

INVESTMENTS	BASIC SHOP (30 sqm)	PREMIUM SHOP (100 sqm)
Franchising fee	2999 € (paid when signing the contract)	2999 € (paid when signing the contract)
Initial investment	6000 € (display, furniture, stock)	18000 € (display, furniture, stock)
Minimum stock in shop	5000 € (EXW prices)	5000 € (EXW prices)
Samples	1000 € (sample hangers, samples for curtain headings, wrought iron stander)	1000 € (sample hangers, samples for curtain headings, wrought iron stander)
TOTAL INVESTMENTS FOR EU	14999 €	26999 €

For workshop (allowance and know-how) we charge additional cost of 10000 €.

For NON-EU countries an amount of 5000 € will be added to the total costs, as franchise fee.

FINANCIAL REQUIREMENTS

Sophia credit limit	For orders paid at 30-60 days GUARANTEES are required. Bank Letter of Credit, Bank deposit.
Royalties	2% of Gross sales (starting with 1st year).

ADMINISTRATIVE REQUIREMENTS

Minimum length of a franchise agreement	5 years with evaluation at 2.5 years
Shop	All SOPHIA SHOPS are required to have a minimum area of 30 sqm. The design of the shop will respect the merchandising standard set by Sophia.
Staff requirements	<ul style="list-style-type: none"> • Management team: manager, book keeper; • Sales team: interior designer, salesman, agent; • Technical installation staff Staff initial training will be provided by SOPHIA. Additional cost: accomodation of the trainer.
Administrative, technical and operational support	Sophia provides the franchisee: <ul style="list-style-type: none"> • Sophia franchising manual. • Customised marketing plan (online & offline actions); • ERP System (monthly fee of 50 €); • Architectural and design memorandum (merchandising standard for the shop) • Product Portfolio, Catalogues collections, Shopper's Guide, Decorating ideas catalogue, Standard forms. • Price lists • Approved suppliers list

EXPENDITURES SUPPORTED BY THE FRANCHISEE

Administrative expenditures	<ul style="list-style-type: none"> • Rent for the commercial space • Expenditure on utilities • Expenditure on staff
Marketing expenditures	50% covered by SOPHIA, 50% covered by the FRANCHISEE, for a maximum 2% turnover.

PRICING POLICIES, PAYMENT TERMS

Prices/discounts for the franchisee	10 % discount from the prices in the wholesales catalogue. Prices are FOB.
Gross margins	SOPHIA recommends 120%-150% gross margins. The guiding prices can be consulted on www.sophia-concept.com .
Payment terms	50% advance at order, 50% 3 days before delivery.
Payment methods	Bank transfer.

DELIVERY TERMS&CONDITIONS

Execution time	<ul style="list-style-type: none"> • 1-7 days for cutting service • 7-90 days for products, depending on the stocks and the complexity of the work.
Delivery terms	EXW

PRIVACY STATEMENT

Confidentiality and non-competition agreements	While the contract is in force and one year after its conclusion.
Intellectual property rights	Remain the property of Sophia.

NOTE: Accomodation for Sophia staff will be paid by the franchisee, in case of business trips.
Netto prices (VAT not included).