asset purchase agreement"]

11. The total amount payable by Mr. Raziff Razaali and the company hereunder in respect of the initial franchise fee and the purchase price of the assets referred to in the Asset purchase agreement shall be the sum of 10 million US dollars, allocated there under as provided therein.
12. Mr. Raziff Razaali and the company expressly acknowledge and recognize that prior to the execution of the franchise agreement ,the f franchisor may furnish ,disclose or otherwise impart to them or to any one or more often information and material pertaining to the franchisor which will be of confidential and proprietary nature, including, without limitation of the foregoing, the franchisors method of operation, special techniques, know-how, promotion, publicity, franchise system, and the contents of the franchise agreement, and the franchisor's other standard documents, and that such information and material and constitutes trade secrets of the franchisor having in miserable values .

Mr. Raziff Razaali and the company accordingly, in recognition for the foregoing and in consideration thereof, and agreed to hold in confidence and keep secret all such information and material which may be made known to them or to anyone or more of them by franchisor ,or which may be learned by them or any one or more of them in course of their discussions with the franchisor, and none of them shall impart, disclose or otherwise make known any of the said information or material or any information or material relating thereto any competitor of the franchisor or any other person, firm cooperation, without the prior written consent of the franchisor. It is further understood and acknowledged by Mr. Raziff Razaali and the company that all such information and material will be received and retain for use by them only in the connection with the franchise proposed to be granted herein and shall not be used, directly or indirectly, by them or any one or more of them for any other purpose without the prior written consent of the franchisor.

13. The Applicant encloses herewith a deposit in the amount of 4 million US Dollars. It is understood and expressly agreed by the parties that if the franchise agreement is entered into between the franchisor and the applicant, the amount of such deposit shall be credited towards the payment of initial franchise fee due at such time, without interest and deduction. If, however the franchise agreement is not consummated on the date herein after provided, because of the breach of the applicant such initial amount shall be forfeited, or some extended date mutually agreed by the parties, for whatever reason, including without limitation, failure to agree by Mr.



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Raziff Razaali and the Applicant expressly agree that 4 million dollars will be retained by the franchisor for its absolute use as consideration for processing the present franchise application.

14. Mr. Raziff Razaali and the company hereby undertake to proceed to settle all other outstanding matters with respect to the franchise agreement, and to cooperate with and to assist the franchisor in every way possible to ensure that franchise agreement is entered as soon as possible but not later than 20<sup>th</sup> of December 2008 including, without limitation for the foregoing, submit in to the franchisor all such information and documents concerning the company as the franchisor may, at its discretion reasonably request

15. Mr. Raziff Razaali shall enter into the Franchise agreement with the franchisor and shall pay balance of the initial franchise fee due there under on before 18<sup>th</sup> of December 2008 ["The closing date"] in the event if Mr. Raziff Razaali fail to enter into a franchise agreement and to pay the balance of the initial franchise fee to the franchisor on the above mention date and further that the closing date has not been extended by express written agreement of the parties hereto, the applicant hereby expressly agrees that the 4 million US dollars of the deposit refer to article hereof will be retained by the franchisor. In such event neither the franchisor nor Mr. Raziff Razali will have any further rights or obligations hereunder save and except as to the non disclosure of the confidential information or material as provided above, which provisions shall remain in full force and effect, and any or all material previously received from the franchisor, together with any or all copies thereof, shall be promptly return to the franchisor and this agreement shall be null and void.

16. The applicant here to expressly acknowledge that time is the essence of the present franchise application.

17. The franchise agreement, sublease agreement, and asset purchase agreement referred to above, as well as provisions of any other agreement which may be entered in to between the parties hereto and of the present franchise applicant, shall be construed in accordance with the laws of the kingdom of Bahrain, and at the laws of kingdom of Bahrain applicable therein.

18. The applicant hereto acknowledge that they have requested that this franchise application and all related documents be drafted in English, that any notice to be given here under or there under be given in English and that any proceedings between the parties relating to this franchise application or any related documents be drafted in English.



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In witness whereof, each party to this agreement has caused it to be executed at kingdom of Bahrain indicated above

Franchisor

for

Franchisor

Sign: *AHSAN ALE SYED*

Applicant

Applicant

Sign: *Razif M. Razali*