HOT DOG ZONE PARTNERS AGREEMENT

This Cooperation Agreement is entered into between:

HOT DOG ZONE LIMITED with its registered office at: 28 Lang Road, Alvaston, Derby, England, DE24 0GB, email address contact@hotdogzone.co.uk, hereinafter referred to as "HDZ",

and

Company Name	
Business Representative Name & Surname	
Position	
Business Address	
Post Code	
City	
VAT Number	
Telephone Number	
Email Address	

HDZ and the Client are together referred to as the "Parties", and each individually as a "Party".

1. DEFINITIONS

1.1 "Commencement Date" means the date on which the Equipment is first installed at the Premises, or such other date as agreed in writing by the Parties.

1.2 "Concept" means the complete Hot Dog Zone business model, including without limitation:

(a) operational systems and preparation methods;

(b) proprietary know-how and training materials;

(c) pricing structure and margin model;

(d) supplier relationships and approved product specifications;

(e) branding, trade dress, marketing materials and visual identity;

(f) equipment configuration and layout standards;

(g) customer service procedures and sales methodology.

1.3 "Equipment" means all machinery, devices, branded materials, display units and installations supplied by HDZ.

1.4 "Products" means hot dogs, ingredients and other food products supplied by HDZ.

1.5 "Know-How" means confidential operational knowledge, preparation techniques, pricing methods, business systems and training materials developed by HDZ.

1.6 "Trade Secrets" means confidential recipes, preparation techniques, allergen specifications, operating manuals, supplier lists and any other information proprietary to HDZ. Information classified as trade secrets may be protected indefinitely under applicable UK law.

1.7 "Premises" means the physical location at which the Client operates the sale of hot dogs in accordance with the Concept, as specified in Schedule 1.

1.8 "Replacement Value" means the replacement cost of the Equipment (or any part of it), being the sum stated in Schedule 1, Part A or, where no sum is stated, the reasonable replacement cost as determined by HDZ, acting reasonably and supported by evidence.

1.9 "Confidential Information" means any information disclosed by or on behalf of HDZ to the Client (whether before or after the date of this Agreement) relating to HDZ, the Concept, the Equipment, the Products, Know-How, Trade Secrets, suppliers, pricing, margins, operations, training, manuals, marketing, systems, or business methods, in any form, whether marked confidential or not, which is not publicly available other than as a result of breach.

1.10 "Business Day" means a day (other than a Saturday, Sunday or public holiday) when banks are open for business in England.

1.11 "Fee Option" means the fee structure selected by the Client and recorded in Schedule 1, being either Option A (Up-Front Installation) or Option B (Subscription).

1.12 "Deferred Installation Fee" means the sum of £2,095, being the element of the consideration for the Continuous Supply (as defined in Schedule 1, Part B) which is attributable to the installation, delivery, commissioning and initial training provided by HDZ under Option B, and which is discharged progressively, or becomes payable as to the Unwaived Balance, in accordance with Schedule 1, Part B.

1.13 "Subscription Fee" means the recurring monthly fee payable under Option B, as stated in Schedule 1 and as varied from time to time in accordance with Schedule 1, Part B.

1.14 "Subscription Month" means each successive period of one calendar month commencing on the Commencement Date.

1.15 "Unwaived Balance" means, at any time, the portion of the Deferred Installation Fee which has not yet been waived.

1.16 "Advance Payment Terms" means terms under which Products are invoiced on a proforma basis and paid for in full, in cleared funds, before dispatch.

1.17 "Connected Person" means, in relation to the Client: (a) any director, shareholder, member, partner or controlling individual of the Client; (b) any spouse, civil partner, cohabitee, parent, child or sibling of any such person; (c) any company, partnership or other entity which is directly or indirectly controlled by, or under common control with, the Client or any person in (a) or (b); (d) any successor operator of the business carried on at the Premises; and (e) any employee or agent of the Client acting with the Client's knowledge. For these purposes, "control" has the meaning given in section 1124 of the Corporation Tax Act 2010.

1.18 "Operating Manual" means HDZ's manual of operational standards, preparation methods, hygiene procedures and sales procedures, as issued and updated by HDZ from time to time.

1.19 "Brand Guidelines" means HDZ's specification for the use of its trade marks, signage, trade dress, photography and marketing materials, as issued and updated by HDZ from time to time.

1.20 "Change of Control" means any change in the person or persons who directly or indirectly control the Client, whether by transfer of shares, issue of new shares, transfer of voting rights, or otherwise.

2. STATUS OF THE PARTIES

2.1 The Client acts as an independent contractor. This Agreement does not create a partnership, joint venture, agency or employment relationship between the Parties.

2.2 The Client has no authority to bind HDZ in any manner to any obligations towards third parties.

2.3 The Client represents and warrants that it enters into this Agreement in the course of business, and not as a consumer.

2.4 The person signing this Agreement on behalf of the Client represents and warrants that they are duly authorised to do so and to bind the Client.

2A. NO TERRITORIAL EXCLUSIVITY

2A.1 This Agreement grants the Client no exclusive, protected or reserved territory of any kind.

2A.2 HDZ is free, at its sole discretion and without any obligation to the Client, to:

(a) enter into agreements with any other person or business, on any terms, at any location, including locations in the immediate vicinity of the Premises;

(b) install, operate or permit the operation of the Concept at any location, whether or not in competition with the Premises; and

(c) supply the Products through any other channel, including directly to consumers, online, or through wholesale, retail or other distribution arrangements.

2A.3 The Client acknowledges and agrees that:

(a) it has not been granted, and has not been promised, any territorial exclusivity, catchment area, radius protection, minimum distance from other locations, or any restriction on HDZ's freedom to appoint other clients;

(b) it has not relied on any statement, representation, assurance or warranty (whether made innocently or negligently, and whether made orally, in writing, in marketing materials, on HDZ's website, or otherwise) to the effect that any such exclusivity or protection would be granted or maintained;

(c) any indication given by HDZ at any time as to the proximity of other locations was an expression of HDZ's then-current commercial intention only, was not a promise, and creates no obligation, expectation or legitimate interest capable of enforcement; and

(d) HDZ may change any such commercial intention at any time without notice to or consent from the Client.

2A.4 The Client waives any claim it may have in respect of any statement, representation or assurance falling within Clause 2A.3, save in respect of fraudulent misrepresentation.

2A.5 This Clause 2A shall be read together with Clause 23 (Entire Agreement).

3. FEES AND CONDITIONS PRECEDENT

3.1 Fee Option. The Client shall pay the fees set out in Schedule 1 (Fee Option), as selected by the Client and recorded in Schedule 1 at the date of this Agreement. Schedule 1 forms an integral part of this Agreement and is binding on the Parties.

3.2 The Fee Option, once selected, may only be changed by written agreement of both Parties.

3.3 Conditions precedent. HDZ shall be under no obligation to deliver, install or commission the Equipment, and no Commencement Date shall arise, until:

(a) this Agreement has been signed by both Parties;

(b) the Client has provided such evidence of its incorporation, registration and the identity and authority of its signatory as HDZ reasonably requires; and

(c) the payment method corresponding to the selected Fee Option has been successfully established or the initial payment has cleared in HDZ's account, as set out in Schedule 1.

3.4 If the conditions in Clause 3.3 have not been satisfied within fourteen (14) days of the date of this Agreement, HDZ may terminate this Agreement immediately by written notice, without liability to the Client.

3.5 All fees are exclusive of VAT, which shall be added at the prevailing rate.

3.6 The Parties confirm that the fees under each Fee Option reflect the market value of the services, the Equipment costs and the implementation costs.

3.7 The fees payable under Schedule 1 are payable in addition to, and do not include, the price of any Products supplied by HDZ under Clause 5.

4. OWNERSHIP AND USE OF EQUIPMENT

4.1 Title and Ownership

(a) Full legal and beneficial title to the Equipment shall at all times remain vested in HDZ. Nothing in this Agreement shall operate to transfer any proprietary interest in the Equipment to the Client. For the avoidance of doubt, this applies equally under both Fee Options.

(b) The Equipment is supplied on a temporary basis only. The Parties expressly agree that the Equipment shall not become a fixture or form part of the Premises, even if affixed or connected to the Premises.

(c) The Client shall not do or omit to do anything which may prejudice HDZ's title to the Equipment and shall ensure that the Equipment is clearly identifiable at all times as the property of HDZ.

4.2 Licence to Use

(a) HDZ grants the Client a limited, non-exclusive, non-transferable, non-sublicensable and revocable licence to use the Equipment solely for the operation of the Concept at the Premises and strictly for the duration of this Agreement.

(b) This licence creates no tenancy, lease, bailment for reward or other proprietary right.

4.3 Restrictions

The Client shall not, without HDZ's prior written consent:

(i) sell, assign, charge, pledge, lease, lend or otherwise dispose of or encumber the Equipment;

(ii) relocate, modify, dismantle or interfere with the Equipment;

(iii) permit any third party to repair, service or access the Equipment;

(iv) remove or obscure any ownership markings or branding of HDZ;

(v) use the Equipment for the preparation, storage, display or sale of any product not supplied by HDZ.

The Equipment shall remain at the Client's risk from delivery until returned to and received by HDZ.

4.4 Return of Equipment Upon Termination

Upon termination or expiry of this Agreement for any reason:

(a) the Client's right to use the Equipment shall immediately cease;

(b) within seven (7) days, the Client shall at its own cost:

(i) cease all use of the Equipment;

(ii) disconnect and safely dismantle the Equipment;

(iii) permanently remove all HDZ branding, signage, trade marks, marketing materials and Concept-related materials from the Premises;

(iv) make the Equipment available in good condition (fair wear and tear excepted);

(c) Return at the Client's cost (default position). The Client shall, at its own cost and within fourteen (14) days of termination or expiry, return the Equipment to the address nominated by HDZ in writing. The Client shall bear all costs of dismantling, packaging, transport and insurance, and the Equipment shall remain at the Client's risk until actual receipt by HDZ at the nominated address. No Collection Fee is payable where the Client complies with this Clause 4.4(c);

(d) Collection by HDZ. HDZ may elect to attend the Premises and collect the Equipment itself, in which case Clause 4.4A applies, where:

(i) the Client has failed to return the Equipment in accordance with Clause 4.4(c) within the fourteen (14) day period;

(ii) the Client notifies HDZ in writing that it does not intend to, or is unable to, return the Equipment itself; or

(iii) the Parties agree in writing that HDZ shall collect the Equipment;

(e) Right of entry. Where Clause 4.4(d) applies, the Client shall grant HDZ and its authorised representatives access to the Premises at reasonable times to remove the Equipment. If the Client refuses or obstructs such access, HDZ may take any lawful step to recover the Equipment and the Client shall indemnify HDZ for all reasonable costs incurred in doing so, in addition to the Collection Fee;

(f) The Client's obligations under this Clause 4.4 are without prejudice to Clause 4.4B (condition of the Equipment) and Clause 4.5 (liquidated damages for late return).

4.4A Collection Fee

(a) Where HDZ collects the Equipment pursuant to Clause 4.4(d), the Client shall pay to HDZ a fixed collection fee of £600, exclusive of VAT (the "Collection Fee").

(b) The Collection Fee is not payable where the Client returns the Equipment at its own cost in accordance with Clause 4.4(c) and the Equipment is received by HDZ at the nominated address within the fourteen (14) day period. The Client may therefore avoid the Collection Fee entirely by returning the Equipment itself.

(c) The Parties acknowledge that the Collection Fee represents a genuine and proportionate pre-estimate of HDZ's costs of attending the Premises, including dismantling, labour, transport, insurance and administration, and is commercially justified. The Client acknowledges that it has been given the opportunity to avoid this cost under Clause 4.4A(b) above.

(d) The Collection Fee shall be invoiced upon collection and shall be payable within fourteen (14) days. It is payable in addition to, and not in substitution for, any sums payable under Clauses 4.4B or 4.5.

(e) HDZ may vary the Collection Fee from time to time to reflect changes in its actual costs, by giving the Client not less than thirty (30) days' prior written notice.

4.4B Condition of Equipment on Return

(a) The Client shall return or make available the Equipment in good working order and condition, complete with all component parts, accessories and branded materials supplied by HDZ, fair wear and tear excepted.

(b) Upon return or collection, HDZ shall inspect the Equipment and shall, within fourteen (14) days, notify the Client in writing of any damage, defacement, missing components or failure to meet the standard in Clause 4.4B(a), supported by photographic evidence and an itemised assessment.

(c) Where the Equipment (or any part of it) is found to be damaged, defaced or incomplete, HDZ shall be entitled to invoice the Client for:

(i) the reasonable cost of repair, cleaning, refurbishment or replacement of the affected part; or

(ii) where repair is not reasonably practicable, or where the cost of repair would exceed the Replacement Value, the full Replacement Value of the Equipment.

(d) Any invoice issued under Clause 4.4B(c) shall be payable within fourteen (14) days of the invoice date, and Clause 6.2 shall apply to any late payment.

(e) "Fair wear and tear" means deterioration resulting solely from ordinary and proper use of the Equipment in accordance with HDZ's instructions and the standards of the Concept. It does not include damage caused by misuse, neglect, unauthorised modification, improper cleaning, improper storage, accidental damage, or the use of the Equipment for products not supplied by HDZ.

(f) Where the Client disputes HDZ's assessment, the Client shall notify HDZ in writing within seven (7) days of receipt of the notice under Clause 4.4B(b), failing which the assessment shall be deemed accepted.

(g) For the avoidance of doubt, the Client's obligations under Clause 4.4(b)(iii) survive termination and are not discharged by the return of the Equipment.

4.5 Liquidated Damages for Late Return

(a) If the Equipment is not returned within thirty (30) days following termination or expiry, the Client shall pay liquidated damages calculated at a daily rate equal to 0.15% of the Equipment's Replacement Value per day, accruing from the 31st day until actual return.

(b) The Parties agree that this sum represents a genuine pre-estimate of the loss likely to be suffered by HDZ, including loss of use, administrative costs and commercial disruption, and is commercially justified and proportionate.

(c) If the Equipment has not been returned within sixty (60) days, HDZ may, at its sole discretion, deem the Equipment irrecoverable and invoice the Client for its full Replacement Value. For the avoidance of doubt, HDZ shall not recover both (i) liquidated damages for late return and (ii) the Replacement Value in respect of the same Equipment for the same period. Any liquidated damages accrued up to the date of such invoice shall remain payable.

5. PRODUCT SUPPLY AND MINIMUM PURCHASE REQUIREMENTS

5.1 Exclusive Supply

(a) The Client shall purchase the Products exclusively from HDZ or from suppliers expressly approved by HDZ in writing. Any procurement of substitute, competing or third-party products without the prior written consent of

HDZ shall constitute a material breach of this Agreement and shall entitle HDZ to terminate this Agreement with immediate effect.

(b) The Parties acknowledge that the exclusive supply obligation in Clause 5.1(a) is necessary to protect and maintain the common identity and reputation of the HDZ network, to safeguard HDZ's know-how, Trade Secrets and product specifications, and to ensure consistent food safety, allergen control and product quality across all locations operating under the HDZ brand. The Client acknowledges that the obligation is limited to Products which are necessary to operate the Concept and that it is free to purchase all other goods from any source.

(c) Duration. The exclusive supply obligation in Clause 5.1(a) shall apply for a maximum period of five (5) years from the Commencement Date. Upon expiry of that period, the obligation shall cease unless the Parties expressly agree in writing to renew it. Any such renewal shall be by positive written agreement and shall not arise by tacit renewal or by operation of Clause 7.2.

(d) Where the exclusive supply obligation has ceased under Clause 5.1(c) and has not been renewed, HDZ may terminate this Agreement on ninety (90) days' written notice, and Clause 7.5(b) to (d) shall apply.

5.1A Client's Freedom to Set Resale Prices

(a) The Client is free to determine the retail prices at which it sells the Products to its own customers. Nothing in this Agreement, the Operating Manual, the Brand Guidelines or any price list, marketing material or communication from HDZ shall oblige the Client to sell at, or above, any particular price.

(b) HDZ may from time to time provide recommended retail prices or maximum retail prices. Any such price is non-binding guidance only, and the Client shall suffer no disadvantage, penalty, withdrawal of support or other adverse consequence for departing from it.

(c) The reference to "pricing structure and margin model" in the definition of the Concept in Clause 1.2(c) refers to HDZ's internal wholesale pricing methodology and margin analysis, and shall not be construed as imposing any restriction on the Client's resale prices.

(d) Nothing in this Agreement shall be construed as requiring or permitting any conduct which would infringe the Competition Act 1998 or any other applicable competition law, and any provision which would have that effect shall be read down or severed to the minimum extent necessary in accordance with Clause 25.

5.2 HDZ's Right to Impose a Minimum Purchase Requirement

(a) No minimum purchase requirement applies as at the date of this Agreement unless one is stated in Schedule 1, Part A.

(b) HDZ shall be entitled, acting reasonably and in good faith, to impose or vary a minimum monthly purchase requirement on the Client where HDZ reasonably considers, having regard to the matters in Clause 5.2(c), that the Client's ordering pattern is materially inconsistent with the trading activity at the Premises.

(c) In determining whether to impose a minimum purchase requirement and its level, HDZ shall have regard to: (i) the size, type, location and footfall of the Premises; (ii) the Client's historical order volumes; (iii) average order volumes across comparable locations in the HDZ network; (iv) any point-of-sale or stock data obtained under Clause 10; and (v) any explanation provided by the Client. Any requirement imposed shall not exceed a level reasonably consistent with those matters.

(d) HDZ shall notify the Client in writing of any minimum purchase requirement, stating the level, the date from which it applies and a summary of the reasons for it. The requirement shall take effect no earlier than thirty (30) days after the date of the notice.

(e) The Client may, within fourteen (14) days of the notice, make written representations to HDZ as to the level of the requirement, and HDZ shall consider those representations in good faith before the requirement takes effect. HDZ's decision following that process shall be final.

(f) HDZ shall review any minimum purchase requirement upon reasonable written request by the Client, and not more than once in any six (6) month period.

5.3 Audit and Inspection (Cross-Reference)

HDZ shall have audit and inspection rights as set out in Clause 10. Any refusal to cooperate with an audit or inspection shall constitute a material breach for the purposes of Clause 7.

5.4 Consequences of Failure to Meet the Minimum Purchase Requirement

(a) If the Client fails to meet any imposed minimum purchase requirement in a given month, HDZ shall notify the Client in writing of the shortfall.

(b) Failure to meet the minimum purchase requirement for two (2) consecutive months shall constitute a material breach of this Agreement and shall entitle HDZ to terminate this Agreement in accordance with Clause 7, in which case, where Option B applies, the Unwaived Balance shall become payable in accordance with paragraph B.10 of Schedule 1.

(c) For the avoidance of doubt, no separate payment shall be due by reason only of a failure to meet a minimum purchase requirement. Where the shortfall arises from a breach of the exclusive supply obligation in Clause 5.1(a), Clauses 5.5 and 18.2 apply.

5.5 POS Reconciliation. Where, in any period, the number of units of hot dogs or substantially similar products sold at the Premises (as recorded by the Client's point-of-sale system or other sales records) exceeds the number of corresponding units of Products purchased from HDZ or from suppliers approved under Clause 5.1(a), after allowing for reasonable wastage and for opening and closing stock, it shall be presumed, unless the Client demonstrates otherwise, that the excess units were obtained in breach of Clause 5.1(a). The Client shall maintain complete and accurate POS and sales records, shall retain them for a period of not less than three (3) years, and shall make them available to HDZ under Clause 10, including in respect of past periods.

6. PAYMENT TERMS

6.1 HDZ invoices shall be payable within fourteen (14) days of the invoice date, unless a shorter period is specified in Schedule 1.

6.2 In the event of late payment, the Client shall pay statutory interest in accordance with the Late Payment of Commercial Debts (Interest) Act 1998.

6.3 In the event of late payment, HDZ may suspend further deliveries of Products until all outstanding amounts are paid.

6.4 In the event of a material breach of this Agreement by the Client, all outstanding amounts shall become immediately due and payable.

6.5 The Client shall not withhold or set off any sum payable to HDZ against any claim it may have against HDZ.

7. TERM AND TERMINATION

7.1 Term

This Agreement shall commence on the Commencement Date and shall continue for an initial fixed term of twenty-four (24) months (the "Initial Term"), subject to the termination rights set out in this Clause 7 and in Schedule 1.

7.2 Renewal and Ordinary Termination

Upon expiry of the Initial Term, this Agreement shall automatically renew for successive periods of one (1) year (each a "Renewal Term"), unless either Party gives not less than ninety (90) days' prior written notice of termination to expire at the end of the then-current term.

7.3 Termination for Material Breach

(a) Without prejudice to any other rights or remedies available at law or under this Agreement, either Party may terminate this Agreement with immediate effect by written notice if the other Party commits a material breach of this Agreement.

(b) Where such breach is capable of remedy, the Party alleging the breach shall first give written notice specifying the breach and requiring it to be remedied within fourteen (14) days of the notice (or such longer period as the notice may specify). No termination in respect of a remediable breach shall be effective unless such notice has been given and the breach has not been remedied within that period.

(c) If the breach is not remedied within the period stated in the notice, the non-breaching Party shall be entitled to terminate this Agreement with immediate effect.

(d) Clause 7.3(b) does not apply, and HDZ may terminate with immediate effect without any cure period, where the breach by the Client materially affects brand integrity, food safety or regulatory compliance, or involves dishonesty, fraud, misrepresentation, unauthorised sourcing in breach of Clause 5.1(a), or any deliberate or repeated breach of this Agreement.

7.4 Immediate Termination by HDZ

HDZ may terminate this Agreement with immediate effect by written notice if:

(a) the Client sells, distributes or promotes products competing with or substituting the Concept without HDZ's prior written consent;

(b) the Client engages in conduct which, in HDZ's reasonable opinion, materially damages or is likely to damage the reputation, goodwill or brand value of HDZ;

(c) the Client becomes insolvent, enters into liquidation, administration, receivership, voluntary arrangement with creditors, or any analogous insolvency or restructuring process;

(d) the Client carries out unauthorised repairs, alterations or interference with the Equipment;

(e) the Client engages in fraud, under-reporting of sales, falsification of records, breach of the exclusive supply obligation, or any conduct intended to circumvent the commercial structure of this Agreement;

(f) under Option B, the Client fails to pay any Subscription Fee within fourteen (14) days of its due date, or cancels or suspends the payment mandate required under Schedule 1.

7.5 Termination by HDZ on Notice

(a) HDZ may terminate this Agreement at any time, including during the Initial Term, by giving the Client not less than ninety (90) days' prior written notice, without cause and without liability.

(b) Where HDZ terminates under Clause 7.5(a):

(i) any Unwaived Balance shall be waived in full and no sum shall be payable in respect of the Deferred Installation Fee;

(ii) HDZ shall collect the Equipment at its own cost and no Collection Fee shall be payable;

(iii) no Subscription Fee shall be payable in respect of any Subscription Month commencing after the date of termination; and

(iv) where Option A applies and termination takes effect within twelve (12) months of the Commencement Date, HDZ shall refund to the Client a proportion of the Installation Fee equal to the unexpired portion of that twelve (12) month period.

(c) Clause 7.5(b) does not apply where HDZ is entitled to terminate under Clause 7.3, 7.4, 7.6 or 8.4, and HDZ's election to serve notice under Clause 7.5(a) shall be without prejudice to its right to rely on any other termination right which exists or subsequently arises.

(d) The Client shall remain liable for all sums accrued up to the date of termination, including the price of Products supplied, and shall remain bound by Clauses 4.4, 4.4B, 9, 14 and 16.

7.6 Change of Control of the Client

(a) The Client shall notify HDZ in writing not less than thirty (30) days before any proposed Change of Control, or, where the Change of Control occurs without the Client's prior knowledge, within seven (7) days of becoming aware of it.

(b) Following a Change of Control, HDZ may review the Client’s credit standing and may, on written notice, impose Advance Payment Terms and/or require payment on account under Clause 18.6, and the Client shall provide such information about the incoming controller as HDZ reasonably requests.

(c) HDZ may terminate this Agreement with immediate effect by written notice if:

(i) the Client fails to notify HDZ in accordance with Clause 7.6(a);

(ii) the Client fails to comply with a requirement properly imposed under Clause 7.6(b); or

(iii) HDZ reasonably considers that the person or persons acquiring control are a competitor of HDZ, are connected with a competitor of HDZ, or are otherwise unsuitable having regard to the integrity, goodwill and reputation of the HDZ brand.

(d) Where HDZ terminates under Clause 7.6(c), any Unwaived Balance shall become immediately due and payable and Clause 4.4A shall apply.

(e) A Change of Control does not affect any rights, remedies, obligations or liabilities accrued before the date of the Change of Control.

7.7 Effect of Termination

(a) Termination of this Agreement shall not affect any accrued rights, remedies, obligations or liabilities of either Party existing at the date of termination. Any provision which by its nature is intended to survive termination shall remain in full force and effect.

(b) Where Option B applies, the consequences of termination set out in Schedule 1, Part B (including the acceleration of the Unwaived Balance) shall apply in addition to this Clause 7.

8. SALE OR TRANSFER OF BUSINESS

8.1 The Client shall notify HDZ in writing at least thirty (30) days before any planned sale, transfer or closure of the business operated at the Premises.

8.2 The Client shall cooperate to ensure the new purchaser assumes this Agreement with HDZ on unchanged terms, to ensure continuity of the partnership.

8.3 Until a new agreement is executed with the purchaser, the existing Client remains liable for all obligations under this Agreement.

8.4 If the Client sells the business (i) without prior notification to HDZ or (ii) without settling all amounts due to HDZ, then:

(a) HDZ may terminate this Agreement immediately;

(b) all unpaid amounts shall become immediately due and payable, including any Unwaived Balance where Option B applies;

(c) HDZ may remove from the Premises all Equipment and HDZ branded materials, and the Collection Fee under Clause 4.4A shall be payable in accordance with Clause 4.4(d)(i);

(d) the Client shall pay HDZ liquidated damages in the amount of £10,000.

8.5 The Parties confirm that the amount set out in Clause 8.4(d) is a genuine pre-estimate of loss likely to be suffered by HDZ in the event of such breach.

9. NON-COMPETE AND INTELLECTUAL PROPERTY PROTECTION

9.1 The Client acknowledges that the Concept, the Know-How and HDZ's Trade Secrets are valuable assets requiring protection.

9.2 During the term of this Agreement, the Client shall not, and shall procure that no Connected Person shall, operate or promote any other business selling hot dogs or similar products which may compete with the Concept.

9.3 Post-termination non-compete. For the period of twenty-four (24) months following termination of this Agreement, the Client shall not directly or indirectly operate, be engaged in, be concerned with, or provide material assistance to any business which sells hot dogs or substantially similar warm snack products in competition with the Concept, within a radius of 10 km of the Premises.

9.3A Cascading provision. If the restriction in Clause 9.3 is held by a court of competent jurisdiction to be unenforceable by reason of its duration, it shall apply instead for a period of eighteen (18) months. If that restriction is likewise held unenforceable, it shall apply instead for a period of twelve (12) months. If that restriction is likewise held unenforceable, it shall apply instead for a period of six (6) months. Each such period constitutes a separate and severable obligation, and the Parties agree that each is reasonable and necessary to protect HDZ's legitimate business interests in its goodwill, trade connections, confidential know-how and the integrity of its operational network.

9.3B Permitted holding. Nothing in Clauses 9.3 or 9.3A shall prevent the Client from holding a passive shareholding of up to five per cent (5%) in a competing business listed on a recognised investment exchange, provided the Client has no management influence over that business.

9.3C Consideration. The Parties acknowledge that, where Option B applies, the restrictions in Clauses 9.3 and 9.3A are entered into in consideration of the deferral and progressive waiver of the Deferred Installation Fee under Schedule 1, Part B, which represents a substantial financial benefit conferred on the Client by HDZ.

9.3D Connected Persons and anti-circumvention. The Client shall procure that each Connected Person complies with Clauses 9.2, 9.3, 9.3A, 9.4 and 9.5 as if that Connected Person were the Client. The Client shall be liable to HDZ for any act or omission of a Connected Person which would constitute a breach of those Clauses if done by the Client.

9.3E The Client shall not do, and shall procure that no Connected Person does, anything which has the effect, directly or indirectly, of circumventing Clauses 9.2 to 9.3D, including by: (a) incorporating, acquiring, using or procuring the use of a different legal entity; (b) changing its trading name or the trading name of the business at the Premises; (c) transferring, licensing or sub-letting the business at the Premises or any part of it; (d) dissolving, striking off, winding up or ceasing to trade through the Client; (e) arranging for a Connected Person to carry on the restricted activity; or (f) continuing the restricted activity through a person who was an employee, agent or contractor of the Client during the term of this Agreement.

9.4 The Client shall not circumvent HDZ by purchasing goods directly from suppliers introduced by HDZ or by obtaining confidential recipes or information otherwise than through HDZ.

9.5 Following termination, the Client shall not use, reproduce or disclose the Concept or Know-How (including recipes, marketing materials and procedures) in any form. The Client shall refrain from recreating or reverse-engineering the Concept. Cosmetic changes shall not avoid the prohibition on copying any substantial elements of the brand and system.

9.6 Without prejudice to Clause 20, HDZ shall be entitled to seek injunctive relief and/or other equitable remedies in the event of breach or threatened breach of this Clause 9.

9.7 If any restriction in this Clause 9 is found to be invalid or excessive, the remaining restrictions shall remain in force and the court may modify the scope to the extent necessary to make it enforceable.

10. AUDIT AND INSPECTION RIGHTS

10.1 Right of Access and Inspection

HDZ and its authorised representatives shall have the right, during normal business hours and on not less than twenty-four (24) hours' notice (which may be given by email), or without prior notice where HDZ reasonably suspects a breach of Clause 5.1 or Clause 12, to enter the Premises for the purpose of:

(a) inspecting inventory levels of the Products;

(b) verifying compliance with the exclusive supply obligation;

(c) reviewing point-of-sale (POS) records and sales documentation relating to the Products;

(d) inspecting storage conditions, hygiene standards, operational procedures and compliance with the standards of the Concept;

(e) verifying that the Products are handled, stored, marketed and sold in accordance with HDZ's requirements and brand standards.

10.2 Scope of Audit

HDZ shall be entitled to examine and copy (or require copies of) any records, accounts, invoices, stock reports and other documentation reasonably relating to the sale, purchase, storage or distribution of the Products.

10.3 Cooperation Obligation

The Client shall:

(a) provide full and immediate access to the Premises during business hours;

(b) make available all relevant documentation, records and systems;

(c) provide reasonable assistance to HDZ during any inspection or audit; and

(d) ensure that its staff cooperate fully with HDZ.

10.4 Obstruction

Any refusal to grant access, failure to cooperate, or obstruction of an audit shall constitute a material breach of this Agreement and shall entitle HDZ to exercise its rights under Clause 7 (Termination).

11. RETENTION OF TITLE

11.1 Title to all Products supplied by HDZ shall remain with HDZ until paid for in full by the Client.

11.2 Until title passes, the Client shall store the Products separately and clearly label them as the property of HDZ.

11.3 In the event of payment arrears, HDZ may enter the Premises (or any other storage location) during reasonable hours and recover any unpaid Products.

12. FOOD SAFETY AND REGULATORY COMPLIANCE

The Client shall comply with all applicable UK laws and regulations relating to food safety and hygiene and applicable industry standards, including (without limitation) the Food Safety Act 1990 and relevant Food Hygiene Regulations, and any applicable HACCP requirements in force on the Commencement Date and throughout the term. Non-compliance which may endanger HDZ's reputation shall constitute a material breach.

12A. OPERATING STANDARDS AND BRAND COMPLIANCE

12A.1 The Client shall operate the Concept at the Premises in accordance with the Operating Manual and the Brand Guidelines at all times.

12A.2 HDZ shall make the Operating Manual and the Brand Guidelines available to the Client and may update them from time to time, acting reasonably, to reflect changes in law, food safety requirements, product specifications, brand standards or operational practice. Updates take effect fourteen (14) days after HDZ notifies the Client, except where a shorter period is necessary for reasons of food safety or legal compliance.

12A.3 HDZ shall not use its power to update the Operating Manual or the Brand Guidelines to impose any material additional financial obligation on the Client, to vary any fee payable under Schedule 1, or to restrict the Client's freedom to set resale prices under Clause 5.1A.

12A.4 The Client shall not use HDZ's trade marks, name, logo, photography or marketing materials otherwise than in accordance with the Brand Guidelines, and shall not produce, publish or distribute any marketing material bearing HDZ's branding without HDZ's prior written approval.

12A.5 Persistent or material failure to comply with this Clause 12A, following written notice, shall constitute a material breach for the purposes of Clause 7.

12A.6 The Operating Manual and the Brand Guidelines form part of the Concept and of HDZ's Confidential Information.

12B. ORDER OF PRECEDENCE

12B.1 If there is any conflict or inconsistency between the documents forming the contractual relationship between the Parties, the following order of precedence applies, with the earlier prevailing over the later:

(a) this Agreement (excluding its schedules);

(b) Schedule 1 (Fee Option);

(c) any other schedule to this Agreement;

(d) the Operating Manual;

(e) the Brand Guidelines;

(f) any HDZ price list in force from time to time;

(g) any order form, delivery note, invoice or terms printed or referenced on them.

12B.2 Notwithstanding Clause 12B.1, Schedule 1 prevails over the body of this Agreement in respect of the fees payable, the selected Fee Option and any matter expressly stated in Schedule 1 to prevail.

12B.3 No terms or conditions put forward by the Client, whether in a purchase order, acknowledgement or otherwise, shall form part of the contractual relationship between the Parties.

13. INSURANCE

The Client shall maintain:

(a) Public Liability Insurance with a minimum cover of £2,000,000; and

(b) Product Liability Insurance with a minimum cover of £2,000,000.

The Client shall provide evidence of insurance (policy/certificate) to HDZ upon request. The Client shall procure that HDZ's interest is noted on each policy, shall not cancel or materially reduce cover without giving HDZ not less than fourteen (14) days' prior written notice, and shall notify HDZ promptly if any policy lapses, is cancelled or is avoided.

14. CONFIDENTIALITY

14.1 The Parties shall keep confidential all Confidential Information received in connection with this Agreement during its term and for five (5) years following termination.

14.2 HDZ's Trade Secrets shall remain confidential indefinitely, including after termination.

14.3 The obligations in this Clause 14 shall not apply to information which is publicly available other than as a result of breach, or disclosed with the consent of the Party to whom it relates.

15. DATA PROTECTION

Each Party shall comply with applicable data protection law, including the UK GDPR and the Data Protection Act 2018, when processing personal data of customers and employees in connection with this Agreement.

16. INDEMNITY

The Client shall indemnify and hold harmless HDZ against all claims, losses, damages, penalties and legal costs arising from or in connection with:

(a) the Client's operation of the business at the Premises (including personal injury, hygiene, tax or regulatory matters);

(b) non-compliance with law and/or this Agreement;

(c) misuse of the Equipment by the Client;

(d) breach of this Agreement by the Client and persons acting on the Client's behalf.

This indemnity shall survive termination.

17. LIMITATION OF LIABILITY

17.1 Subject to Clause 17.2, HDZ's total aggregate liability for all claims arising out of or in connection with this Agreement, whether in contract, tort (including negligence), breach of statutory duty or otherwise, shall not exceed the greater of: (a) £2,095; and (b) the total fees paid by the Client to HDZ under Schedule 1 in the twelve (12) months preceding the event giving rise to the claim.

17.1A For the purposes of Clause 17.1(b), "fees" means sums paid under Schedule 1 and does not include the price of Products supplied under Clause 5.

17.1B This Clause 17 sets out HDZ's entire liability under this Agreement and supersedes any other limitation of liability stated elsewhere in it.

17.2 Nothing in this Agreement shall exclude or limit HDZ's liability for death or personal injury, fraud, or any liability which cannot be excluded or limited under applicable law.

17.3 HDZ shall not be liable for indirect or consequential losses or for the Client's loss of profits.

18. PROTECTION OF HDZ'S LEGITIMATE INTERESTS, LIQUIDATED DAMAGES AND EQUITABLE RELIEF

18.1 Legitimate Business Interests

The Parties acknowledge that this Agreement is entered into in order to protect HDZ's legitimate business interests, including but not limited to:

(a) the integrity, goodwill and reputation of the HDZ brand;

(b) the stability and uniformity of HDZ's operational network;

(c) the integrity of HDZ's supply chain and exclusive sourcing model;

(d) the prevention of unauthorised exploitation of the Concept and free-riding on HDZ's commercial structure; and

(e) the protection of confidential know-how and operational systems.

The Parties further acknowledge that a breach of these interests may cause loss which would be difficult to quantify precisely at the time of contracting.

18.2 Misuse of Equipment, Brand or Supply Structure

If the Client:

(a) uses HDZ Equipment for the preparation, storage, display or sale of products not supplied by HDZ;

(b) sells products under the HDZ brand which have not been purchased directly from HDZ; or

(c) circumvents or breaches the exclusive supply obligation,

HDZ shall be entitled to:

(i) quantify the level of unauthorised or diverted sales primarily by reconciliation of the Client's point-of-sale and sales records against the Client's purchases from HDZ, in accordance with Clause 5.5, and only where such records are unavailable, incomplete or unreliable, by reference to available comparative data, network averages or the commercial capacity of the Premises;

(ii) recover damages equal to the gross margin which HDZ would have earned on the diverted sales so quantified, together with the costs recoverable under Clause 18.4; and

(iii) terminate this Agreement with immediate effect.

The Parties agree that this measure of damages reflects the actual loss suffered by HDZ on sales diverted in breach of this Agreement and is a proportionate and commercially justified protection of HDZ's legitimate business interests.

18.3 Confidentiality and Non-Compete Breaches

If the Client:

(a) discloses Confidential Information;

(b) reproduces or attempts to replicate the Concept or any material element of it; or

(c) operates, supports or has a financial interest in a competing business during the term of this Agreement,

the Client shall be liable to HDZ for damages assessed on ordinary contractual principles, including HDZ's lost profit and the diminution in value of the Concept, the Know-How and the Confidential Information, together with the costs recoverable under Clause 18.4.

18.3A Liquidated Damages as Exclusive Financial Remedy

(a) The damages payable under Clauses 18.2 and 18.3 are the Client's sole financial liability, and HDZ's sole financial remedy, in respect of the breach to which they relate.

(b) The Parties have negotiated and agreed the measures of damages in Clauses 18.2 and 18.3 as a genuine reflection of the loss likely to be suffered by HDZ, in circumstances where such loss would be difficult to quantify precisely at the time of contracting, and in order to give both Parties certainty as to the basis of their exposure. The Client acknowledges that it has had the opportunity to take legal advice on those provisions.

(c) Clause 18.3A(a) does not limit HDZ's right to: (i) recover sums otherwise due under this Agreement, including unpaid invoices, the Unwaived Balance, the Collection Fee and sums payable under Clause 4.4B; (ii) recover costs under Clause 18.4; (iii) seek injunctive relief, specific performance or any other non-financial equitable remedy under Clauses 18.5 or 20; (iv) terminate this Agreement; or (v) claim in respect of fraud or fraudulent misrepresentation.

18.4 Recovery of Investigation and Enforcement Costs

Where a breach of this Clause 18 is established, the Client shall indemnify HDZ against all reasonable costs and expenses incurred in investigating the breach and enforcing its rights, including audit costs, expert fees and legal costs on a full indemnity basis to the extent permitted by law.

18.5 Injunctive and Equitable Relief

Without prejudice to Clause 20, the Client acknowledges that breaches of this Clause 18 may cause irreparable harm to HDZ for which damages alone may not be an adequate remedy. Accordingly, HDZ shall be entitled to seek injunctive relief, specific performance or any other equitable remedy available under English law, in addition to any claim for damages.

18.6 Credit Protection and Advance Payment Terms

(a) HDZ may at any time assess the Client’s creditworthiness, using filed accounts, credit reference agency data, the Client’s payment record with HDZ and any other information reasonably available to it.

(b) HDZ may, by written notice, impose Advance Payment Terms for all further supplies of Products, and/or require a payment on account not exceeding the value of one month’s average orders, where: (i) any invoice remains unpaid more than fourteen (14) days after its due date; (ii) the Client has failed to pay two (2) or more invoices by their due date in any twelve (12) month period; (iii) a county court judgment, winding-up petition or analogous step is registered or taken against the Client; or (iv) there is a material adverse change in the Client’s financial position.

(b1) Any payment on account held under Clause 18.6(b) shall be applied against sums due from the Client as they fall due, and any unapplied balance shall be refunded within thirty (30) days of the later of termination of this Agreement and the return of the Equipment in accordance with Clause 4.4.

(c) While Advance Payment Terms apply, HDZ shall not be obliged to dispatch any Products until payment in full has cleared. Advance Payment Terms shall be withdrawn on written notice once the circumstances giving rise to them have been remedied and the Client has paid three (3) consecutive months of invoices by their due date.

(d) Failure by the Client to comply with a requirement properly imposed under this Clause 18.6 within fourteen (14) days of notice shall constitute a material breach of this Agreement.

19. EQUIPMENT WARRANTY, LIABILITY AND SERVICING

19.1 All HDZ Equipment supplied under this Agreement shall be covered by a manufacturer's warranty for a period of twelve (12) months from the date of installation.

19.2 During the warranty period, HDZ shall provide warranty servicing and may, at its discretion, repair or replace defective equipment or parts at no cost to the Client, provided that the defect does not result from misuse, negligence, improper handling or failure to comply with HDZ standards or instructions.

19.3 Upon expiry of the warranty period, HDZ shall remain the sole authorised service provider entitled to perform any repairs, maintenance, servicing or replacement of parts relating to the HDZ Equipment, in order to maintain uniform quality, operational safety and brand integrity.

19.4 After the warranty period, HDZ shall continue to offer servicing and technical support; however, all associated costs, including labour, parts, transportation and maintenance, shall be borne exclusively by the Client.

19.5 The Client shall not carry out, nor permit any third party to carry out, any repairs, modifications or servicing of the Equipment without HDZ's prior written consent.

19.6 HDZ's liability arising out of or in connection with the Equipment, its warranty and its servicing is limited in accordance with Clause 17, which sets out HDZ's entire liability under this Agreement.

19.7 Any post-warranty servicing shall be carried out within a reasonable time, having regard to the nature of the issue, availability of parts and operational circumstances.

20. INJUNCTIVE RELIEF

HDZ shall be entitled to seek injunctive relief and/or other equitable remedies (without the need to prove actual monetary loss) if the Client breaches or threatens to breach:

(a) the confidentiality and non-compete obligations;

(b) HDZ's intellectual property rights; or

(c) any other material clause of this Agreement.

21. FORCE MAJEURE

Neither Party shall be liable for failure to perform its obligations due to events beyond its reasonable control (including natural disasters, pandemics, riots or strikes). The affected Party shall promptly notify the other Party and take reasonable steps to mitigate the effects. For the avoidance of doubt, this Clause does not excuse the Client from any obligation to pay sums due under this Agreement.

22. NOTICES

All notices and communications under this Agreement shall be in writing and may be delivered by hand, by recorded delivery post, or electronically by email to the addresses stated in the header of this Agreement or in Schedule 1.

Deemed receipt shall be:

(i) for email – the date of receipt of the email;

(ii) for recorded delivery post – the date confirmed by delivery confirmation.

23. ENTIRE AGREEMENT

This Agreement (together with Schedule 1 and any other schedules or appendices) constitutes the entire agreement between the Parties and supersedes all prior oral or written arrangements relating to its subject matter. The Parties confirm that they have not relied on any representations not expressly set out in this Agreement.

24. ELECTRONIC EXECUTION AND ONLINE ACCEPTANCE

24.1 This Agreement may be executed electronically. Electronic signatures are recognised as valid and enforceable under UK law where the Parties intend to authenticate the document.

24.2 Where this Agreement is entered into through HDZ's online registration process, the Client acknowledges that:

(a) the Fee Option displayed and selected during that process, and recorded in Schedule 1, is the Fee Option agreed by the Parties;

(b) the electronic record maintained by HDZ or its e-signature provider, including timestamp, IP address, email address and document version, shall be admissible as evidence of the Client's agreement to this Agreement; and

(c) it has had a reasonable opportunity to read this Agreement in full before signing.

25. SEVERABILITY

If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall remain in full force and effect. The Parties shall replace any invalid provision with a valid provision that most closely reflects the Parties' original intent.

25A. ASSIGNMENT AND NOVATION

25A.1 HDZ may at any time assign, novate, transfer, charge, subcontract or deal in any other manner with all or any of its rights and obligations under this Agreement, without the consent of the Client, including in connection with any reorganisation, sale of its business or assets, or sale of shares in HDZ.

25A.2 The Client shall, at HDZ's request and cost, promptly execute any document reasonably required to give effect to a novation under Clause 25A.1.

25A.3 The Client shall not assign, novate, transfer, charge, subcontract, declare a trust over or deal in any other manner with any of its rights or obligations under this Agreement without HDZ's prior written consent.

25A.4 The Client shall not permit any third party to operate the Concept at the Premises on its behalf without HDZ's prior written consent.

26. THIRD PARTY RIGHTS

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

27. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by the laws of England and Wales. The courts of England and Wales shall have exclusive jurisdiction to settle any disputes arising out of or in connection with this Agreement.

SCHEDULE 1

FEE OPTION

PART A — SITE DETAILS

Premises (address of the Hot Dog Zone):	

Replacement Value of the Equipment (Clause 1.8): £950 (nine hundred and fifty pounds sterling), exclusive of VAT

PART B — SELECTED FEE OPTION

The Client’s selected Fee Option is recorded in the "Payment option" field below. The full terms of each option follow; the option not selected does not apply to this Agreement.

Payment option	

OPTION A — UP-FRONT INSTALLATION

A.1 The Client shall pay a one-off installation fee of £2,095, exclusive of VAT (the "Installation Fee").

A.2 No Subscription Fee is payable under this Option.

A.3 The Installation Fee constitutes consideration for: (a) installation and hire of the Equipment; (b) a limited licence to use the HDZ brand and the Concept; and (c) initial training and operational support.

A.4 The Installation Fee is payable in full before installation and is a condition precedent under Clause 3.3(c). It is non-refundable once installation, delivery of the Equipment, or preparations for such installation or delivery have commenced.

A.5 Conditional 30-Day Trial Period. HDZ may, at its sole and absolute discretion, offer the Client a conditional thirty (30) day trial period (the "Trial Period"). The Trial Period shall only apply where expressly confirmed in writing by HDZ (including by email) prior to or at the time of installation, and is not an automatic right of the

Client.

A.6 Where a Trial Period has been granted, the Client may request termination of this Agreement within thirty (30) days from the Commencement Date by written notice to HDZ, and such termination shall take effect notwithstanding Clause 7.1.

A.7 Refund of the Installation Fee shall only be made if: (a) written termination notice is received within the Trial Period; (b) all Products supplied have been paid for in full; (c) the Equipment is returned in good condition (fair wear and tear excepted); and (d) the Client has fully complied with all obligations under this Agreement during the Trial Period. Failure to satisfy any of these conditions shall automatically void the refund entitlement.

A.8 The granting of a Trial Period is a discretionary commercial concession and shall not be deemed a waiver of HDZ's standard policy that installation fees are non-refundable. Nothing in this Part shall limit HDZ's rights under Clause 7 or any other provision of this Agreement.

A.9 For the avoidance of doubt, payment of the Installation Fee does not transfer title to the Equipment, which remains vested in HDZ under Clause 4.1.

OPTION B — SUBSCRIPTION

B.1 Subscription Fee. The Client shall pay a Subscription Fee of £89 per month, exclusive of VAT, payable monthly in advance, in respect of the hire of the Equipment, the limited licence to use the HDZ brand and Concept, and the ongoing operational and marketing support provided by HDZ.

B.2 No up-front installation fee is payable by the Client under this Option.

B.3 The first Subscription Fee is payable on or before the Commencement Date and each subsequent Subscription Fee is payable on the same day of each succeeding month.

B.4 Payment mandate. The Client shall establish and maintain a direct debit or recurring card mandate in favour of HDZ for the payment of the Subscription Fee throughout the term of this Agreement, and shall not cancel or suspend such mandate without HDZ's prior written consent. Establishment of a valid mandate is a condition precedent under Clause 3.3(c). The mandate shall also authorise the collection of any other sums properly due and invoiced under this Agreement, including the Collection Fee and sums payable under Clause 4.4B, provided that HDZ gives the Client not less than seven (7) days' written notice of the amount before collection.

B.5 The Subscription Fee is non-refundable in respect of any Subscription Month which has commenced, and no pro-rata refund shall be made on termination for any reason.

B.6 Fee variation. HDZ may vary the Subscription Fee by giving the Client not less than thirty (30) days' prior written notice (which may be given by email). Any such variation shall take effect automatically upon expiry of the notice period.

B.6A Permitted increases. HDZ may not increase the Subscription Fee within the first twelve (12) months following the Commencement Date. Thereafter, HDZ may increase it not more than once in any twelve (12) month period, and no such increase shall exceed the percentage increase in the Retail Prices Index (all items) published by the Office for National Statistics over the twelve (12) months preceding the date of the notice, plus three (3) percentage points.

B.6B Increases beyond the permitted level. HDZ may propose an increase exceeding the level permitted by paragraph B.6A, but such an increase shall only take effect if the Client agrees to it in writing. If the Client does not agree within thirty (30) days of the notice, the Subscription Fee shall remain unchanged, and HDZ's sole remedy shall be to terminate this Agreement under Clause 7.5, in which case paragraph B.10 shall not apply and the Unwaived Balance shall be waived in full.

B.6C Client's right to exit. Where HDZ gives notice of an increase permitted under paragraph B.6A, the Client may terminate this Agreement by written notice served before the increase takes effect. Such termination shall constitute termination by the Client for the purposes of paragraph B.10(a). The Parties acknowledge that the cap in paragraph B.6A ensures that the Client retains a meaningful commercial choice as to whether to continue this Agreement.

B.7 Nature of the supply. The Parties agree that, under this Option B, HDZ makes a single continuous supply of services to the Client for the duration of this Agreement, comprising the hire of the Equipment, the licence to use the HDZ brand and the Concept, the installation, delivery and commissioning of the Equipment, initial and ongoing training, and ongoing operational and marketing support (the "Continuous Supply"). The Continuous Supply is not divisible into separate supplies, and no element of it is treated by the Parties as a discrete supply completed on the Commencement Date.

B.7A Consideration for the Continuous Supply. The consideration for the Continuous Supply is: (a) the Subscription Fee, payable periodically; and (b) the Deferred Installation Fee of £2,095, which is attributable to the Continuous Supply as a whole and is discharged progressively in accordance with paragraph B.9 or, where paragraph B.10 applies, becomes payable in the amount of the Unwaived Balance.

B.7B Invoicing and VAT. HDZ shall issue a VAT invoice in respect of each Subscription Fee, and shall issue a VAT invoice in respect of any Unwaived Balance only if and when it falls due under paragraph B.10. No VAT invoice shall be issued, and no payment shall be requested, in respect of the Deferred Installation Fee on or by reference to the Commencement Date. VAT shall be charged at the rate in force on the date of the relevant invoice or payment, whichever is the earlier.

B.7C The Client acknowledges that HDZ incurs substantial costs in supplying, delivering, installing and commissioning the Equipment and in providing initial training, and that the Deferred Installation Fee represents the fair market value of that element of the Continuous Supply.

B.8 Accrual. The Client's liability for the Deferred Installation Fee arises on the Commencement Date as a contractual obligation. However, no part of it is invoiced, requested or payable on that date, and no payment falls due in respect of it unless and until paragraph B.10 applies. It is discharged progressively in accordance with paragraph B.9 as the Continuous Supply is made.

B.9 Progressive waiver. Provided that the Client is not in material breach of this Agreement, HDZ shall irrevocably waive one twenty-fourth (1/24) of the Deferred Installation Fee, being £87.29, at the end of each complete Subscription Month during which this Agreement remains in force. Upon completion of twenty-four (24) Subscription Months, being the Initial Term, the Deferred Installation Fee shall be waived in full and no sum shall remain payable in respect of it.

B.10 Acceleration. The Unwaived Balance shall become immediately due and payable in full, without the need for further notice, upon the earliest of: (a) termination of this Agreement by the Client for any reason prior to the completion of twenty-four (24) Subscription Months; (b) termination of this Agreement by HDZ pursuant to Clause 7.3, 7.4, 7.6 or 8.4; or (c) any event under Clause 7.4(c) (insolvency of the Client).

B.11 No acceleration on HDZ default. The Unwaived Balance shall not become payable where this Agreement is terminated by the Client as a result of a material breach by HDZ which HDZ has failed to remedy within thirty (30) days of written notice, and in such case the Deferred Installation Fee shall be waived in full.

B.12 Nature of the provision. The Parties expressly acknowledge and agree that: (a) the Deferred Installation Fee is a primary contractual obligation owed in consideration of services actually rendered by HDZ as part of the Continuous Supply, and is not a sum payable upon or by reason of breach; (b) paragraph B.9 constitutes a conditional commercial concession granted by HDZ in consideration of the Client's continued custom over the Initial Term; (c) the Client is not obliged to pay any sum by reason of terminating this Agreement, but only to discharge the balance of a liability which arose on the Commencement Date and which has not yet been waived; and (d) accordingly, this Part B does not constitute a secondary obligation arising upon breach and is not a penalty.

B.12A Commercial choice. The Client acknowledges that it was offered Option A (payment of £2,095 up front, with no Subscription Fee and no deferred liability), that it was free to select Option A, and that it selected Option B in preference to it. The Client further acknowledges that paragraph B.6A limits HDZ's ability to increase the Subscription Fee, so that the Client retains a meaningful commercial choice as to whether to continue this Agreement throughout the Initial Term.

B.13 Payment. Any Unwaived Balance falling due under paragraph B.10 shall be paid within fourteen (14) days of invoice, and Clause 6.2 shall apply to any late payment.

B.14 Termination by the Client. The Client may terminate this Agreement at any time on thirty (30) days' written notice, notwithstanding Clause 7.1, provided that on such termination the Client shall: (a) pay the Unwaived Balance under paragraph B.10(a); (b) return the Equipment to HDZ at its own cost in accordance with Clause 4.4(c), or, if it does not do so, pay the Collection Fee of £600 under Clause 4.4A; (c) remain liable for any sum payable under Clause 4.4B where the Equipment is returned or collected damaged, defaced or incomplete, up to the full Replacement Value; (d) permanently remove all HDZ branding, signage and marketing materials from the Premises; and (e) remain bound by Clause 9 (Non-Compete and Intellectual Property Protection).

B.15 No transfer of title. For the avoidance of doubt, completion of twenty-four (24) Subscription Months and full waiver of the Deferred Installation Fee do not transfer title to the Equipment, which remains vested in HDZ under

Clause 4.1.

PART C — CLIENT ACKNOWLEDGEMENT

The Client confirms that it has read and understood the Fee Option selected above, and in particular (where Option B applies) that the Deferred Installation Fee of £2,095 is owed from the Commencement Date and is waived only progressively over twenty-four (24) Subscription Months, being the Initial Term, so that early termination will result in the Unwaived Balance becoming payable.

SIGNATURES

Signed for and on behalf of HOT DOG ZONE LIMITED:

Name & Surname:	Bartek Czapp
Position:	Director
Signature:	Bartek Czapp
Date:	

Signed for and on behalf of Client

Name & Surname:	
Position:	
Signature:	
Date:	