

**FRANCHISOR: Oceania Handball League  
(OHL PTY LTD)**



# **FRANCHISE HANDBALL AGREEMENT**

**Stojanovic Solicitors**  
.4/220 Northumberland Street  
LIVERPOOL NSW 2170

PO Box 186, Liverpool NSW 1871  
Tel: (02) 9600 9555  
Fax: (02) 9600 9955

**FRANCHISE AGREEMENT  
THIS IS A FRANCHISE AGREEMENT FOR THE ESTABLISHMENT AND  
OPERATION  
OF A HANDBALL CLUB FOR PARTICIPATION IN A NATIONAL HANDBALL  
LEAGUE  
TO BE ESTABLISHED BY OCEANIA HANDBALL LEAGUE (OHL) AND THE  
AUSTRALIAN HANDBALL FEDERATION**

**INTRODUCTION**

The Franchisor OHL has international experience in the conduct and development of the sport of Handball.

The Franchisor has developed special systems and procedures in the establishment and conduct of teams in the sport of Handball.

The Franchisor has negotiated for the establishment conduct and operation of a National Handball League in the Commonwealth of Australia in respect of a Men's Competition and Women's Competition.

The Franchisor wishes to grant franchises for the establishment of clubs to participate in the National Handball League.

This Agreement is in substantially similar terms to other Agreements granted by the Franchisor but it will include any specific conditions requested by the Franchisee which are consistent with other franchises and which are appropriate to the particular Franchise arrangements.

**DATE OF AGREEMENT AND COMMENCEMENT**

- 1.1 This Agreement is made on
- 1.2 If this Franchise is a new Franchise which has not previously operated, the grant of the Franchise is conditional upon the grant of a minimum of 6 Franchises for the particular Franchise as specified in Item 1 of the Reference Schedule.
- 1.3 Subject to clause 1.2 this Franchise will commence:-
  - (a) 7 days after the grant of the sixth Franchise for the particular Franchise as specified in Item 1 of the Reference Schedule: or
  - (b) where 6 Franchises have been established in terms of clause 1.2; this Franchise will commence 30 days from the date specified in clause 1.1
- 1.4 Neither the Franchisor nor the Franchisee will be bound by any of the conditions of the Franchise if any of the conditions of the grant of this Franchise which are expressed to be essential preconditions of the grant have not been satisfied.

**PARTIES**

2. The Parties to this Agreement are:
  - 2.1 The Franchisor named in Item 2 of the Reference Schedule.
  - 2.2 The Franchisee named in Item 3 of the Reference Schedule. GRANT OF FRANCHISE.
  - 3.1 Subject to clause 1.2 the Franchisor grants to the Franchisee a Franchise to establish a handball team for the type specified in Item 1 of the Reference schedule for participation in the National Handball League.
  - 3.2 The Franchisee agrees to pay to the Franchisor the Franchise Fee specified in Item 4 of the Reference schedule in the manner set out in Item 5 of the Reference Schedule.
  - 3.3 This Franchise is granted and accepted:
    - 3.3.1 In consideration of the payment of the Franchise Fee; and
    - 3.3.2 In consideration of the conditions agreed to by each of the Parties
  - 3.4.1 Any Franchise Fee or other lump sum payment paid on the grant of the Franchise is fully earned by the Franchisor on the grant of the Franchise.
  - 3.4.2 No part of any such payment is refundable on termination or expiry of this Agreement for whatever reason except in accordance with the express terms of the Agreement.
- 3.5 The payment of the Franchise Fee is an essential precondition to this Agreement commencing.

## **DEPOSIT**

4. On the signing of this Agreement, the Franchisee must pay a deposit in the amount specified in Item 6 of the Reference Schedule.
5. Term – as per original;
6. Options for renewal as per original.
7. Legal costs as per original.

## **FRANCHISOR'S OBLIGATIONS.**

8. The Franchisor will provide the following:
  - 8.1 Overseas franchise owners will be granted Permanent Subclass 888 Visa: Innovation and Investment.

8.2 Personnel for the establishment of the handball team comprising of:

8.2.1 12 Players (7 imported and 5 domestic players).

8.2.2 2 Coaches (1 imported and 1 domestic).

8.2.3 1 Domestic club manager, doctor and physiotherapist.

8.3 Of the personnel specified in clause 8.2, a minimum of 8 shall be professional members.

8.4 The Franchisor will provide uniforms for the personnel described in clause 8.2 together with 2 handball balls of international standard, such items to be included in the Franchise Fee. Any additional items will be supplied by the Franchisor at the expense of the Franchisee.

8.5 The Franchisor has arranged to cover of costs of the Franchisee in connection with the participation by the Franchise in the National Handball League in respect of the personnel specified in clause 8.2, but such costs are limited to travel and accommodation to a maximum number of 20 personnel (18 club members and 2 referees). Any additional expenses are to be the responsibility of the Franchisee.

8.6 The Franchisor will, at no additional cost to the Franchisee provide ongoing consultancy and technical assistance in the development and advancement of the Franchise including:

8.6.1 assistance in establishing and promoting the sport of Handball in the local area where the Franchisee is established;

8.6.2 assistance in establishing training clinics to attract new participants to the sport of Handball;

8.6.3 technical advice in relation to the selection and establishment of a playing facility for use by the Franchisee during the term of the Franchise.

8.7 The Franchisor shall organize and arrange for the Franchisee to participate in the National Handball League which shall be authorized and under the control of the AHF, OHL and Club owners.

## **FRANCHISEE'S OBLIGATIONS**

9.1 The Franchisee must, during the term of the Franchise.

- 9.1.1 Pay the fees of those members set out in clause 8.2:

Salaries for overseas:

Coach \$110,000.00 per annum.

3 Players \$100,000.00 per annum.

4 players \$60,000.00 per annum.

Salaries for domestic:

Coach \$10,000.00 per annum.

Club manager \$20,000.00 per annum.

Doctor \$10,000.00 per annum.

Physiotherapist \$10,000.00 per annum.

2 National players \$5,000.00 each per annum.

Note: After the four year investment from clause 16.1.6, the salaries for another min of 7 domestic players should be \$50,000.00. Until the four year period, Club managers salary should gradually increase to \$60,000.00, domestic coach and 2 national player salaries should double every year.

- 9.2 The Franchisee must establish and provide its own playing and training facility and school.
- 9.3 The Franchisee must use its best endeavours to promote and develop the sport of handball within its local area, including but not limited to:
  - 9.3.1 establishing coaching clinics
  - 9.3.2 visiting local schools and universities to promote the sport of handball
- 9.4 The Franchisee must participate in the National Handball League and must comply with all rules and regulations which are specified from time to time by the AHF, being the governing body of the sport of handball in Australia.
- 9.5 The Franchisee must within 12 months of the commencement of this Franchise establish a Junior Team comprising of players under the age of 21 years. The Junior Team must then be entered into a State competition in the State where the Franchisee is located: The Franchisor will assist and make arrangements for the entry of the Junior Team in the State competition.
- 9.6 The Franchisee must within 3 years of the commencement of this Franchise develop and establish two further Junior Teams, one comprising of players under the age of 18 years and one comprising of players under the age of 14 years.

## **MANUALS**

- 10.1 This Agreement provides the framework within which the Franchise arrangement between the Franchisee and the Franchise works.
- 10.2 There are many matters of detail which are important to the functioning of the Franchise Agreement but which are more appropriately dealt with in the Manuals.
- 10.3 The Manuals may be in the form of printed material, audio or visual recordings, computer software and other media for recording, storing and communicating

information and instructions.

- 10.4 The Franchisor has developed the Manuals and will continue to develop and improve them.
  - 10.5 The Franchisor will include in the Manuals requirements for the establishment, operation and management of the Franchise.
  - 10.6 Requirements set out in the Manuals will include matters relating to:
    - 10.6.1 Advertising, marketing and promotion.
    - 10.6.2 Programs for coaching clinics including technical advice in the conduct of coaching clinics.
    - 10.6.3 Programs for the development of the sport of Handball in local schools.
    - 10.6.4 Any other matters which the Franchisor reasonably considers are appropriate or necessary in the interests of the Franchise Arrangement.
  - 10.7 The Franchisee must comply with any requirement which is now or in the future included in the Manuals as if it was a condition of this Agreement.
  - 10.8.1 The Manuals and copyright in the Manuals always remain the sole property of the Franchisor, and
  - 10.8.2 Breach of copyright in the Manuals by the Franchisee is a breach of this Agreement.
  - 10.9 The Manuals must not be copied, lent or otherwise made available to anyone other than the Franchisee and to the extent necessary to ensure compliance by them to employees of the Franchisee.
  - 10.10 On termination of the Franchise the Manuals must be returned to the Franchisor.
- INDEPENDENCE OF THE PARTIES

- 11.1 The Franchisor and the Franchisee acknowledge that the success of the Franchise depends to a large extent on the fact that each Franchisee is operating its own Franchise Arrangement and will benefit from the success of each . Franchise contributes to the success of the Franchise Arrangement as a whole and of each other Franchise Arrangement.
- 11.2 The Parties acknowledge that they are not:
  - 11.2.1 Partners;
  - 11.2.2 Employers and employees;
  - 11.2.3 Joint Ventures; or
  - 11.2.4 Except as expressly or by necessary implication provided in this Agreement

principal and agent.

- 11.3 To the extent that any provision of this Agreement might otherwise have the effect of creating any such relationship that provision is deemed to be modified in such a way as to exclude that effect.

## **REVIEW OF REMUNERATION FOR PROFESSIONAL PERSONNEL**

- 12.1 The Franchisor will, in the provision of professional personnel as herein before provided, ensure that such persons:

12.1.1 Are engaged and made available to the Franchisee for a period of not less than 11 months in any calendar year.

12.1.2 Are engaged in the development and promotion of the Franchisee by attending coaching clinics and schools, actively seeking and recruiting junior players to the Franchisee.

12.1.3 Are engaged in such other capacity as the Franchisee directs from time to time, provided that such capacity is for the development and promotion of the sport of handball and the Franchisee's interest therein.

12.2 The Franchisee recognises that through the establishment of coaching clinics, and professional training to be provided by the professional personnel provided by the Franchisor, opportunities will arise for the Franchisee to develop a source of income, where such income will vest in the Franchisee. In consideration of the income generated by the Franchisee from the activities of the professional personnel as set out in clause 12.2, the Franchisee agrees to review the salary of each professional person and such review will be made on a fair and reasonable basis (60% for the owner and 40% for the club manager, coach and 7 players) and such review will be made during the term of this Agreement and each anniversary of the commencement of this Agreement.

12.3 Upon each review, the Franchisee will pay the new rate as determined in clause 12.2.

## **EQUIPMENT**

13.1 The Franchisor is the preferred supplier for items of equipment and sporting apparel in the conduct of the National Handball League.

13.2 An essential feature of the Franchise Arrangement is the standard of equipment and sporting apparel to be used by the Franchisee.

13.3 The Franchisee agrees that all equipment and sporting apparel meets to the Franchisor's required standard.

## **PLAYER TRANSFER**

- 14.1 The Franchisee acknowledges that the development of players and the increase in the standard of players is largely due to the expertise of the Franchisor and the systems developed by the Franchisor and provided to the Franchisee.
- 14.2 The Franchisee agrees that in the event of the transfer of any player by the Franchisee, whether to another Franchisee, or to a Handball Club overseas, the Franchisee will pay to the Franchisor a sum equivalent to 10% of the transfer fee. Subject to the payment to the Franchisor aforesaid, the Franchisee will be entitled to retain the balance of the transfer fee.

## **SPONSORSHIP**

- 15.1 The Franchisor and the AHF are to use their best endeavours to attract and obtain sponsorship of the National Handball League. In the event of Master League sponsorship the Franchisee will pay to the Franchisor and AHF an agreed upon sum similar to other sport clubs in Australia and worldwide.
- 15.1.1 In addition, the Franchisee will pay to the Franchisor and AHF, an agreed upon sum similar to other sport clubs in Australia and worldwide, of the total sponsorship for TV broadcasting games and the selling rights to other TV sport channels.
- 15.2 The Franchisor will use its best endeavours that income received by the AHF from sponsorship will be used for the benefit of each Franchisee.
- 15.3 Subject to compliance with any applicable laws in force from time to time, the Franchisee may seek and obtain sponsorship for its own benefit. Any sponsorship obtained by the Franchisee will remain exclusively with and for the Franchisee.

## **INCOME EARNED BY THE FRANCHISEE**

- 16.1 In the conduct of the Franchise Arrangement, the Franchisee recognises that it has the opportunity to earn income from:
- 16.1.1 Establishing and conducting coaching clinics (handball, tennis, basketball, volleyball & soccer) and sand facilities that will be run by the plan and programs of both Australian and world recognized academies. Regarding clause 12.2. is approximately \$600,000.00 per annum. Note: The student Handball Academy fees equal \$5 per training. Each coach trains 25 students per hour with a total of \$125 x 5hrs a day is total to \$625. 8 coaches will daily make \$5,000 x 5 working days = \$25,000 x 40 weeks equals \$1,000,000.00.
- 16.1.1a Note: The student Handball Academy fees equal \$10 per training. Each coach trains 25 students per hour with a total of \$250 x 5hrs a day is total to \$1250. 8 coaches will daily make \$10,000 x 5 working days = \$50,000 x 40 weeks equals \$2,000,000.00. . Regarding clause 12.2. is approximately \$1,200,000.00 per annum.
- 16.1.1b Note: Yearly income earned from food and beverages at sporting Academy.



16.1.2 Gate receipts for home matches in the National Handball League approximately \$600,000.00 per annum. Note: \$30 Tickets x min. 20 home games (championship games + Australian cup championships) is in total: if approx. 1000 spectators per game = \$600,000.00, if approx. 10,000 = \$6,000,000.00. Yearly tickets include all super final games.

16.1.2.a Students who are coached in their facilities are charged \$10 per training. If these students enroll to a minimum of 40 trainings per year they are automatically eligible for a yearly pass.

16.1.2b Average of 20,000 spectators per annum (1,000 per game) approximately \$600,000.00 per annum. Note: Every person will spend an average of \$30 at social and gambling club facilities (an average of \$50 per person = \$1,000,000.00).

16.1.2c Income from sport uniforms, club scarves and hats for spectators and fan clubs. Additionally, income from sport uniforms for students enrolled at the academy. The equipment as well as game tickets will be sold both in stores and through the club official website.

16.1.2d Renting sport facilities for sporting events and other purposes.

16.1.2e International Handball tournaments, for example, Australia and Oceania vs South Pacific (China, South Korea, Japan) and European clubs.

16.1.3 Sponsorship: on sport fields, club uniforms and all online platforms (websites, social media, game streaming, broadcasts, etc).

16.1.4 Any other source developed by the Franchisee, for example, summer and winter sport camps.

16.1.5 According to the obligation the Franchisee is obligated to make a team with players under 21 years that will play for the state league. The Management company will allocate the price for the state league franchise fee for the state franchise club. The income from this selling price will be divided fairly (OHL is entitled to 3%).

16.1.6 After the four year period of investing a minimum of \$500,000.00 for sports club academy and social gambling facilities, this investment will be completed. Throughout the next four years this amount is allocated for 1 domestic coach and managers and min of 7 domestic players with a min salary of \$50,000.00.

16.1.7 OHL and AHF will receive a prearranged sum, similar to other Australian and Worldwide sports, from the income from domestic and international sport bookmakers. Income from gambling will remain the exclusive property of the Franchisee. Regulating access to gambling: number of gaming machines varies across states and territories: NSW & ACT unlimited, QLD: 280, VIC:105, NT: 45, SA:40, TAS:25.

16.1.7a Tax levied on annual profits from gaming machines for Clubs:

- Up to \$100,000 (0%)
- \$100,001 to \$200,000 (1%)

- \$200,001 to \$1m (20%)
- Over \$1,000,001 (26.25%)

Clubs will be permitted a tax rebate for expenditure on approved community programs, effectively reducing the top tax rate to 24.75%.

Note: the exact number of machines and tax rates need to be checked by the franchisee at the moment of acquisition due to possible changes.

16.1.8 In the event that the Franchisee sells the franchise, the difference from the basic franchise fee and the price the Franchisee sells the franchise, the Franchisor OHL Inc. is entitled to only 3%.

16.1.8a The franchise value of national handball league competition clubs should be increased every year.

16.1.8b Income from player transfers should be increased with the development of the league.

16.2 Any income derived by the Franchisee will remain the exclusive property of the Franchisee and the Franchisee is not required to pay any percentage or portion of that income to the Franchisor.

## **INSURANCE**

17.1 The Franchisee with AHF must obtain and maintain all insurances to cover any of the following:

17.1.1 Injury to players where such injury occurs to players, while on official duty for the Franchisee, such insurance to cover for all medical expenses, and any loss of income suffered by such player.

17.1.2 Public Liability 17.1.3 Workers Compensation for professional personnel contracted to the Franchisee.

## **TERMINATION**

18.1 In the case of any breach or non observance of the Agreement, the Party not in default can give a default notice to the other Party.

18.2 The default notice will specify:

18.2.1 Particulars of the breach or non observance complained of:

18.2.2 What the Party not in default requires to be done to remedy the breach;

18.2.3 The time within which the breach or non observance must be remedied; and

- 18.2.4 That the Party not in default proposes to terminate the Agreement because of the breach.
- 18.3 The time allowed must be reasonable in all the circumstances but need not be longer than 30 days.
- 18.4.1 If the breach or non observance is not remedied within the time allowed the Party not in default can terminate the Agreement by further notice to the other party;
- 18.4.2 If the breach or non observance is remedied within the time allowed the Party not in default cannot terminate this Agreement for that breach or non observance.
- 18.5 Termination under this Clause will not affect the existing or continuing rights of the Party not in default.
- 18.6 Termination will take effect on the day on which the notice of termination is given or on such later date as is specified in the notice.

### **ACTION ON TERMINATION**

- 19.1 This Clause sets out what the Franchisee is required to do and not to do after termination or expiry of this Agreement. A reference to termination includes expiry.
- 19.2 The Franchisee will deliver to the Franchisor all material relating to the Franchise including Manuals.
- 19.3 The Franchisee will cease operating the Franchise.
- 19.4 The Franchisee will withdraw its participation in the National Handball League, and any other Handball League or Handball Competition under the control of the Franchisor.
- 19.5 The Franchisee will transfer to the Franchisor or its nominee all players and trainers provided that the Franchisee receives the fair market value of each player or official, provided further, that the Franchisee pay to the Franchisor a fee equivalent to 10% of the payment received by the Franchisee for each player or trainer.
- 19.6 The value of each player and trainer will be determined by agreement between the Parties, but failing agreement, by a Tribunal appointed by the AHF.

### **LAW AND JURISDICTION**

- 20.1 The Parties agree that the law which applies to this Agreement is the law of the State or Territory where the Franchisee is located.
- 20.2 The Parties agree that any court proceedings regarding this Agreement must be taken:

20.2.1 In the State or Territory where the Franchisee is located;

20.2.2 If there is a place where the matter can be dealt with at less cost and more quickly, then in that place; and

20.2.3 If so required by the Franchisor in the State or Territory where the Franchisor's head office is located.

## **ENTIRE AGREEMENT**

The Parties agree that the whole Agreement between the Parties is included in:

This Agreement;

The Manuals

Except as otherwise allowed by this Agreement, this Agreement can only be changed by another agreement in writing signed by the Parties.

Notices can be given,:

By prepaid post;

By personal delivery;

By facsimile transmission

22.2 Notices can be given:

22.2.1 If a party has a registered office at the registered office;

22.2.2 At the address of the Party shown in this Agreement or if the Party has notified a change of address at the address so notified.

22.3 Notices are effectively given:

22.3.1 If sent by post when they would have been received in the ordinary course of post;

22.3.2 The date of personal delivery;

22.3.3 If sent by facsimile transmission on the date of the transmission but if sent after 5.00p.m in which case on the next normal business day after the transmission.

22.4 Any notice given under this Agreement must be in writing.

## **REQUIREMENT TO ACT REASONABLY**

23.1 Each Party agrees that it is fundamental to the successful operation of the Franchise that they act towards each other:

23.1.1 Reasonably; and

23.1.2 In good faith.

23.2 Each Party agrees to do so.

This agreement is signed by

Franchisor .....

Solicitor .....

Franchisee .....

Solicitor .....