



FRANCHISE DISCLOSURE DOCUMENT

BNI Franchising, LLC
A Delaware Limited Liability Company
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You will open and operate a territory consisting of referral groups composed of non-competing business professionals known as Chapters. Each of the Chapters will have Members that are business professionals that your franchise will train and instruct as to how to grow each one's own business through qualified referrals using the structure and format provided by us. If you or your Members make referrals to broker-dealers or investment advisers, you or your Members may be subject to additional licensing requirements in certain states.

The total investment necessary to begin operation of a BNI franchise ranges from \$53,395 to ~~\$273,145~~193,645. This includes between \$45,895 and ~~\$245,645~~166,145 that must be paid to the franchisor or its affiliate(s).

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

The terms of your contract will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your contract. Read all of your contracts carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "[A Consumer's Guide to Buying a Franchise](#)," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 7, [2025, as amended October 10, 2025](#)

Business Connections Co., LTD does not operate any businesses similar to the BNI franchises in the United States.

Business Connections Vietnam Co., LTD, a Vietnamese limited liability company formed on January 23, 2023 is our affiliate. The principal address of Business Connections Vietnam Co., LTD is No. 87-89, Ho Ba Kien Street, Ward 15, District 10, Ho Chi Minh City, Vietnam. Business Connections Vietnam Co., LTD does not and has never offered any franchises in any lines of business in the United States. Business Connections Vietnam Co., LTD does not operate any businesses similar to the BNI franchises in the United States.

Scion Social Holdings LLC, a Delaware limited liability company formed on June 25, 2020, is our affiliate and a wholly-owned subsidiary of BNI Global, LLC. The principal address of Scion Social Holdings LLC is 3430 Toringdon Way, Suite 300, Charlotte, North Carolina 28277. Scion Social Holdings LLC does not and has never offered any franchises in any lines of business in the United States. Scion Social Holdings LLC does not operate any businesses similar to the BNI franchises.

Scion Social Pvt Limited, an Indian company, is our affiliated. The principal address of Scion Social Pvt Limited is 21/3, Wood street, Ashok Nagar, Bangalore, Karnataka, 560025 India. Scion Social Pvt Limited does not and has never offered any franchises in any lines of business in the United States. Scion Social Pvt Limited does not operate any businesses similar to the BNI franchises in the United States.

Scion Social Pte Ltd, a Singapore company, is our affiliated. The principal address of Scion Social Pte Ltd is 116, Middle Road, #07-01 ICB Enterprise House, Singapore (188972). Scion Social Pte Ltd does not and has never offered any franchises in any lines of business in the United States. Scion Social Pte Ltd does not operate any businesses similar to the BNI franchises in the United States.

We are in the business of granting and providing services to our franchisees consisting of the opportunity to open and operate business networking referral groups, known as a Chapter or Chapters ("Chapter" or "Chapters"), under the BNI® trade name, trademark and system of operating procedures. To become a Member ("Member") of a Chapter, a Member must pay an annual subscription fee. You will pay us a royalty based on the gross revenues you receive from the operation of your Franchised Business. Our predecessor has offered BNI® franchises since 1991 and we took over offering franchises in December 2014. Our affiliate, BNI Global, LLC, owns and operates several BNI® franchises and has done so since December 2014. We have not and do not operate any businesses other than BNI® franchises.

We will grant you the right to operate one (1) BNI® franchise to be operated within an area designated by us, in our sole discretion (the "Territory") specified in the Franchise Agreement found in this Disclosure Document as Exhibit B (the "Franchise Agreement"). The Territory shall be located within specific zip codes, or otherwise as we deem appropriate, in order to describe an area that contains a population of two hundred and fifty thousand (250,000) people or more. We may, in our sole discretion, grant you a Territory containing a population of less than 250,000 people. New franchisees will be required to sign the Franchise Agreement attached to this Disclosure Document as Exhibit B. You will ~~develop and operate Chapters, which are composed of 25 or more non-competing businesspeople or Members, to generate qualified referrals for the other Members using our trademarks, programs and systems of operations. The Chapter Members meet weekly to engage in structured meetings during which they may exchange qualified referrals utilizing the structure and format of our program~~[Fra](#). The market for business networking is fully developed. Your competitors include businesses that primarily help provide or generate

2024. In addition, he also served as our Interim Chief Financial Officer from October 2021 to May 2022.

~~Vice President Franchise Development: Adam Petersen~~

~~Mr. Petersen has served as our affiliate's Vice President of Franchise Development since January 2025 and performs his duties from Charlotte, NC. Previously, Mr. Petersen served as Vice President of Franchise Development for Re-Bath LLC from November 2022 to January 2025. Before that, Mr. Petersen served as the Franchise Sales Manager of Ori Zaba's, a fast casual Mexican restaurant chain based in Las Vegas, Nevada, from January 2020 to November 2022. Before that, he worked as a Regional Manager for Winmark Capital Corporations from December 2014 to December 2019.~~

President U.S. Franchise: Lisa Renz

Mrs. Renz has served as President U.S. Franchise of our affiliate since April 2024 and performs her duties from Virginia Beach, VA. Previously, Mrs. Renz served as the U.S. National Director of Franchised Territories from January 2022 to April 2024, Director of U.S CORE Field Performance from September 2021 to December 2021, and Regional Director for our CORE Northeast Region from April 2021 to August 2021, all in Virginia Beach, VA. Mrs. Renz was a BNI Executive Director from April 2006 to April 2021.

Item 3. **Litigation** **n**

Pending litigation.

BNI Franchising, LLC and BNI Global, LLC v. Network In Action Intl., LLC, No. 4:24-cv-03126 (S.D. Tex. filed August 22, 2024). We and our affiliate filed suit against Network In Action for tortious interference with contract, violations of the Defend Trade Secrets Act, violations of the Texas Uniform Trade Secrets Act and Federal trademark infringement. On December 23, 2024, defendants filed counterclaims alleging monopolization and attempted monopolization under the Sherman Antitrust Act, unfair competition under Texas Law, and monopolization or attempted monopolization under the Texas Antitrust Act. We intend to file a motion to dismiss all counterclaims. A trial is not yet scheduled.

Previous litigation.

Nirupam S. Patel v. BNI Worldwide Development Limited and BNI Global Franchise Corporation Limited; BNI Global Franchise Corporation Limited v. Nirupam S. Patel, Niraj Shah, and BNI Training Services Private, LTD, International Centre for Dispute Resolution Case No. 01-16-0002-8101, filed July 11, 2016.

On July 11, 2016, Nirupam S. Patel filed an arbitration demand with the International Centre for Dispute Resolution ("ICDR") against BNI Worldwide Development Limited ("BNI") and BNI Global Franchise Corporation Limited claiming that BNI breached four master franchise agreements when BNI declined to renew those master franchise agreements in accordance with their terms. Patel also claimed that BNI breached the implied covenant of good faith and fair dealing when it declined to renew Patel's master franchise agreements. BNI Worldwide Development Limited responded by denying the allegations and filing a counterclaim and a third-party claim against Patel and his former co-master franchisees in India, Niraj Shah and their entity, BNI Training Services Private,

your Territory, according to the following formula: \$35,000 for up to two hundred and fifty thousand (250,000) people in your Territory, plus \$150 per each one thousand (1,000) people over 250,000.

Example 1: If you purchase a Franchised Business with a population of 300,000, your Initial Franchise Fee would be \$42,500 (\$35,000) + [(300,000 – 250,000)/1000 x \$150 = \$7,500].

Example 2: If you purchase a Franchised Business with a population of 200,000, your Initial Franchise Fee would be \$35,000.

Training Fee

You will be assessed a Training Fee (“Training Fee”). The Training Fee shall include \$1,800 per individual for the Executive Director Training (“Executive Director Training”), \$900 per individual for the Support Director Consultant Orientation (“Support Director Consultant Orientation”), and \$900 per individual for the Launch Director Consultant Orientation (“Launch Director Consultant Orientation”). You will need to complete all three (3) training programs to our satisfaction, before opening any new Chapter(s), for a total cost of \$3,600 per individual. A greater Training Fee will be charged for any additional individuals attending training. *Example:* The total Training Fee for one (1) Executive Director Training, one (1) Launch Director Consultant Orientation, and three (3) Support Director Consultant Orientations, would be \$5,400.

If you and one other individual attend all three (3) programs, the total cost will be \$7,200. A second Executive Director (“Executive Director”) is optional. As such, this scenario and the corresponding fee amount is not included in our estimated costs.

Initial Supplies

You must purchase initial supplies for your Franchise either from us or our authorized supplier for a total cost of between \$7,200 and \$8,400. The exact cost will primarily depend on the number of Members in your Franchise. You are responsible for shipping and handling costs.

Video Conferencing License

You must purchase Zoom video conferencing license(s) (or the then-currently required video conferencing software) to provide Chapters with an alternative to in-person Chapter meetings when in-person meetings are not possible. You can sign up for the enterprise account with Zoom for ninety-five dollars (\$95) or the then most current cost per license, which you pay directly to us and which shall renew annually in March unless otherwise noted. Should you require more than one license, the costs will be multiplied accordingly. Where you have multiple Chapters that meet on the same day with overlapping times, multiple licenses will be needed as BNI strongly recommends that each Chapter utilize their own BNI Zoom license. Your Zoom license can only be used by one user at a time and as a result, we anticipate that you will need multiple licenses in order to support your BNI Online or BNI Hybrid Chapters. *Example:* a franchisee with 51 Chapters, would pay a total of \$4,845 (51 Chapters x \$95 = \$4,845).

Membership Valuation Fee

~~If there are pre-existing Members within the Territory we grant to you, you will pay us a Membership Valuation Fee (“Membership Valuation Fee”). The Membership Valuation Fee, if applicable, shall be due upon signing of the Franchise Agreement and is deemed fully earned by us, and non-refundable in whole or in part under any circumstances. The Membership Valuation~~

~~Fee shall be calculated as follows: (Number of existing Members in territory) x (the retention percentage) x (the membership fee).~~

~~Unless otherwise specified, each of the aforementioned initial fees are due upon signing of the Franchise Agreement and are deemed fully earned by us and are non-refundable in whole or in part under any circumstances.~~

Referral Fee

If after you have become a BNI franchisee, you complete and send us a referral form which clearly identifies you as the party making the referral, and you refer to us a prospective franchisee for a BNI franchise (not as a part of a transfer), and your referred individual actually purchases a BNI franchise (and pays our initial franchise fees), we may (and we reserve the right to or not to, at our discretion) provide you with a Referral Fee ("Referral Fee") according to the table below. The referral must be sent to us in writing and the prospective franchisee must not be previously known or solicited by us. We may implement, end or change this policy, and/or impose additional rules or conditions, in our reasonable business judgment. You are strictly prohibited from any involvement in the franchise solicitation, offering or sales process. You are simply passing along to us the name of an individual that you know, who may be interested in acquiring a new BNI franchise.

Referred Individuals Who Acquire a New BNI Franchise	Referral Fee
1 st	\$2,500
2 nd	\$3,000
3 rd	\$3,500
4 th	\$4,000
5 th	\$4,500
6 th (and above)	\$5,000

Item 6. Other Fees

(Column 1) Type of fee	(Column 2) Amount (See Note 1)	(Column 3) Due Date	(Column 4) Remarks
Continuing Royalty	20% of the previous month's gross revenues for your franchise as outlined and subject to the conditions set out in Note 2 below.	On or before the 15 th day of each month	(See Note Notes 1 and 2)
Out of Territory Continuing Royalty	20% of gross revenues	On or before the 15th day of each month	This fee applies to all gross sales generated by the Franchised Business in servicing Chapters in TAFS (defined below) (See Note 2)
Member Success Kit Fee	Then current-fee, currently \$20 per kit	As incurred	You must purchase from us, or our authorized supplier, all kits required for new Members as determined by us.
Chapter Branding Kit	Then-current fee, currently	As incurred	All BNI Chapters are required

Fee	\$499 per kit		utilize a Chapter Branding Kit as determined by us. You must purchase from us, or our authorized supplier, all kits required for new Chapters as determined by us.
Indemnification	Will vary depending upon loss	On demand	You must indemnify us if we incur losses arising out of the operation of your business.
Fee for our Audit of your Franchise for the Franchise Agreement	Cost of audit if you understated gross revenues by more than 2% and any unpaid fees owed to us	Within 7 days of being invoiced by Us	You must pay any unpaid fees and the costs of the audit if you understated gross sales by more than 2%.
Application Fee	\$360	Prior to the transfer	You must pay this fee to us with your application of approval for a transfer.
Renewal Fee	25% of the Initial Franchise Fee calculated for your Territory. For purposes of clarity, the Renewal Fee will be 25% of the Initial Franchise Fee paid by you, upon signing the Franchise Agreement.	Prior to renewal	You must pay this fee to us when you renew your Franchise Agreement. (See Note 3)
Transfer Fee	5% of the sales price (inclusive of any non-cash consideration using market valuation) or 25% of the then-current Initial Franchise Fee \$15,000 , whichever is greater, but in no event greater than \$50,000	Prior to the transfer	You must pay this fee to us when your franchise is sold
Assignment Fee for the Franchise Agreement	\$600	Prior to the assignment	(See Note 34)
Support Services Brand Compliance Fee for the Franchise Agreement	\$720 per month	On demand, until default is cured	Only assessed if you do not comply with the requirements we establish for the operation of your franchise.
Late Fee	Upon being late, 3% of the outstanding amount, or the maximum allowed by law, whichever is more	On demand	Applies to any fee owed under the Franchise Agreement that is late.
Interest for the Franchise Agreement	1.5% per month or the maximum allowed by law, whichever is more, on any balance unpaid by more than 30 days	On demand	Payable on all amounts overdue by more than 30 days.
Administrative Processing Fee for the Franchise Agreement	\$600	Prior to approval of a Temporary Manager	You must pay this fee for us to consider approval of a Temporary Manager to temporarily operate the franchise if you become disabled or deceased.
Research and	Then-current contribution,	On or before	(See Note 45)

Development ("R&D") Contribution	currently, \$36 annually per every new and renewing Member	the 15 th day of the month following such Member's joining or renewing.	
Video Conferencing License	\$95 per license	Annually	(See Note 56)
Training Fee	Then-current fee, currently \$1,800 per person for Executive Director Training, \$900 per person for Support Director Consultant Orientation, and \$900 per person for Launch Director Consultant Orientation	Prior to opening your business	
Optional Customer Relationship Management License	\$399-999 per license per year	On demand	(See Note 67)
Annual National Conference	\$599-\$1,499	Annually	(See Note 78)
Annual National Conference Non-Attendance Fee	\$599-\$1,499	On demand	(See Note 78)
Periodic ED Summit	\$0-\$499	On demand	(See Note 78)
ED Summit Non-Attendance Fee	\$0-\$499	On demand	(See Note 78)
Global Convention	\$899-\$1199	Biennially	(See Note 78)
Global Convention Non-Attendance Fee	\$899-1199	On demand	(See Note 78)
Member Success Center Program	Currently zero. Will vary by location if introduced	Upon BNI introducing such program	(See Note 89)
Minimum Annual Royalty Fee	Varies by location	Payable by January 31 st of the following calendar year, but only if your Continuing Royalty payments for the preceding calendar year are less than the Continuing Royalty Annual Target (the "Annual CR	(See Note 910)

		Target"). The Minimum Annual Royalty Fee, if applicable, will vary based upon the market, the performance of other franchisees and the Annual CR Target calculation	
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Notes:

1. All fees are imposed by us and are payable to us unless we tell you otherwise. All fees are non-refundable. All fees must be paid via ACH or in any other form that we may require. Business checks are not accepted method of payment. All fees imposed by us are uniformly imposed on all franchisees subject to the offering in this Disclosure Document; however, we reserve the right to waive or reduce any such fees as circumstances warrant, and in the past, we have reduced royalties for certain existing franchisees who met certain performance goals as part of an incentive program. The term "Gross Revenues" is defined in the Franchise Agreement and means all sums received or receivable by you in and from the operation of your franchise, including but not limited to fees paid by Members called application and participation fees (or other fees that may be added in the future), including any applicable associated late fees. Gross Revenues shall include any applicable Core Group Application Fees but shall not include any R&D Contribution. "Core Group" means a group of membership applicants that have been accepted as potential members and allowed to participate in a group while such group is working to qualify as a Chapter. "Core Group Application Fees" means the then-current application fee for membership plus any other fees associated with the Core Group (exclusive of membership dues). You must pay us a Continuing Royalty in the amount of 20% of the prior month's Gross Revenues, including any Gross Revenues generated outside your Territory. We must receive your payment of the Continuing Royalty on or before the 15th of each month. The Franchise Agreement requires that you pay by electronic funds transfer or in any other form that we may require. Business checks are not accepted method of payment.

~~2. If we grant you the right, in our sole discretion, to service Chapters outside the Territory that are not serviced by another franchisee (we consider any such Chapter as being located in a "Territory available for Sale" or "TAFS") you must comply with all of the conditions and other requirements that we may from time to time specify (in the operations manuals or otherwise in writing) with respect to such activities. You shall pay us, in addition to the Continuing Royalty and any other fees due to us, Out of Territory Continuing Royalty ("OOT Continuing Royalty") in the amount of 20% of the prior month's Gross Revenues received or receivable by you in and from servicing Chapters located in TAFS.~~

3. If you are purchasing a Territory with existing Members, you will pay an additional amount equal to the number of memberships in your Territory at the time of purchase multiplied by the then current one-year membership rate for the Territory multiplied by 30%

(the “Additional Royalty”). The Additional Royalty is in addition to the monthly Continuing Royalty equal to 20% of all Gross Revenues in the Territory. You will pay the Additional Royalty until such time when the Gross Revenue generated by you in the Territory reaches three (3) times the trailing twelve months Gross Revenue in the Territory at the time of purchase. The Additional Royalty is calculated for the full year ahead and is billed quarterly, with the first payment due 90 days after the purchase of the territory and then every 90 days thereafter. We must receive your payment of this amount on or before the 15th of the following month. The Franchise Agreement requires that you pay by electronic funds transfer or in any other form that we may require. Upon each anniversary of the Franchise Agreement, Additional Royalty will be recalculated based on the number of memberships at the time of purchase multiplied by the current one-year membership rate for the Territory.

3. Current franchisees may pay a different renewal fee, as prior franchise agreements may contain materially different terms as compared to the form of Franchise Agreement attached to this FDD as Exhibit B

4. Under the Franchise Agreement, you must pay this fee to us when you assign your franchise to any non-individually owned entity that you own 100% of the voting stock or, if the ownership of your franchise consists of more than one individual, then each individual must have the same proportionate ownership interest in the non-individually owned entity as that individual had in the franchise prior to the assignment.

45. This fee is paid by you to us to help support our efforts in, among other things, (i) updating and enhancing our Operating Management System, (ii) creating new technology-related, value-added Franchisee and/or member focused programs, (iii) developing and launching new marketing-related technology-based programs and activities, such as marketing automation, and (iv) maintaining the foregoing by way of an operating expense. Nothing shall preclude us from separately developing other programs with our separately derived consideration even if such programs overlap with or could be deemed to fall within the scope of programs that might otherwise be supported by the R&D Contribution. You shall pay us, or a third party designated by us, a monthly continuing Research & Development Contribution as defined in Article 1 of the Franchise Agreement, in the then-current amount, currently in the amount of \$36 per every new and renewing Member per year paid in the month following such member’s joining or renewing, respectively (“R&D Contribution”). We reserve the right to increase the R&D Contribution amount every 2 years from the date of last increase regardless of when you signed your Franchise Agreement and may do so upon a 60-day notice to you.

56. BNI has developed two new meeting formats BNI Online® and BNI Hybrid. BNI Online® is a virtual online tool to serve as an alternative to in-person Chapter meetings when in-person meetings are not possible and has now become one of our permanent options for meetings. The program consists of a virtual online meeting platform, a meeting manual/agenda/script, and a customized PowerPoint deck. BNI Online® Chapters are Chapters that meet permanently online using video conferencing software each week. BNI Hybrid Chapters are Chapters that meet the first week in person and the remaining weeks online. BNI may change the schedule of in-person and online meeting cadences for Hybrid Chapters in the future. BNI may, in its sole discretion, modify or require you to resume face-to-face meetings at any time, upon written notice to the franchise system, without an individual written notice to each franchisee.

You must use Zoom Video Conferencing, or the then-currently required video conferencing software, to meet your digital connectivity needs. You can sign up for the enterprise account with Zoom for Ninety-five Dollars (\$95) or the then most current cost per license, which you pay directly to us and which shall renew annually in March unless otherwise noted. Should you require more than one license, the costs will be multiplied accordingly. Where you have multiple Chapters that meet on the same day with overlapping times, multiple licenses will be needed as BNI strongly recommends that each Chapter utilize their own BNI Zoom license. Your Zoom license can only be used by one user at a time and as a result, we anticipate that you will need multiple licenses in order to support your BNI Online® or BNI Hybrid Chapters. This price is subject to change at any time and without prior notice. You must agree in writing to Zoom's terms and conditions (available at <https://www.zoom.us/terms>). BNI reserves the right to change the third-party video conferencing provider or add an additional third-party video conferencing provider at any time and in its sole discretion with prior notice to you.

67. We may require you to use a customer relationship management system ("CRM") in order to better organize your Members or local marketing efforts. Currently, our CRM provider is Creatio ("Creatio"), we offer Creatio licenses for purchase and participation is voluntary. However, we reserve the right to make Creatio mandatory. You are required to use the company or organization that is approved by us. You will pay us our cost in using such CRM system or we may require you to pay for the CRM service directly to the provider. We may change the CRM provider upon notice to you, but we will not change such provider more than one time each year during the Term of your Agreement with us. This fee will be in addition to the R&D Contribution and Video Conferencing License.

78. You must attend at least one (1) conference for Directors ("National Conference") in its entirety each year organized by us at a location determined by us. If the National Conference is offered in person, then you must attend in person. You must bear all expenses incurred in connection with attendance of the Global Convention, including registration fees and travel, lodging, and other associated expenses. You are expected to attend and fully participate in the National Conference. Full participation is defined as attending all general sessions and no fewer than 80% of breakout sessions and/or trainings. If you fail to attend the mandatory conference each year, you must pay a conference non-attendance fee to us, which will be equal to the cost of the registration ticket, within thirty (30) days of conclusion of the conference. Payment of the National Conference non-attendance fee does not absolve you from potential default for non-compliance with this requirement.

You must attend one (1) ED Summit ("ED Summit") each year organized by us at a location determined by us. If the ED Summit is offered in person, then you must attend in person. At our discretion we may waive the attendance fee for any of the attendees if we believe that there is a good business reason to do so. If you fail to attend the mandatory annual ED Summit, you must pay the corresponding ED Summit non-attendance fee to us, which will be equal to the cost of the registration ticket, within thirty (30) days of conclusion of the ED Summit. Payment of the ED Summit non-attendance fee does not absolve you from potential default for non-compliance with this requirement.

You must attend our Global Convention organized by us at a location determined by us ("Global Convention") in its entirety at least twice during the term of the Franchise Agreement. If the Global Convention is offered in person, then you must attend in person. You must bear all expenses incurred in connection with attendance of the Global

Convention, including registration fees and travel, lodging, and other associated expenses. You are expected to attend and fully participate in the Global Convention. Full participation is defined as attending all general sessions and no fewer than 80% of breakout sessions and/or trainings. If you fail to attend the mandatory Global Convention at least once every 24 months, you must pay a convention non-attendance fee to us, which will be equal to the cost of the registration ticket, within thirty (30) days of conclusion of the convention. Payment of the Global Convention non-attendance fee does not absolve you from potential default for non-compliance with this requirement.

89. We reserve the right to establish a call center dedicated to supporting Members and/or providing other customer service functions (“Member Success Center” or “MSC”). We reserve the right, in our sole discretion, to require you to utilize the BNI Member Success Center for your benefit, the benefit of Members, and the BNI brand generally, as set forth by our standards and requirements. If we require you to utilize the MSC, then you will be responsible for the payment of any costs associated with services provided to you in connection with the MSC.

910. If applicable, you must pay the amount of money necessary to bring your total Continuing Royalty payments for the preceding calendar year, up to the Annual CR Target amount. We will calculate the Minimum Annual Royalty Fee, if applicable, once per year following the end of the calendar year.

Item 7.
Estimated Initial Investment

<u>YOUR ESTIMATED INITIAL INVESTMENT</u>					
(Column 1) TYPE OF EXPENDITURE¹	(Column 2) AMOUNT		(Column 3) METHOD OF PAYMENT	(Column 4) WHEN DUE	(Column 5) TO WHOM PAYMENT IS TO BE MADE
	Lowest Estimate d Amount	Highest Estimated Amount			
Initial Franchise Fee (See Note 2)	\$35,000	\$147,500	Lump Sum	At signing of Franchise Agreement	Us
Orientation and Travel Expenses (See Note 3)	\$2,000	\$4,000	As incurred	Prior to traveling to training	Independent Vendors
Training Fees (See note 4)	\$3,600	\$5,400	As incurred	Prior to attending training	Us
Supplies, Equipment and Software (See Note 5)	\$7,200	\$8,400	As incurred	Before opening	Us or Our Affiliate
Video Conferencing License (See Note 6)	\$95	\$4,845	As incurred	(See Note 6)	Us
Professional Fees (See Note 7)	\$2,000	\$10,000	As incurred	Before opening	Independent Vendors

Computer System	\$500	\$1,500	As incurred	Before opening	Independent Vendors
Advertising Expenses	\$500	\$1,000	As incurred	As Incurred	Independent Vendors
Deposits	\$500	\$1,000	As incurred	Before opening	Independent Vendors
Insurance (See Note 8)	\$1,000	\$5,000	As incurred	Before opening	Independent Carrier
Additional Funds – 3 Months (See Note 9)	\$1,000	\$5,000	As incurred	Before opening	Various
Membership Valuation Fee (See Note 10)	—\$0	\$79,500	Lump Sum	At Signing of Franchise Agreement	Franchisor
Total (See Note 4110)	\$53,395	\$273,145 193,645			

Notes:

1. Payments to us (or to an affiliate) are not refundable. Payments made to third party vendors are subject to the terms and conditions of those vendors. We do not provide any direct or indirect financing for the initial fee, other fees or other costs paid to us or to third parties.
2. See Item 5 for the formula used to calculate your Initial Franchise Fee. The Initial Franchise Fee is charged per Territory. If the Territory assigned to you includes a population of up to 250,000 people, the Initial Franchise Fee shall be \$35,000. As described in this table, the high end of the estimated range assumes a Territory with a population of 1,000,000 $[(\$35,000) + (1,000,000 - 250,000/1000 \times \$150) = \$147,500]$. The Initial Franchise Fee is payable in one lump sum. You must pay the total amount of the Initial Franchise Fee upon the signing of the Franchise Agreement. You are required to pay the Initial Franchise Fee by electronic funds transfer or in any other form that we may require, payable to us. Business checks are not accepted method of payment.
3. You should allow at least \$2,000 per person for travel, lodging, food and other miscellaneous living expenses incurred during the Executive Director Training. Your actual cost will vary, depending on the distance to be traveled, your method of travel, and your personal circumstances.
4. You are required to attend our mandatory five (5) day minimum (it can be longer or shorter if BNI so approves) Executive Director Training at a time we designate. Under the Franchise Agreement, you are required to pay us \$1,800 for you and \$1,800 for each individual that you have attend the Executive Director Training, \$900 for you and \$900 for each individual that you have attend the Support Director Consultant Orientation, and \$900 for you and \$900 for each individual that you have attend the Launch Director Consultant Orientation, all of which are part of our required training. For purposes of estimating training, the lowest estimated amount includes one Executive Director Training, one Support Director Consultant Orientation, and one Launch Director Consultant Orientation; and the highest estimated amount includes one Executive Director Training, one Launch Director Consultant Orientation, and three Support Director Consultant Orientations. If you are an Executive Director and have successfully completed our Support Director Consultant Orientation and Launch Director Consultant Orientation in the past 24 months and paid the

training fee, then you can attend the Support Director Consultant Orientation for a reduced fee of \$450. Orientation will be held at BNI's headquarters in Charlotte, North Carolina, or at a location approved by BNI, or virtually. Your expenses and your personnel's expenses incident to attendance at all required training programs, including travel, lodging, meals, transportation, and other incidental expenses, shall be paid by you. You may be required to pay for any additional training programs provided by us.

5. Upon the execution of your Franchise Agreement, you must purchase from us or our affiliates or an authorized provider, initial supplies, materials and software licenses required for the operation of your franchise. These payments are not refundable.
6. The highest estimated amount is calculated based on the number of Chapters in our largest franchisee-owned territory, multiplied by the Zoom Video Conferencing rate of \$95 per license. The largest franchisee-owned territory in our system currently has 51 Chapters. If your Territory has more Chapters, your video conferencing license fee may be higher than our highest estimated amount. You must use Zoom or then current video conferencing software in order to help facilitate BNI Online® and BNI Hybrid Chapter meetings and to ensure all Members have the same great online experience worldwide. BNI has worked with Zoom Video Conferencing to negotiate a preferred rate to meet your digital connectivity needs. Through BNI, you can sign up for the enterprise account with Zoom for Ninety-Five Dollars (\$95) per license, which you pay directly to us and which shall renew annually in March. Should you require more than one license, the costs will be multiplied accordingly.
7. Includes incorporation fees, accounting fees, and other professional fees that may arise in Setting up your BNI business.
8. You will need to purchase and maintain in effect at all times during the term of the Agreement a policy or policies of insurance, naming us as an additional insured on the face of each policy, for (1) bodily and personal injury, death, property damage, personal and advertising injury, products liability and contractual liability in the amount of \$2,000,000 per occurrence, and (2) data breach, data security and cyber liability in the amount of \$1,000,000 per occurrence. You must also purchase any other insurance as required by law. The amounts in this section refer to your first year's premiums for the enumerated policies.
9. We recommend that you have additional funds available during the start-up phase of your franchise. These amounts are our estimates of the amount needed to cover your expenses for a three (3) month period from the date you open for business. We expect that you will work from a home office, but if you choose to work from a commercial space you will incur additional costs for real estate expenses, which may vary based on the real estate market of your location. These figures are only estimates. We cannot assure you that you will not have additional expenses starting your franchise. We based these cost estimates on our experience with opening our franchises, assisting BNI franchisees in the opening of BNI franchises and over 26 years of experience working with BNI franchises.
- ~~10. You may incur an additional fee if the Territory granted to you has existing Members. Included here is an estimated range of the Membership Valuation Fee you might incur. If the Territory granted to you contains zero (0) pre-existing Members, we will not charge a Membership Valuation Fee. As described in this table, the high end of the estimated range assumes a Territory with 150 pre-existing Members, a 50% retention percentage and a~~

~~membership fee of \$1,060 (150 x 50% x \$1,060 = \$79,500). The Membership Valuation Fee, if applicable, shall be due upon signing of the Franchise Agreement and is deemed fully earned by us, and non-refundable in whole or in part under any circumstances. The high end of the estimated range is based on our estimate of national average costs, our estimate of national average retention percentage, market conditions prevailing as of the issuance date of this disclosure document, and our affiliates' experience operating company-owned outlets.~~

10. ~~11.~~ The estimates in this table are based on our estimate of national average costs and market conditions prevailing as of the issuance date of this disclosure document. We have based these estimates on the experiences of our affiliates and franchisees in developing BNI franchises. These are only estimates and your costs and, the range of those costs, may vary. These estimates do not include interest and financing charges that you may incur, and they do not include management level compensation payable to you or your owners. We do not guarantee that you will not have additional expenses. We strongly recommend that you review the figures and estimates in Items 6 and 7 carefully with a business advisor before you sign the Franchise Agreement.

Item 8.

Restrictions on Sources of Products and Services

You must purchase initial supplies (membership applications, member packets, training materials and other Chapter materials) from the list of items in Exhibit B of the Franchise Agreement, including the Operating Management System, from us, our affiliate or another authorized supplier prior to the opening of your franchise, unless the franchise you purchase already has an operating Chapter and sufficient supplies and materials to operate the franchise. You must license and use the Operating Management System in the operation of each Chapter. You must purchase additional supplies from us as you need them in the operation of your franchise. We allow you to use other suppliers to provide many of our supplies and materials as long as we approve the alternative supplier in writing (as described in the procedure below) and these supplies and materials meet our branding standards as provided at www.bnibranding.com/director-materials. Upon your request, we will provide you with the criteria we use for approving suppliers. We will receive revenue from franchisees' purchases of these supplies based on an increase to their costs of producing these supplies and the proprietary value assessed to these supplies.

You must purchase a computer from an independent vendor with the capabilities of utilizing our operating software for the operation of your franchise. We do not receive any revenue from your purchase of a computer.

We may require you to use a customer relationship management system ("CRM") in order to better organize your Members or local marketing efforts. Participation is optional; however, we reserve the right to make use of the CRM mandatory. You are required to use the company or organization that is approved by us. You will pay us our cost in using such CRM system or we may require you to pay for the CRM service directly to the provider. We may change the CRM provider upon notice to you, but we will not change such provider more than one time each year during the Term of your Agreement with us. This fee will be in addition to the R&D Contribution and Video Conferencing License.

If you wish to purchase any of the required materials described above from an alternative supplier, you must first submit an electronic or written request to us requesting permission to do so. We do

extension of time to provide approval or denial. If the request is not ultimately denied by BNI, then Franchisee shall complete the remaining conditions under this Section prior to the Renewal being granted. Upon acceptance of the offer for Renewal, in order to complete the Renewal, the Franchisee shall comply with all of the following and failure to so comply prior to the expiration of this Agreement shall automatically terminate this Agreement upon such expiration date:

- a. Franchisee and its Owners shall be in compliance with this Agreement and bring the Franchised Business into compliance with specifications and standards then applicable for new BNI Franchises, including any applicable re-imaging; and
- b. Franchisee and its Owners shall execute a general release of any and all claims that Franchisee and its Owners have or may have at that time against BNI, its officers, directors, agents, representatives and employees in the form prescribed by BNI; and
- c. Franchisee and its Owners shall satisfactory complete a standard criminal history background check and financial background check; and
- d. Franchisee and its Owners shall participate in a business plan presentation ("Regional Business Plan Meeting") which may include, among other things, in-person meeting with leadership team at BNI's then-current offices and presentation by Franchisee of its vision and strategy for growth in its Territory.
- e. Franchisee and its Owners shall execute a new franchise agreement in the form then being used by BNI, which may materially differ from this Agreement as to term, fees, services, terms, provisions and obligations; and
- f. Franchisee shall remit to BNI a renewal fee ~~in the amount of~~ equal to twenty-five percent (25%) of the ~~current~~ Initial Franchise Fee ("Renewal Fee"); and
- g. Franchisee shall complete and/or execute any other documents that are required by BNI and provide any additional information that is required by BNI; and
- h. Franchise shall complete any training required by BNI at that time.

If this Agreement expires by its terms without any renewal, Franchisee shall comply with all post-termination provisions in this Agreement, each of which shall survive the expiration of this Agreement.

3.4 No Franchisee Right to Terminate. There are no conditions contained in this Agreement under which Franchisee may terminate this Agreement prior to the expiration of the Term of this Agreement except by mutual agreement with BNI and execution of a mutual release, or by sale of the Franchised Business to another franchisee in good standing or to a qualified third party in accordance with this Agreement.

ARTICLE 4

FEES AND PAYMENTS

4.1 Initial Franchise Fee. In consideration of the Franchised Business granted in this Agreement by BNI to Franchisee, Franchisee shall pay to BNI, upon the Effective Date, an Initial

of our permanent options for meetings. The program consists of a virtual online meeting platform, a meeting manual/agenda/script, and a customized PowerPoint deck. BNI Online® Chapters are Chapters that meet permanently online using video conferencing software each week. BNI Hybrid Chapters are Chapters that meet the first week in person and the remaining weeks online. BNI may change the schedule of in-person and online meeting cadences for BNI Hybrid Chapters in the future. BNI may, in its sole discretion, alter or stop the use of BNI Online® at any time without prior individual written notice to Franchisee.

In order to help facilitate BNI Online® and BNI Hybrid meetings, BNI has worked with Zoom Video Conferencing to assist you to set up the necessary digital platform. Franchisee can sign up for the enterprise account with Zoom for Ninety-Five Dollars (\$95) or the then most current cost per license ("Video Conferencing License"), which shall renew annually in March unless otherwise noted. Should Franchisee require more than one license, the costs will be multiplied accordingly. Where Franchisee has multiple Chapters that meet on the same day with overlapping times, multiple licenses will be required as BNI strongly recommends that each Chapter utilize their own BNI Zoom license. Franchisee's Zoom license can only be used by one user at a time and as a result, we anticipate that Franchisee will need multiple licenses in order to support its BNI Online® or BNI Hybrid. This price is subject to change at any time and without notice. The Zoom license fee paid to BNI shall not be refunded for any reason and upon expiration or termination of this Agreement for any reason the Zoom license granted to Franchisee through BNI terminates as of the date of termination or expiration of the this Agreement. Franchisee must agree in writing to Zoom's terms and conditions (available at <https://www.zoom.us/terms>). Franchisee agrees to indemnify and hold harmless BNI, its parents, affiliates, and their respective officers, directors, and employees from and against any claims, damages or losses resulting from Franchisee's acts and/or omissions in using the Zoom licenses. BNI reserves the right to change the third-party video conferencing provider or add an additional third-party video conferencing provider at any time and in its sole discretion with prior notice to Franchisee.

Franchisor reserves the right to inspect any Chapter meetings occurring through Zoom and access your Zoom accounts at any time and without prior notice.

Franchisee shall make the initial payment for its license(s) prior to opening its Franchised Business. BNI shall not be responsible for any damages that Franchisee may suffer as a result of its use of the BNI Online® platform or Zoom.

4.3 Continuing Royalty. Franchisee shall pay Franchisor a monthly fee equal to twenty percent (20%) of Gross Revenues as defined herein ("Continuing Royalty") for the use of the BNI System and BNI Marks, including Gross Revenues received or receivable by Franchisee in and from servicing Chapters located in TAFS (if any). Franchisee shall remit to BNI the Continuing Royalty on or before the fifteenth (15th) of each month based on the previous month's Gross Revenues. Franchisee shall remit to BNI a royalty report and a goal progress report as required by BNI with the remittance of the Continuing Royalty each month. Submittal of the required report and payment of the Continuing Royalty in readily available funds must be received by BNI no later than the 15th of the month in which they are due or be subject to the late fees as provided below in the Article. The Continuing Royalty is an obligation that is separate and apart from any other financial obligation that Franchisee has to BNI. Any payment of the Continuing Royalty that is not in compliance with this Article is a material breach of this Agreement.

~~**4.3.1. Continuing Royalty; Out of Territory.** Franchisee shall pay Franchisor Out of Territory Continuing Royalty ("OOT Continuing Royalty") in the amount of twenty percent (20%) of the prior month's Gross Revenues received or receivable by Franchisee in and~~

~~from servicing Chapters located in TAFS. Franchisee shall remit to BNI the OOT Continuing Royalty on or before the fifteenth (15th) of each month based on the previous month's Gross Revenues. Franchisee shall remit to BNI a royalty report as required by BNI with the remittance of the OOT Continuing Royalty each month. Submittal of the required report and payment of the OOT Continuing Royalty in readily available funds must be received by BNI no later than the 15th of the month in which they are due or be subject to the late fees as provided below in the Article. The OOT Continuing Royalty is an obligation that is separate and apart from any other financial obligation that Franchisee has to BNI. Any payment of the OOT Continuing Royalty that is not in compliance with this Article is a material breach of this Agreement.~~

4.4 Gross Revenues. The term "Gross Revenues" means all sums received or receivable by Franchisee in and from the operation of the Franchised Business, including, but not limited to, sums received from fees paid by Members called application and participation Fees (or other fees that may be added in the future), including any applicable associated late fees. There shall be deducted from Gross Revenues for purposes of said computation (but only to the extent that they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to Members. Unless BNI agrees otherwise, once the Continuing Royalty is paid, it shall be non-refundable. Franchisee shall not give any free memberships unless pre-approved in writing by BNI. Should Franchisee provide its Members, employees, agents, contractors, or representatives with membership without concurrent payment (e.g., tolling of membership dues), said membership and application fees (or other fees that may be added in the future) shall be included as part of Gross Revenues as if paid in full at that time by a Member, unless provided otherwise by BNI in writing or in any then current policy memorandum issued by BNI. BNI shall provide reasonable advance written notice of any revision to its current policy memorandum that changes which fees are included in, or excluded from, the definition of Gross Revenues. Gross Revenues shall include any applicable Core Group Application Fees (following thirty (30) days' notice of the Operating Management System's being enabled to account for such fees, if not yet so enabled) but shall not include any R&D Contribution.

4.5 Other Fees, Costs, Expenses, Taxes, Etc. Franchisee shall remit to BNI any and all payments fees, costs, expenses, taxes and charges which are paid by BNI, in BNI's sole discretion and without any obligation to do so, on behalf of Franchisee in connection with products, services, supplies, marketing materials, equipment, goods, materials or inventory furnished to Franchisee by BNI or by any third party, or otherwise, including, but not limited to, amounts paid to vendors, contractors, insurance carriers and any sales, use, transfer or other taxes, assessments or charges paid to governmental agencies arising from the existence, operation or maintenance of the BNI Franchise.

4.6 Method of Payment. Franchisee shall remit all payments due to BNI under this Agreement by electronic funds transfer in readily available funds as set out herein or in any other form that BNI may require.

4.7 Training Fees. Franchisee must remit to BNI an Executive Director Training Fee in the amount of One Thousand Eight Hundred Dollars (\$1,800) per attendee. Franchisee must remit to BNI a Support Director Consultant Orientation Fee in the amount of Nine Hundred Dollars (\$900) per attendee. Franchisee must remit to BNI a Launch Director Consultant Orientation Fee in the amount of Nine Hundred Fifty Dollars (\$900) per attendee. If applicable, an Executive Director who has successfully completed the Support Director Consultant Orientation or Launch Director Consultant Orientation in the past 24 months and paid the respective training fees, then such Executive Director or their employee/independent contractor can attend the Support Director

Consultant Orientation and Launch Director Consultant Orientation for a reduced training fee of Four Hundred Fifty Dollars (\$450). Each respective training fee must be remitted to BNI prior to attending the Executive Director Training, the Support Director Consultant Orientation, or Launch Director Consultant Orientation. Each respective training fee is subject to change at any time at the sole discretion of BNI. Franchisee shall pay for all travel, room and board, living expenses, employee wages and workers' compensation insurance during the Executive Director Training, the Support Director Consultant Orientation and Launch Director Consultant Orientation. Franchisee is required to attend and complete the Executive Director Training to BNI's satisfaction at a schedule arranged by Franchisor. The Franchisee shall fulfill all mandatory training requirements of an Executive Director that BNI has in place at the time of the purchase. BNI may also offer optional additional training programs to franchisees and may charge a fee for these trainings.

4.8 Late Payments and Remedies. Any Continuing Royalty or any other fee or payment owing to BNI that is late shall incur a fee of three percent (3%) of the outstanding amount, or the maximum allowed by law, whichever is more. At any time, Franchisee has an outstanding amount due under this Agreement, BNI may collect such outstanding amount from any funds due to Franchisee held by BNI or an affiliate of BNI. In addition, any amount owed to BNI that is outstanding more than thirty (30) days shall incur interest at a rate of one and one-half percent (1.5%) per month or the maximum allowed by law, whichever is more. Nothing in this Agreement is to be construed to mean that Franchisee shall pay, or has contracted to pay, any sum in excess of that which may lawfully be charged or contracted for under any applicable law. The intention of the parties is to conform strictly to applicable usury laws, and it is agreed that if an excess is inadvertently collected, it shall be applied to reduce the amount of any fees owed by Franchisee under this Agreement. No claim by Franchisee that BNI is in default under any provision hereof shall be a defense to a claim by BNI for Continuing Royalties or other amounts owing hereunder. Franchisee shall not, on the grounds of the alleged non-performance by BNI of any of its obligations hereunder, withhold payment of any amounts due to BNI.

4.9 Applicable Law. Franchisee understands that it may be required, under applicable federal, state or local law, to secure permission from the appropriate government authority to operate a BNI Franchise. Franchisee is solely responsible to familiarize itself, and comply with, all applicable federal, state and local laws, and BNI has made no representations as to the nature of such laws or Franchisee's ability to qualify under such laws. Franchisee is responsible for any local or state sales tax, or any other tax applicable to the purchase of the BNI Franchise and/or the supplies included in the Initial Franchise Fee.

4.10 Research and Development Contribution. You shall pay us, or a third party designated by us, a continuing monthly Research & Development Contribution as defined in Article 1, in the then-current amount, currently in the amount of \$36₁ per every new and renewing Member per year paid in the month following such member's joining or renewing, respectively ("R&D Contribution"), including those Members associated with Chapters located in TAFS. We reserve the right to increase the R&D Contribution amount every 2 years from the date of last increase regardless of the Effective Date of this Agreement, and may do so upon a 60-day notice to you.

4.11 Minimum Annual Royalty Fee. If applicable, Franchisee will pay Franchisor a Minimum Annual Royalty Fee (the "Minimum Annual Royalty Fee"). The Minimum Annual Royalty Fee will be payable by January 31st of each year, as set forth in Exhibit I, but only if Franchisee's Continuing Royalty payments for the preceding Measurement Period (the "Measurement Period"), are less than the Continuing Royalty Annual Target (the "Annual CR Target"). The Measurement Period shall be the twelve (12) months from October 1st to September 30th. The Franchisor will calculate the Annual CR Target once per year, following the end of each Measurement Period, as follows:

i) Franchisor shall determine the annual Continuing Royalty amounts paid by each BNI franchisee in the United States that were both: 1) operating from October 1st to September 30th; and 2) had at least twenty-five (25) Members in each territory (the "Measurement Group");

ii) Franchisor shall determine the Continuing Royalty per population Multiple (the "CR Multiple"), for each BNI franchisee in the Measurement Group, by dividing each BNI franchisee's total annual Continuing Royalties by the corresponding territory population;

iii) Franchisor shall sort all BNI franchisees in the Measurement Group by their CR Multiple, from highest to lowest. The CR Multiple corresponding to the 25th percentile shall be the National Minimum Annual Royalty Standard (the "National Minimum Annual Royalty Standard"); and

iv) Franchisor will multiply the National Minimum Annual Royalty Standard by Franchisee's Territory Population to determine Franchisee's Annual CR Target.

If Franchisee's actual Continuing Royalties paid during the preceding ~~Measurement Period~~calendar year are less than Franchisee's Annual CR Target, the difference shall become due and payable by Franchisee. Such difference shall be the Minimum Annual Royalty Fee. Franchisee shall be subject to compliance with the Minimum Annual Royalty Fee requirements, commencing with the second Measurement Period following the Effective Date.

Notwithstanding the foregoing, if this Agreement is a successor to or renewal of a prior franchise agreement under which Franchisee operated the Franchised Business, then Franchisee shall be subject to compliance with the Minimum Annual Royalty Fee requirements, commencing with the first Measurement Period following the Effective Date.

Example: For a franchisee subject to compliance with the Minimum Annual Royalty Fee requirements, with a territory population of 1,250,000, when the National Minimum Annual Royalty Standard was .01825, if the franchisee paid a total of twenty thousand dollars (\$20,000) in Continuing Royalty for the preceding Measurement Period, the Minimum Annual Royalty Fee due to Franchisor, would be \$2,812.50 $[(1,250,000 \times .01825) - \$20,000 = \$2,812.50]$.

4.12 ~~Membership Valuation Fee~~Additional Royalty. If ~~applicable~~the Territory has existing Members as of the Effective Date and as described on Exhibit I ("Existing Members"), Franchisee ~~will also must~~ pay Franchisor ~~a Membership Valuation Fee (the "Membership Valuation Fee") as set forth in Exhibit I, for any pre-existing Members in an additional amount equal to the number of Existing Members multiplied by the then current one-year published membership rate for the Territory multiplied by thirty percent (30%) (the "Additional Royalty")~~. The ~~Membership Valuation Fee will be due and payable by~~Additional Royalty is in addition to the monthly Continuing Royalty and is not included in calculating the Minimum Annual Royalty Fee requirements. Franchisee ~~in one lump sum, fully earned by~~must pay Franchisor, ~~and non-refundable, at the Additional Royalty until such time of signing when the Agreement. The Membership Valuation Fee shall be calculated as follows: (Number of existing Members Gross Revenues generated by Franchisee in the Territory reaches three (3) x (times the retention percentage) x (the membership fee).~~

Example: For a franchisee with one hundred and fifty (150) pre-existing Members in the Territory, a retention percentage of 50% and a membership fee of \$1,060, the Membership Valuation Fee due to Franchisor would be \$79,500 $(150 \times 50\% \times \$1,060 = \$79,500)$.

~~Notwithstanding the foregoing, if this Agreement is a successor to or renewal of a prior franchise agreement under which Franchisee operated the Franchised Business, then Franchisee shall not be required to pay a Membership Valuation Fee.~~ trailing twelve months Gross Revenues in the Territory as of the Effective Date. The Additional Royalty is calculated for the full twelve (12) months ahead and is billed quarterly, with the first payment due ninety (90) days after the Effective Date and then every ninety (90) days thereafter. Franchisee must pay Franchisor for the Additional Royalty on or before the fifteenth (15th) of the following month. Upon each anniversary of the Effective Date, the Additional Royalty will be recalculated using the then-current published one-year membership rate for the Territory.

ARTICLE 5

TRAINING AND OPENING

5.1 Executive Director Training. Franchisor shall provide the Executive Director Training program to Franchisee's Principal Owner at a location and time designated by BNI. This may be a multi-day training. BNI will use BNI Orientation Leaders and Trainers for the Executive Director Training. Franchisee's Principal Owner must attend and successfully complete the Executive Director Training within six (6) months of the Effective Date and before opening any new Chapter(s). Notwithstanding the foregoing, if this Agreement is a successor to or renewal of a prior franchise agreement under which you operated the Franchised Business, then Franchisee's Principal Owner shall remain in compliance with this Section 5.1 if Franchisee's Principal Owner has attended and successfully completed the Executive Director Training program within five (5) years prior to the Effective Date. In addition to the Executive Director Training program and as BNI deems necessary in its sole discretion, BNI may provide additional training on site by an authorized BNI Orientation Leader and Trainer. If provided, Franchisor reserves the right to charge Franchisee for additional training. The timing of such additional training shall be at the sole discretion of BNI. BNI may terminate this Agreement should Franchisee's Principal Owner fail, in the sole opinion of BNI, to satisfactorily complete the Executive Director Training program as required herein. Franchisee's Principal Owner, must also successfully complete Support Director Consultant Orientation and Launch Director Consultant Orientation within six (6) months of the Effective Date.

5.2 Franchisee Training and Staffing. Franchisee shall train and instruct each person employed in the operation of the BNI Franchise in the methods and techniques developed by BNI. Such training and instruction shall be based upon and given in accordance with the Executive Director Training, the Support Director Consultant Orientation, the Launch Director Consultant Orientation, the Directors Materials (defined below) and the BNI System and shall be provided prior to participation by such employee in the BNI Franchise. Any employee of Franchisee that is given access to any BNI materials must first sign a current Non-Disclosure, Non-Solicitation and Non-Compete Agreement in a form required by BNI before being permitted to act in this role or being trained. Franchisee may utilize Directors/Director Consultants to carry out its obligations to the Chapters/Members in training the Members and supervising the Chapter leadership teams. These Directors/Director Consultants must be qualified by BNI before participating in this role. These Directors/Director Consultants must also sign the then current Non-Disclosure, Non-Solicitation and Non-Compete Agreement before being permitted to act in this role or being trained. BNI requires Franchisee to have all Directors/Director Consultants attend Support Director Consultant Orientation and Launch Director Consultant Orientation prior to participating in this position. Support Director Consultant Orientation and Launch Director Consultant Orientation must be conducted by an approved BNI Orientation Leader and Trainer. The fee for the Support Director

- b. Franchisee and its Owners must ensure that all its employees, Directors/Director Consultants, Ambassadors, and any type of leadership Members conduct themselves in such manner as not to discredit or adversely affect the reputation of the BNI System or the BNI Marks. Franchisee and its Owners will immediately notify BNI if any of Franchisee's Owners, principals, directors, managers, employees, independent contractors, Ambassadors, Leadership Team Members, Support Leadership Team Members or agents are arrested or questioned by the police in connection with an offense.
- c. Franchisee and its Owners shall ensure that all of its employees, Directors/Director Consultants, Ambassadors, and Leadership and Support Leadership Team Members engaged in the operation of the BNI Franchise during working hours, conduct themselves in conformance with standards set out by Franchisor and in compliance with any applicable Federal, State and/or local laws, communicate with BNI personnel in a cooperative manner, and provide competent and efficient service to the Members.

6.7 Standard Hours. Franchisee shall make its best effort to conduct BNI meetings within the fifty-two (52) weeks of each year according to the BNI System taking into consideration local holidays, habits and customs.

6.8 Observation/Visitation of Chapters. Franchisee or a trained Director/Director Consultant shall visit each Chapter within the Territory at least once every six (6) to eight (8) weeks. Franchisee shall maintain and, upon request, submit to BNI a current monthly report on the status of each Chapter within the Territory using a form provided by BNI.

6.9 Products and Services. Franchisee shall offer and sell only the products and services in the BNI Franchise which are approved by BNI in writing and no other products and/or services. Franchisee shall offer all products and services that BNI designates as required for all franchisees. If BNI expands or modifies the approved products and/or services required to be offered by the BNI Franchise, Franchisee shall comply with such expansion or modification within ninety (90) days of written notification by BNI. The offering and/or selling of any unapproved products and/or services by Franchisee shall be considered a Noncompliant Act and a material breach of this Agreement. Franchisee shall remit payment for all outstanding invoices from BNI within thirty (30) days from the date of invoice. Invoices under this provision do not include the Continuing Royalty or Additional Royalty (if any) which is governed by Article ~~4.34~~ herein. Franchisee agrees and understands that past due invoices are subject to late fees as provided in Article 4.

6.10 Promotional and Marketing Materials. Franchisee shall use only those promotional and marketing materials or items which are authorized by BNI in writing and in accordance with BNI's Branding Standards. Franchisee shall not display or use the BNI Marks without the prior written approval of BNI. Franchisee shall get prior written approval prior to releasing or using any local printing, advertising or promotional programs, other than those provided by BNI. Failure to comply with this Article shall be an infringement upon BNI's proprietary rights and a material breach of this Agreement. Franchisees shall be responsible to monitor the promotional activities of its Chapters and ensure compliance with the BNI Branding Standards. Franchisee shall be further responsible for the actions taken by its Chapters in contravention of this Agreement.

During the Term of this Agreement, BNI may establish and conduct promotional and marketing campaigns on a national or regional basis, which may, by way of illustration and not limitation,

- a. Franchisee is not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and BNI or its affiliates and Franchisee is in compliance in all respects with this Agreement including being in full compliance with all payments due BNI for any reason;
- b. Franchisee or the proposed assignee shall remit a nonrefundable application fee of Three Hundred Sixty Dollars (\$360) ("Application Fee") along with a current application in forms required by BNI. The Application Fee is subject to change at the sole discretion of BNI. If the application from the proposed assignee is approved by BNI and a Transfer Fee is remitted as required below, then the Application Fee will be applied as a partial payment of the Transfer Fee;
- c. Franchisee pays to BNI a Transfer Fee in the amount of five percent (5%) of the sales price (inclusive of any non-cash consideration using market valuation) or ~~25% of the then-current Initial Franchise Fee~~ \$15,000, whichever is greater, but in no event greater than \$50,000. Franchisee agrees that the Transfer Fee is reasonably required to cover BNI's expenses relating to said transfer; in the event of a transfer between two or more partners or owners of Franchisee, the remaining partner/owner must pay the Transfer Fee;
- d. BNI receives written notice of the proposed transfer at least ninety (90) days prior to the anticipated closing date, together with all forms required by BNI and any other information BNI may request concerning the proposed assignee or the proposed transaction between Franchisee and the prospective assignee;
- e. Franchisee pays all taxes, debts and obligations owed to third parties which relate to Franchisee's operation of the BNI Franchise or the proposed assignee otherwise assumes such liabilities;
- f. Franchisee transfers to BNI any and all its rights, titles and interests to any and all internet domain names associated with the BNI Franchise;
- g. The proposed assignee, is not an existing franchisee of BNI, and, in BNI's sole judgment, satisfies all of BNI's business and financial standards and requirements; has the aptitude and ability to operate the BNI Franchise; possesses a good business reputation and credit rating, and possesses the aptitude and ability to conduct the Franchised Business in an economic and businesslike manner (as may be evidenced by prior related business experience or otherwise); and that the proposed assignee complete and be approved through BNI's standard franchise application and selection process, including but not limited to a satisfactory completion of a standard criminal history background check, financial background check, and an in-person visit/interview at BNI's headquarters, currently in Charlotte, North Carolina. If the proposed assignee does not meet the financial standards and requirements necessary for approval of the requested transfer, BNI may, at its own discretion, approve the requested transfer conditioned on the execution of a guarantee of all payment obligations by Franchisee of up to the first twelve (12) months of the proposed assignee's franchise agreement. There can be no more than three proposed assignees unless approved by BNI in writing, and each proposed assignee must meet the requirements in this paragraph (g). All proposed assignees must be owners of the newly formed entity;

IN WITNESS WHEREOF, the parties have duly executed this Agreement in multiple originals, each of which may stand alone as an original, and acknowledge that they signed this in their stated capacities, on the date set forth hereinabove.

BNI:

BNI FRANCHISING, LLC

By: _____
~~Mary Kennedy Thompson~~ Lisa Renz,
~~GEO~~ President

Franchisee:

[NAME OF FRANCHISEE]

By: _____
[Name], [title]

EXHIBIT I

GENERAL TERMS

General Terms:

Initial Franchise Fee: _____

~~First Measurement Period: October 1, 202[] to September 30, 202[]~~

First Minimum Annual Royalty Fee Invoice Date (if applicable):

January 31, 202[] ~~Membership Valuation Fee:~~

Territory Population:

Renewal Fee:

Existing Members: _____

Referral Bonus Schedule:

Referred Individuals Who Acquire a New BNI Franchise	Referral Fee
1 st	\$2,500
2 nd	\$3,000
3 rd	\$3,500
4 th	\$4,000
5 th	\$4,500
6 th (and above)	\$5,000

EXHIBIT I

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	December 31, 2024, as amended October 10, 2025
Hawaii	April 18, 2025, as amended (pending)
Illinois	April 7, 2025, as amended (pending)
Indiana	April 7, 2025, as amended October 10, 2025
Maryland	See Separate FDD
Michigan	July 16, 2025, as amended October 10, 2025
Minnesota	May 5, 2025, as amended (pending)
New York	May 2, 2025, as amended October 10, 2025
North Dakota	April 9, 2025, as amended (pending)
Rhode Island	July 15, 2025, as amended (pending)
South Dakota	April 29, 2025, as amended (pending)
Virginia	See Separate FDD
Washington	April 30, 2025, as amended October 10, 2025
Wisconsin	April 8, 2025, as amended (pending)

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT J

RECEIPT (Your Copy)

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If BNI Franchising, LLC offers you a franchise, it must provide this Disclosure Document to You 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates the franchise relationship. Maryland, Michigan, and Oregon require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If BNI Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed on Exhibit E.

The issuance date of this Disclosure Document is April 7, [2025, as amended October 10, 2025](#).

The name, principal business address, and telephone number of the franchise sellers offering the franchise are: Michael Walchonski, BNI Franchising, LLC, 3430 Toringdon Way, Suite 300 Charlotte, NC 28277; (704) 248-4800.

Any additional individual franchise sellers (name and address) involved in offering the franchise are:

BNI Franchising, LLC authorizes the respective state agencies identified on Exhibit G to receive service of process for it in the particular state.

I received a Disclosure Document dated April 7, 2025, [as amended October 10, 2025](#), that included the following Exhibits:

A.	Financial Statements	F.	List of Current Franchise Locations
B.	Franchise Agreement	G.	List of Agents for Service of Process
C.	Form of General Release	H.	List of Franchisees Who Have Left the System
D.	State Specific Addenda	I.	State Effective Dates
E.	List of State Administrators	J.	Receipt

Date: _____ (Do Not Leave

Print Name

Please sign and date this receipt. You may keep this copy for your records.

EXHIBIT J

RECEIPT (Our Copy)

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If BNI Franchising, LLC offers you a franchise, it must provide this Disclosure Document to You 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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D.	State Specific Addenda	I.	State Effective Dates
E.	List of State Administrators	J.	Receipt

Date: _____
(Do Not Leave Blank)

Signature of Prospective Franchisee

Print Name