

FRANCHISE DISCLOSURE DOCUMENT
TRUE MOVEMENT FRANCHISING INC.
a Delaware Corporation

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True Movement Franchising Inc. offers franchises for the operation of a True Movement® Studio providing stability, mobility and strength training for rehabilitation, conditioning and to enhance athletic performance using a proprietary patent-pending spring-loaded care True Movement Platform®, with proprietary training methodologies, the True Movement Method®.

The total investment necessary to begin the operation of a True Movement® Studio franchise ~~ranges from approximately~~ is ~~\$334,650~~ \$337,550 to ~~approximately \$1,056,200~~ 1,055,250. This includes ~~an initial franchising fee of~~ \$50,000 that must be paid to the franchisor ~~or an~~ and the \$144,000 to \$168,000 paid by you to the franchisor's affiliate for the True Movement Platforms.

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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Erin Baker at erin@truemovement.ca.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract 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, DC 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 also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: June 25, 2025

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit I.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to start a True Movement® Studio business. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit H includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only True Movement® Studio business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a True Movement® Studio franchisee?	Items 20 or Exhibit I lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit B.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About This Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation only in Edmonton, Alberta, Canada, and arbitration ~~only in Wilmington, Delaware and~~ or litigation only in Wilmington, Delaware. Out-of-state mediation, arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Alberta, ~~or to arbitrate with the franchisor in~~ Canada and/or Wilmington, Delaware ~~or to litigate with the franchisor in Wilmington, Delaware rather~~ than in your own state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21) calls into question the franchisor's financial ability to provide services and support to you.
4. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" in Exhibit C to see whether your state requires other risks to be highlighted.

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Exhibits

A	Franchise Agreement Schedule A – Address of Premise and Territory Schedule B - Marks Schedule C - Conditional Assignment Provisions Schedule D - General Security Agreement
B	List of State Agencies
C	State Addenda to this Disclosure Document
D	State Amendments to the Franchise Agreement
E	Confidentiality and Deposit Agreement
F	Mutual Release Agreement
G	Table of Contents of the True Movement® Operations Manual
H	Financial Statements
I	List of Current Franchisees and Franchisees Who Have Left the System

disclosure document.

We grant franchises to qualified candidates in the United States for the operation of Franchised Businesses using the System and identified by the Marks. We began offering franchises in June, 2025. We do not operate businesses of the type being franchised. We do not conduct any other business activities.

Parents, Predecessors and Affiliates

The following companies are our parents:

Name and Address	Business
True Movement U.S. Inc. 5424 Thibault Wynd Edmonton, Alberta T6R 3J1	True Movement U.S. Inc. is a holding company incorporated in Delaware that owns all shares of True Movement Franchising Inc.
2702571 Alberta Ltd., an Alberta Corporation 2500-1030 Jasper Avenue NW Edmonton, Alberta T5J 3N6	2702571 Alberta Ltd. is a holding company that owns all shares of True Movement U.S. Inc.
2702570 Alberta Ltd., an Alberta Corporation 2500-1030 Jasper Avenue NW Edmonton, Alberta T5J 3N6	2702570 Alberta Ltd. is a holding company that owns the majority of shares of 2702571 Alberta Ltd.

Our parents have not offered franchises in any line of business. Our parents do not conduct any other business.

We have not acquired a majority of our assets from any person. Therefore, by definition, we do not have any predecessors.

The following companies are our affiliates (that is, they control, are controlled by, or are under common control with, us and either offer franchises or provide products or services to our franchisees):

Name and Address	Business
2436173 Alberta Ltd., an Alberta corporation 5424 Thibault Wynd Edmonton, Alberta T6R 3J1	2436173 Alberta Ltd., formed on June 3, 2022 , is the owner of certain of the Marks and other intellectual property such as patents for the True Movement Platform®, which are licensed to True Movement Franchising, Inc. and are to be sublicensed to you. 2436173 also owns the inventory of True Method Platforms® and will receive all income from the sale of

	these platforms to you.
2583234 Alberta Ltd., an Alberta corporation, engaging in business under the name of True Movement 5424 Thibault Wynd Edmonton, Alberta T6R 3J1	2583234 Alberta Ltd. has franchised True Movement® Studios in Canada since May 2024.
1411475 Alberta Ltd., an Alberta corporation 5424 Thibault Wynd Edmonton, Alberta T6R 3J1	1411475 Alberta Ltd. operated a True Movement® Studio in Edmonton, Alberta starting in February 2014. That studio was used to design the True Movement Platform®, refine the True Movement Method® and develop the System and the True Movement® franchise program. The Edmonton studio moved to the System’s new 10,000 square foot flagship location in Edmonton, Alberta in August, 2024. 1411475 Alberta Ltd. is also the owner of certain of the Marks which are licensed to True Movement Franchising, Inc. and are to be sublicensed to you.
2628030 Alberta Ltd. 11204 178 St NW, Edmonton, AB T5S 1P2	2628030 Alberta Ltd., registered on July 2, 2024 , is an affiliate that owns True Movement’s new flagship studio, which . This location is used as the Franchisor’s head office, — and will be used for training True Movement® franchisees and their personnel including initial training to be provided to the Guarantors and to your studio manager and the certification training to be provided to those individuals using the True Movement Method®.

2436173 Alberta Ltd. has not offered franchises in any line of business and does not conduct the type of business you will operate.

2583234 Alberta Ltd. has not offered franchises in any other line of business and does not conduct the type of business you will operate. 2583234 Alberta Ltd. has never offered franchises of any kind in the United States.

1411475 Alberta Ltd. and 2628030 Alberta Ltd. have not offered franchises in any line of business.

General Description of the Market and Competition

Our services are typically provided to members of the public, amateur and professional athletes, and amateur and professional sports teams as part of their training programs in support of rehabilitation, conditioning and achieving athletic performance. The consumer market for such services includes anyone who desires to improve or maintain his or her health and fitness or to combat obesity.

The market for specialized exercise or physical wellness services is well established and developed.

~~Specialized exercise and physical wellness businesses are affected by general economic conditions, tight credit markets, restrictive business lending conditions, unemployment levels which may affect discretionary spending by consumers, and the presence of competition. There may be unforeseen changes in the economy or our industry.~~ You will compete directly with local and national franchises and chains and other businesses that offer exercise services and products such as health clubs, as well as physical therapy, ballet, yoga or Pilates studios. Fitness studios are generally not seasonal businesses, although there may be local seasonal variations and variations related to weather or health closures such as COVID-19.

Industry Specific Laws and Regulations

In addition to laws and regulations that apply to businesses generally, you may be subject to health club and fitness instructor regulations in your state, city or county. These regulations may include registration and bonding requirements and may require training to use and maintain safety equipment such as automated external defibrillators. Some states require training and certification in cardiopulmonary resuscitation (CPR) and first aid, which you and/or your employees will have to complete before opening your Franchised Business.

There may be other state and other governmental regulations that apply specifically to the fitness center industry. For example, federal FDA regulations require certain disclosures must be made for weight loss programs, medical claims made to sell nutritional products, and certain health warnings must be given. In addition, state laws in many states require that health club or fitness center contracts have specific financial disclosures to customers, require limitations on advance membership fees, limit other contract terms, have bonding requirements and other consumer protections.

These laws vary from jurisdiction to jurisdiction. It is your responsibility to become familiar with these laws.

ITEM 2 BUSINESS EXPERIENCE

Erin Baker: Director, President and Secretary-Treasurer: Erin Baker

Erin Baker has been our Director, President, Secretary-Treasurer in Edmonton, Alberta, Canada since April 29, 2025. Since June 3, 2022, Erin has served as CEO of our affiliate, 2583234 Alberta Ltd., in Edmonton, Alberta, Canada. Erin has also served as CEO of our affiliate, 2628030 Alberta Ltd. in Edmonton, Alberta, Canada, since July 3, 2024. Since September 2009, Erin has owned and operated True Movement wellness and exercise studios in Edmonton, Alberta, Canada.

EMPLOYER	JOB TITLE	LOCATION (CITY, STATE)	START DATE (MONTH, YEAR)	END DATE (MONTH, YEAR)
True Movement	Director, President, Secretary-Treasurer	Edmonton, Alberta, CA	April 2025	Present
2628030 Alberta	CEO	Edmonton,	July 2024	Present

understands that 2473361 Alberta Ltd. has sublet the premises from which it operated its True Movement® licensed business to a third party. The parties exchanged affidavits of documents in December 2023 and the case is dormant with no further steps taken to advance the claim or the counterclaim.

ITEM 4 BANKRUPTCY

No ~~person previously identified in Items 1 or 2 of this disclosure document has been involved as a debtor in proceedings under the U.S. Bankruptcy Code or any foreign equivalent~~bankruptcy information is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Deposit

A deposit in the amount of Ten Thousand Dollars (\$10,000) plus applicable taxes (the “Deposit”) is payable to us concurrent with the execution and delivery by you of our Confidentiality and Deposit Agreement. This payment is due at least 14 days after we have provided you with the FDD. The Deposit is applied toward payment of the initial franchise fee payable under the Franchise Agreement. If a Franchise Agreement is not entered into within 30 days of execution of the Confidentiality and Deposit Agreement, the Deposit, less our reasonable out-of-pocket expenses, is refundable to you upon return to us of all confidential materials provided to you.

Initial Franchise Fee

An initial franchise fee of Fifty Thousand Dollars (\$50,000) is payable by you to us concurrent with the execution and delivery of the Franchise Agreement (the “Initial Franchise Fee”). This initial fee is payable in two payments: the deposit of \$10,000, and then \$40,000 upon execution of the Franchise Agreement. The Initial Franchise Fee is deemed fully earned by us upon payment. If, within nine (9) months of signing the Franchise Agreement, a suitable location for the Franchised Business has not been found or a lease has not been signed by you, then until you have entered into a lease in accordance with the provisions of the Franchise Agreement, we may terminate the Franchise Agreement by giving you not less than twenty (20) days’ notice of termination. If notice of termination is given, then unless you have entered into a lease prior to expiry of the notice period, the Franchise Agreement will terminate. Upon termination, each of us will deliver to the other such releases and other documents as may be required to fully rescind all agreements between us and we will refund to you the Initial Franchise Fee less the sum of Fifteen Thousand Dollars (\$15,000) to reimburse us for costs and expenses incurred and for the opportunity lost as a result of the termination. The Initial Franchise Fee is not otherwise refundable.

True Movement Platforms

To open a True Movement® Studio you must purchase at least 12 True Movement Platforms® from our affiliate 2436173 Alberta Ltd. prior to opening. The cost per platform is \$12,000. This figure is

included in the figures listed on page 1 that detail the total investment necessary to begin operations of a True Movement® Studio franchise.

Initial Certification Training Fees

We do not charge a fee for Level 1 certification training for your Guarantor(s), initial Studio Manager, and up to three True Movement® trainers. You must employ at least three certified Level 1 trainers to open and operate a True Movement® Studio. If you want additional employees to obtain Level 1 trainer certification that fee is \$1,000 per trainer payable to us prior to that employee’s commencement of Level 1 training.

**ITEM 6
OTHER FEES**

Type of Fee	Amount	Due Date	Notes
Royalty	Seven percent (7%) of Gross Revenue	Monthly	See Note 1
Special Assistance Fee	Actual time-expended (currently at a rate of <u>Currently \$250/ per hour)</u> and <u>any</u> actual expenses incurred <u>by us</u>	As incurred	Payable if you require special assistance beyond the scope of the assistance we must provide under the Franchise Agreement.
Renewal Fee	25% of the then current Initial Franchise Fee	Concurrently with the renewal of the franchise	
Transfer Review Fee	\$2,500	Payable upon submission for approval of proposed transfer	See Note 2
Transfer Fee	An amount equal to fifty percent (50%) of the then-current initial franchise fee for the franchise area	Concurrently with the Transfer of the franchise	

Type of Fee	Amount	Due Date	Notes
Indemnity	The amount of our losses	On demand	You and the Guarantors will jointly and severally indemnify and hold us and our affiliates, and our respective officers, directors, and shareholders harmless from losses arising from a breach of the Franchise Agreement or the operation of the Franchised Business
<u>Additional Trainer Fee</u>	<u>\$1,000 per trainer</u>	<u>Prior to trainer commencing Level 1 training</u>	<u>See Note 5</u>
<u>Continuing Education Fees</u>	<u>\$250 every two years</u>	<u>Prior to commencement of class</u>	<u>See Note 6</u>
<u>Additional Certification Fees for Levels 2 – 5 training</u>	<u>\$1,000 for each certification level</u>	<u>Prior to commencement of certification training</u>	<u>See Note 7</u>
<u>Annual Conference Fee</u>	<u>\$699-\$999 per person depending upon registration date</u>	<u>Prior to attendance at conference</u>	<u>See Note 8</u>

Notes

1. “Gross Revenue” means the entire amount of the actual sales price, whether for cash, credit or otherwise, of all sales of goods and services from the Franchised Business and all other receipts whatsoever from all business conducted at or originating from the True Movement® Studio or the Franchised Business, the proceeds from any business interruption insurance

received with respect to the Franchised Business and the value of any goods or services provided by the franchisee at less than normal prices. There will be no deductions allowed for uncollected or uncollectible credit accounts and no allowances will be made for bad debts. Each charge or sale upon instalment or credit will be treated as a sale for the full price in the week during which such charge or sale is made, regardless of when you receive payment. Gross Revenue will not include any amounts collected by you for any duly constituted governmental authority and paid out by you to such authority on account of applicable taxes and the face amount of any promotional coupon or gift certificate issued in connection with a System promotion by us and which is received or credited by you in full or partial satisfaction of the cost of any goods or services sold by the Franchised Business.

2. The transfer review fee will be credited against the Transfer Fee.
3. This fee becomes payable if an audit is made necessary by your failure to furnish reports, financial statements or returns or if your records were insufficient to permit a determination of Gross Revenue or if inspection or audit discloses an understatement of Gross Revenue by two percent (2%) or more of Gross Revenue.

The term “Prime Bank Rate” is the same as that listed in section 1.01(k) of the Franchise Agreement, which defines it as: “The highest domestic prime rate published in The Wall Street Journal (if no longer published, then a similar publication designated by the Franchisor.”

4. This fee becomes payable upon notice from us to you that there are ~~a sufficient number of~~ enough True Movement® Studios for us to conduct advertising and promotion programs. We have the right to increase the Advertising Fee from time to time provided that the Advertising Fee shall not exceed Four Percent (4%) of Gross Revenue. In addition to this fee, we require all franchisees to spend not less than \$2,000 per month during the Term on local advertising and promotion in your Territory.
5. We do not charge a fee for Level 1 certification training for your Guarantor(s), initial Studio Manager, and up to three True Movement® trainers. You must employ at least three certified Level 1 trainers to open and operate a True Movement® Studio. If you want additional employees to obtain a Level 1 trainer certification that fee is \$1,000 per trainer payable to us.
6. As detailed in Item 11, all True Movement® trainers must complete at least one continuing education module with us every two years. These modules are taught online and cost \$250 and the fee is payable to us.
7. As detailed in Item 11, Within four years of obtaining a new level of certification, a trainer or Studio Manager must advance to the next certification level. For example, in year 1, if your Studio Manager obtains Level 1 certification, by the end of year 4, he or she must have completed Level 2 certification. This requirement exists until trainers or studio managers have obtained Level 5 certification. Certification training costs \$1,000 per trainer, payable to us, for each level of certification.

8. We anticipate eventually holding an annual conference for franchisees and their studio managers. Attendance fees for such a conference will run from \$699 to \$999 per person, with early registration pricing offered to those who register more than 60 days in advance of the conference.

All amounts set out above are exclusive of applicable taxes and are non-refundable.

We may require that all fees and other amounts payable by you to us be paid by way of pre-authorized automatic transfer.

Unless otherwise indicated, all fees are payable only to us for our account and are uniformly imposed, though we retain the right to negotiate the above-listed fees with individual franchisees under unique circumstances.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount (Low)	Amount (High)	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	\$50,000	\$50,000	Wire Transfer	On signing Franchise Agreement	Us
Travel and Living Expenses for Initial Training (See Note 1)	\$1,150	\$6,000	As arranged <u>with provider</u>	As- incurred <u>Up on purchase</u>	Airlines, Hotels, Restaurants, Ground Transportation Service Providers
Certified Trainer Training Expenses <u>(See Note 2)</u>	\$1,150 per person <u>1,000</u>	\$7,100 per person <u>5,000</u>	As arranged <u>with provider</u>	As incurred <u>arra nged with provider</u>	Fees for certification- training; wages and compensation payable for attendees of training; travel, accommodation, and living expenses incurred by Franchisor's

Type of Expenditure	Amount (Low)	Amount (High)	Method of Payment	When Due	To Whom Payment is to be Made
					trainers during Certification Training <u>Us</u>
Professional Fees	\$2,000	\$15,000	As arranged <u>with provider</u>	As incurred <u>arranged with provider</u>	Lawyers, Accountants and other Professional Advisors
Construction and Leasehold Improvements (Note <u>23</u>)	\$50,000	\$500,000	As arranged <u>with provider</u>	As incurred <u>arranged with provider</u>	Architects, Engineers, Contractors and Suppliers
Governmental Permits and Licenses (Note <u>34</u>)	\$1,000	\$10,000	As arranged <u>with provider</u>	As incurred <u>arranged with provider</u>	State and Municipal Governments
Equipment and Furnishings (other than the True Movement Platform®) (Note <u>45</u>)	\$15,100	\$80,100	As arranged <u>with provider</u>	As incurred <u>Up on purchase</u>	Us and suppliers <u>Suppliers</u>
True Movement Platforms® (Note <u>56</u>)	\$144,000	\$168,000	Wire transfer	As incurred <u>Up on purchase</u>	Us <u>Our affiliate, 2436173 Alberta Ltd.</u>
Initial Supplies and Inventory (<u>other than True Movement Platform®</u>)	\$5,000	\$15,000	As arranged <u>with provider</u>	As incurred <u>arranged with provider</u>	Us <u>Suppliers</u>
Premises rental and deposit (Note <u>67</u>)	\$5,000	\$25,000	As arranged <u>with provider</u>	Monthly <u>As arranged with provider</u>	Landlord
Utility deposits (Note <u>78</u>)	\$1,000	\$2,500	As arranged <u>with provider</u>	As incurred <u>arranged with provider</u>	Suppliers

Type of Expenditure	Amount (Low)	Amount (High)	Method of Payment	When Due	To Whom Payment is to be Made
				<u>nged with provider</u>	
Grand Opening Advertising (Note 8 <u>9</u>)	\$15,000	\$30,000	<u>As arranged with provider</u>	As- incurred <u>Bef ore opening</u>	Suppliers
Local Advertising (Note 9 <u>10</u>)	\$2,000	\$2,000	<u>As arranged with provider</u>	As- incurred <u>Mo nthly</u>	Advertising sources, suppliers
POS Terminal Rental	\$250	\$1,500	<u>As arranged with provider</u>	As incurred <u>arra nged with provider</u>	Supplier
Additional Funds (3 months) (Note 10 <u>11</u>)	\$25,000	\$75,000	<u>As arranged with provider</u>	As incurred <u>arra nged with provider</u>	Employees, Suppliers, Utilities etc.
Insurance	\$2,000	\$10,000	<u>As arranged with provider</u>	Monthly	Insurer
Recovery Services (Note 11 <u>12</u>)	\$17,000	\$59,000	<u>As arranged with provider</u>	At- incurred <u>As arranged with provider</u>	Suppliers
<u>Software Subscriptions (Note 13)</u>	<u>\$1,000</u>	<u>\$1,000</u>	<u>As arranged with provider</u>	<u>As arranged with provider</u>	<u>Suppliers</u>
<u>CPR Training</u>	<u>\$50</u>	<u>\$150</u>	<u>As arranged with provider</u>	<u>Prior to taking training</u>	<u>American Red Cross</u>
TOTAL	\$334,650 <u>337, 550</u>	\$1,056,200 <u>1,0 55,250</u>			

All amounts described above are non-refundable and are exclusive of applicable taxes.

Notes

1. The cost of the initial training is included in the Initial Franchise Fee. However, you are responsible for the travel and living expenses incurred by the Guarantors and any of your employees attending training. The estimates provided here are per person.
2. As described in Item 11, you need at least three certified trainers to open your Franchised Business. A Studio Manager, if they complete the Level 1 certification training, may be one of these trainers. We do not charge for Level 1 certification training for your: Guarantor, first Studio Manager, and up to three additional trainers. The fee for any additional individuals enrolled in the Level 1 (or higher) certification training after opening is \$1,000 as described in Item 11.
3. ~~2-~~You are responsible to undertake, at your cost and expense, the construction of all leasehold improvements required at the Premises, the installation at the Premises of all Equipment and Furnishings required for the operation of the Franchised Business. The estimated cost includes architectural drawings and building permits.
4. ~~3-~~The high figure listed for governmental permits and licenses includes the cost of zoning permits.
5. ~~4-~~The equipment figure encompasses all equipment necessary to begin operations of the studio as specified in our Manual, other than the True Movement Platforms, and includes all office equipment,~~;~~ computer hardware,~~;~~ computer or iPad software,~~;~~ highspeed internet, ~~and;~~ required sound system with speakers, an amplifier, and a mixer; and, an iPad from which you will stream music.
6. ~~5-~~At all times you are required to have 12 True Movement Platforms® available for training at the Franchised Business. The ~~cost listed for the~~ True Movement Platforms® ~~does not include any tariffs, duties, or taxes that the United States may impose for the shipment of goods from Canada to the United States. Such tariffs or trade-related taxes may increase the price of a True Movement Platform®. You will bear sole responsibility for any increased costs directly related such tariffs, which may be imposed by U.S. federal agencies or custom brokers upon shipping~~ currently cost \$12,000 a platform to figure. This expense is based upon tariffs in effect as of June 25, 2025. The low amount estimate provided in Item 7 is for 12 platforms and the high amount estimate is for 14 platforms.
7. ~~6-~~This includes payment of up to two (2) months' rent, paid at the time of execution of the lease, one (1) month's rent generally held by the landlord as a security deposit to the end of the term of the lease. There may be an additional amount payable to the landlord to reimburse it for costs and expenses incurred in connection with its consent to a sublease of the premises, if required.

The approximate studio size is 3,000 square feet to 3,200 square feet. The studio may be a stand alone building or may be one of several businesses located within a larger building.

The building in which the studio is located will depend on your territory and this building may include strip plazas, stand alone structures, or commercial office buildings.

8. ~~7.~~ Deposits include security deposits for power, gas and telephone installation and other utilities.
9. ~~8.~~ You are required to spend not less than \$15,000 to conduct a grand opening promotional campaign and hold grand opening activities for the Franchised Business. You must retain our designated sales and business consultant, who will advise and assist you with the grand opening and promotional campaign. The required expense of working with the our sales and business consultant is included within the estimated provided for Grand Opening Advertising.
10. ~~9.~~ You must expend on local advertising and promotion in the Territory not less than Two Thousand Dollars (\$2,000) each month during the Term and must provide to us from time to time, upon request, reasonable evidence of such expenditures. All advertising and promotion conducted by you must comply with the policies and procedures for such advertising and promotion as set out in the Manual from time to time, must be completely factual and must conform to the highest standards of ethical advertising.
11. ~~10.~~ We estimate the start-up phase of the Franchised Business to be three (3) months from the date you open your business. “Additional Funds” is an estimate of the funds needed to cover business expenses during the start-up phase of the Franchised Business, such as payroll, taxes, loan payments and other operating expenses. This estimate is based upon our Canadian affiliate’s experience operating a True Movement® Studio. This category does not include royalties, or other fees you pay to us, nor does it include your salary or living expenses. ~~This does not mean that the Franchised Business will necessarily reach “breakeven” by the end of the start-up phase.~~ You may require more than this estimated amount to finance operations until a positive cash flow is produced.
12. ~~11.~~ We While we do not presently require you to purchase items for recovery services such as red-light therapy lamps or infrared saunas, ~~but~~ we may do so in the future. Therefore, an estimate has been provided for this potential future expenditure. We may require you to purchase these items from our preferred suppliers. If we require you to purchase any of these items, we will provide you written notice of our preferred suppliers.
13. This figure pertains to the software subscriptions you will need to operate your True Movement® Studio, which includes: Soundtrack, Walla, QuickBooks, Microsoft, OneDrive, and Canva. This software is further discussed in Item 11.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure a uniform image and uniform quality of products and services throughout the System, you must comply with the specifications, standards and operating procedures prescribed from time to time by us in our Manual or otherwise communicated to you in writing for the System and the operation of the Franchised Business.

~~We may add to, or otherwise modify, the specifications, standards and operating procedures provided to you from time to time, to reflect changes in, and the standards and qualities of, authorized products and services, or the operation of the Franchised Business. You must implement and adopt any such modifications at your own cost.~~

We require you to use our approved and designated manufacturers and suppliers. We will provide you with a list of approved manufacturers and suppliers (“Approved Suppliers”) and approved equipment, products and supplies and other items or services necessary to operate the Franchised Business (“Approved Equipment and Supplies”). The Approved Equipment and Supplies list may specify the specific supplier of a specific piece of equipment, product, supply or service. We ~~or an affiliate may be the only approved supplier for certain equipment, products, supplies, or services.~~ We may revise the Approved Suppliers list and the Approved Equipment and Supplies list from time to time. ~~We provide you with the approved lists when and as we deem advisable.~~

Our affiliate will derive revenue from your purchase of the True Movement [PlatformPlatforms®](#). We and our affiliates do not currently derive revenue or other material consideration from any other required purchases or leases by franchisees.

You must obtain the insurance coverage required by the franchise agreement and the Manual from a carrier with a rating of at least A-. The required coverage currently includes:

Builder’s risk insurance if you are building a True Movement® studio as opposed to renovating or remodeling a leased space;

Comprehensive General Liability, in the minimum amounts of \$2,000,000 per occurrence and \$3,000,000 in the aggregate;

Premises liability including coverage required by the terms of any lease or lender;

Bodily injury, professional liability, products and completed operations, personal and advertising liability, sexual misconduct/abuse liability;

Cyber Liability in the minimum amount of \$1,000,000 per occurrence, including data breach, privacy breach, and cybercrime;

Property Insurance including full replacement cost for Tenant Improvements, Business Personal Property, and Business Income/Extra Expense to cover operations of a 12 month period.

We must be named as an additional insured in all such policies.

Prior to the opening of the Franchised Business and at least thirty (30) days prior to the expiration of any such policy or policies, you must deliver to us certificates of insurance evidencing the required insurance coverage. All certificates must contain endorsements requiring the insurance company to give us at least thirty (30) days prior written notice in the event of material alteration to, termination, non-renewal, or cancellation of, the coverages evidenced by such certificates and notice of any claim filed under such policy within thirty (30) days after the filing of such claim.

In the event you wish to purchase any unapproved product or service or acquire approved products or services from an unapproved supplier, you must first obtain our prior written approval. We are not required to approve any particular supplier. We do not use any fixed process for granting or revoking approval of designated suppliers. Instead, we evaluate suppliers on a variety of criteria, including the quality of their products or services, price, responsiveness, ability to service the System as a whole, reputation, timeliness, and experience, scalability and alignment with our purpose and core values among others. If we create any specific policies for approving suppliers, we will communicate them to franchisees. We will consider in good faith and in a reasonable time any supplier that you would like to propose who is capable of providing goods or services meeting our requested specifications. If our evaluation of your proposed supplier would require us to incur costs (such as to examine a sample of that supplier's products), we will ask you to pay such costs to such supplier. We will make a reasonable effort to approve or disapprove any proposed supplier within 30 days. If approval of a supplier is later revoked, we will notify you by email or such other method we determine at our discretion.

None of our owners owns an interest in any of our suppliers, except our affiliate 2436173 Alberta Ltd. which sells the True Movement Platform®.

We do not currently receive volume rebates, commissions, bonuses, or other concessions in respect of goods supplied to you from any supplier designated or approved by us. ~~However, we reserve the right to receive any such volume rebates, commissions, bonuses, or other concessions and to retain them, without accountability to you, and without sharing any such volume rebates, commissions, bonuses or other concessions with our franchisees either directly or indirectly. Such rebates may come to us in the form of a percentage of a purchase price or a flat amount.~~

We or our affiliates may derive revenue and earn a profit from the sale of goods and services to you and or other licensees. ~~In fiscal year 2024~~ As of July 31, 2025, we have derived \$0 in revenue from franchisee purchases or leases of products or services from us, which represents 0% of our total revenue for ~~2024~~ 2025 of \$0.

You must pay the then-current price to our approved and designated manufacturers and suppliers. In some instances, the cost of using these manufacturers and suppliers may be higher than the cost of other similar supplies and products on the market. In some cases, we negotiate prices for products for the benefit of the True Movement® franchise system, but not on behalf of individual franchisees. There are no purchasing or distribution cooperatives. We do not provide material benefits to you because of your use of the approved and designated manufacturers and suppliers.

We estimate that your purchases from the Approved Suppliers will represent approximately 60% to 75% of your total purchases and leases in establishing the Franchised Business and 5% to 10% in continuing its operation.

ITEM 9
FRANCHISEE’S OBLIGATIONS

~~**THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AND OTHER AGREEMENTS. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS IN THIS DISCLOSURE DOCUMENT.**~~

This table lists your principal obligations under the Franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

OBLIGATION	SECTIONS IN FRANCHISE AGREEMENT	ITEMS IN DISCLOSURE DOCUMENT
a. Site Selection <u>selection</u> and acquisition/lease	3.01	Item <u>Items 5, 7, 8, 11</u>
b. Pre-opening Purchases/ Leases <u>purchases/ leases</u>	3.01; 3.03; 5.01; 5.04; 5.05; 8.03; 8.04; 8.05; 8.08; 8.13	Items 5, 6, 7, 10, 11
<u>c. Site development and other pre-opening requirements</u>	<u>3.03, 3.04, 3.07, 5.04, 7.01, 7.02,</u>	<u>Item 11</u>
<u>d. e-</u> Initial and On-going Training <u>on-going training</u>	7.01; 7.02; 7.04; 7.05; 8.13	Items 7; 11
<u>e. Opening</u>	<u>3.03, 3.06, 3.07, 5.04, 7.01, 7.03, 8.04</u>	<u>Items 1, 7, 8, 11</u>
<u>f. d-</u> Fees	Article 5; 5.01; 5.02; 5.03; 5.04; 5.06; 7.05; 7.08; 8.13; 9.02	Items 5; 6; 7; 11; Exhibit A
<u>g. e-</u> Compliance with standards and policies/ Manual <u>operating manual</u>	2.05; 3.03; 3.05; 3.06; 6.01; 6.02; 7.07; 8.01; 8.02; 8.03; 8.06	Item 7, 8, 11, 14
<u>h. f-</u> Trademarks and Proprietary Information <u>proprietary</u>	1.01(h); 2.01; 2.03; Article 4; 4.01; 4.02; 4.03; 4.04; 4.05;	Items 1; 13, 14; Exhibit A, Schedule B

OBLIGATION	SECTIONS IN FRANCHISE AGREEMENT	ITEMS IN DISCLOSURE DOCUMENT
information	4.06; 7.07; 10.01; 10.03; 11.01; Schedule B	
<u>i.</u> g. Restrictions on Products products and services offered	2.01; 2.04; 3.05; 7.04; 7.07; 8.08; 8.09	Items 8, 11, 16
<u>j.</u> h. Warranty and Customer-Service customer service requirements	12.00	Item 11
<u>k.</u> i. Territorial Development development and sales quotas	1.01(m); 2.02; 2.03; 8.13; Schedule A	Item 12
<u>l.</u> j. Ongoing product/ service purchases	3.03(b); 5.05; 5.06; 8.03; 8.04; 8.05; 8.13	Items 6, 7, 8, 11
<u>m.</u> Maintenance, appearance, and remodeling requirements	2.04(b), 3.03, 9.02(d),	Item 11, Item 17
<u>n.</u> k. Insurance	3.03(b); 8.04	Items 7, 8
<u>o.</u> l. Advertising	5.03; 5.04; 7.08; 8.13	Items 6, 7, 11
<u>p.</u> m. Indemnification	14.02	Items 6, 8, 13
<u>q.</u> n. Owners participation/ management/ staffing	7.01; 8.02; 8.12;	Item 15
<u>r.</u> o. Records and Reports reports	Article 6; 6.01; 6.02; 6.03; 8.03; 8.04	Items 6, 11
<u>s.</u> p. Inspections and Audits audits	3.03(c); 6.03; 8.07	Item 6
<u>t.</u> q. Transfer	9.02; 10.04; 13.04	Items 6, 17
<u>u.</u> r. Renewal	2.04; 12.00; Schedule D	Items 6, 17
<u>v.</u> s. Post Termination termination	10.03; 10.04; 11.03	Item 17

OBLIGATION	SECTIONS IN FRANCHISE AGREEMENT	ITEMS IN DISCLOSURE DOCUMENT
obligations		
<u>w.</u> t. Non-competition Covenants <u>covenants</u>	11.02; 11.03	Item 17
<u>x.</u> u. Dispute Resolution <u>resolution</u>	Article 13; 15.01; 15.02; 15.03; 15.04; 15.05; 15.06	Items 6, 17
<u>y.</u> v. Taxes	1.08; 14.12; Schedule D	N/A
<u>z.</u> w. Guarantee	Article 12	N/A

ITEM 10 **FINANCING**

We do not offer direct or indirect financing. We do not guarantee your note, lease or other obligation.

ITEM 11 **FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

~~EXCEPT AS LISTED BELOW, WE ARE NOT REQUIRED TO PROVIDE YOU WITH ANY ASSISTANCE.~~

Except as listed below, we are not required to provide you with any assistance.

Pre-opening Assistance

Before you open the Franchised Business, we will:

1. Site location and assistance with equipment. We will review and advise you on your site location within you Territory and we will provide you with a list of preferred suppliers and recommended standard floor plans. (Franchise Agreement Section §3.01).
2. ~~1.~~ Initial Business Operations Training. Provide Initial Training for the Guarantors and the studio manager in all aspects of the System and operation of the Franchised Business (Franchise Agreement §7.01). We describe our initial business operations training program more fully below.
3. ~~2.~~ True Movement Method® Certification Training. We will provide True Movement Method® Level 1 certification training to up to two Guarantor(s), your studio manager, and up to

three additional trainers initially employed or retained by you, prior to opening (Franchisor Agreement §7.01 and 7.02). We describe our True Movement Method® certification training more fully below.

4. ~~3.~~ Opening Assistance. As part of our initial business operations training program, we will provide you such advice and guidance in connection with the establishment of the Franchised Business. (Franchise Agreement §7.03)
5. ~~4.~~ Proprietary Manual. We will provide you with access to the Manual. (Franchise Agreement §7.07)
6. ~~5.~~ Pre-Opening Approval. We must provide prior written approval before the Franchised Business opens and such approval may involve a pre-opening inspection.

Pre-Opening Site Obligations

Before you open your business:

1. Your site. We will review and advise you regarding potential locations that you submit to us. We are not obligated to assist you in locating a site or negotiating the purchase or lease of the site. We may require you to use our designated real estate broker to source a location for your Franchised Business.

(A) We generally do not own your premises.

(B) If your site is not already known and approved by us when you sign your franchise agreement, then we and you will specify in your franchise agreement the area in which you must select a site (Franchise Agreement, Schedule A). We do not select your site. Your site is subject to our approval. To obtain our approval, you must provide all information and documents about the site that we require including a copy of the proposed lease agreement and any documents pertaining to financing or real estate fees.

(C) The factors we consider in approving sites are general location and neighborhood, competition, trade area demographics, traffic patterns, parking, size, physical characteristics of existing/proposed buildings, and lease terms.

(D) The time limit for us to approve or disapprove your proposed site is 30 days after you submit all of our required documents and information. If we and you cannot agree on a site, you will be unable to comply with your obligation to develop and open the franchise by the deadline stated in the franchise agreement. Unless we agree to extend the deadline, you will be in default, and we may terminate your Franchise Agreement, and your initial fee will be forfeited.

(E) We are not obligated to assist you in conforming the premises of your site to local ordinances and building codes and obtaining any required permits. This will be your responsibility.

2. Constructing, remodeling, or decorating the premises. We will provide you with a set of our recommended standard floor plans, and our specifications for required finishes.

3. Hiring and training employees. We will provide you with our required staffing levels and guidelines for hiring employees, operational instructions in the Brand Standards Manual and our initial training program described below. Our opening support (described below) includes assisting you in preliminary training of employees. More details on training are provided below.

4. Equipment and supplies. Necessary equipment, signs, fixtures, opening inventory, and supplies. We will provide you with a list of our specifications and, where possible, approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your business. We do not provide these items directly; we only provide the names of any approved suppliers. We do not deliver or install these items.

Time for Opening

We estimate that the typical length of time between the date you sign the Franchise Agreement and the opening of the Franchised Business is approximately 6 to 9 months. Some factors which may affect this timing are: your ability to locate an acceptable franchised location; the time to acquire your franchised location through lease negotiations; your ability to secure any necessary financing; your ability to comply with local zoning, building permits and other state and local requirements; the availability of you and your employees to attend training; the timing of the delivery and installation of leasehold improvements, equipment and inventory; the time to convert, renovate or build-out your franchised location; and the timing of your meeting all of our pre-opening standards.

Ongoing Assistance

During the operation of the Franchised Business, we will:

1. Opening Assistance. As part of our initial training program, we will provide on-site assistance for five (5) business days during the opening period of the Franchised Business. (Franchise Agreement §7.03)

2. Continuing Assistance. We will also furnish to you such continuing advice and guidance as is from time to time reasonably required by you in connection with the operation of the Franchised Business. Such guidance will include: teaching methods, our specifications and standards, and management and operating procedures used by the Franchised Business; approved equipment, products, materials and supplies, fixtures, furnishings and signs; developing and implementing local advertising and promotional programs, and pricing. We will provide this guidance through our confidential manual, which may be communicated through the Internet, secure web portal, intranet system, email, letter correspondence, webinars, bulletins, video or written materials, reports and recommendations, refresher training programs and/or telephonic consultations at our offices, through technological means, or at the Franchised Business. (Franchise Agreement §7.04)

3. True Movement Method® Certification Training. We will provide training in the True Movement Method® to each person employed or retained by you after opening that provides

customer assessments or training to customers. (Franchisor Agreement §7.02)

4. Additional Training, Seminars and Conferences. We may make additional training programs, seminars and conferences available to the Guarantors and your employees at such times and places and for such fees we reasonably determine. At least one of your Guarantors and your designated manager must attend our annual conference. (Franchise Agreement §7.05) We describe our additional training, seminars, and conferences more fully below.

5. Special Assistance. If you require assistance to aid with specific problems which are beyond the scope of our obligations under Section 7.03 of the Franchise Agreement (see 2. above), we may provide you such additional assistance for a fee. (Franchise Agreement §7.06)

Advertising

Advertising Programs

If we determine that a sufficient number of True Movement® Studios exist, we will collect and use the Advertising Fees payable to us to formulate, develop and conduct advertising and promotional programs (the “Advertising Programs”) for the System. The Advertising Fees, also discussed above in Item 6, is 2% of Gross Revenue, and will be paid concurrently with your Royalty Fee. The advertising fund is not audited. You may request an accounting of the advertising fund by emailing Erin Baker at: erin@truemovement.ca.

The Advertising Programs may include, without limitation, maintenance and updating of the True Movement® website and other brand level online platforms and social media accounts, design costs for advertising copy, business cards, in-store signage and public relations and promotional campaigns. True Movement® Studios owned by us or our affiliates in the United States (“Corporate Locations”) will pay Advertising Fees in the same amount as you.

All costs (including reasonable administrative costs and overhead incurred by us in connection with the Advertising Programs) will be paid from Advertising Fees received by us from franchisees and corporate outlets, including you.

The Advertising Programs are intended to maximize general public recognition and acceptance of True Movement® Studios for the benefit of all franchisees and Corporate Locations in the System and we undertake no obligation to ensure that any particular franchisee, including you, benefits directly or pro rata from the placement or conduct of the Advertising Programs.

All decisions from time to time respecting the development and conduct of the Advertising Programs, the scope of advertising to be carried on and the selection of the media and advertising content will be within our sole discretion.

There is no advertising council composed of franchisees that advises us on advertising policies. ~~Except for payment of the Advertising Fee, you are not required to participate in any other advertising fund.~~ If not all of the Advertising Fees are spent in the fiscal year in which they accrue, we will carry the remaining amount forward to cover the cost of Advertising Programs in the following year. Upon request, you will receive an annual accounting of how Advertising Fees are spent. We do not currently use any of the Advertising Fees principally to solicit new franchise sales, ~~but we may do so in the future.~~

Local Advertising and Promotion by Franchisee

You must use best efforts to promote and increase the demand for the products and services through local advertising and promotion in the franchise area. You must expend on local advertising and promotion in the Territory not less than Two Thousand Dollars (\$2,000) each month during the Term on such local advertising and promotion in the franchise area. We have the option to manage all or a portion of your local advertising and promotion obligation by establishing and managing accounts on your behalf for Google Ads and Meta Ads and any future or successor advertising platform. You will be responsible for the costs and expenses of such accounts which will be allocated on a monthly basis to your advertising expenditure obligation as noted above. All advertising and promotion by you must be completely factual, comply with the brand guidelines set out in the Manual from time to time and conform to the highest standards of ethical advertising. You must submit any proposed advertisement or promotional material which contains the Marks to us for our approval prior to its use. You will provide us, upon request, reasonable evidence of such advertising and promotion. (Franchise Agreement §8.13)

You are not currently required to participate in any local or regional advertising cooperative. However, we may implement them in the future, and you will be required to participate and make expenditures as specified by us. (Franchise Agreement §7.07)

You will not, without our express written consent establish or maintain a separate website on the internet or have any other internet or social media presence in connection with the Franchised Business or otherwise maintain a presence or advertise on the internet or any other public computer network in connection with the Franchised Business. (Franchise Agreement §8.13)

Information Technology (IT) Systems

Each studio is required to maintain a sound system with speakers, an amplifier and a mixer, high-speed access to the internet, an iPad and a Mac computer (laptop or desktop) and printer. We do not specify the model of Mac computer equipment that you must purchase, but it should be of good quality and suitable for business operations. The computer will run membership and booking software, a point-of-sale system, bookkeeping and accounting systems, customer loyalty and gift card programs, communications software (e-mail or otherwise), and any other software that we specify for the operation and management of the Franchised Business. We estimate the initial cost of this equipment to be approximately \$5,500.00.

The software required for opening and operating a True Movement® Studio includes: Soundtrack (music provider), Walla (booking software), QuickBooks (accounting software) Microsoft e-mail with 2 email addresses and OneDrive, and, a Canva (clip art) subscription. You must also subscribe to our designated or approved music streaming service from Soundtrack and to play the Franchisor's designated playlist at the Franchised Business. You will use the required iPad to stream the designated playlist. We estimate the monthly cost of this subscription software to be approximately \$1,000. [The cost of the monthly music subscription fee charged by Soundtrack is \\$11.00 per month.](#) We reserve the right to change the software requirements at any time and will provide you notice in writing of any changes.

marketing strategy, community launch, financial readiness, and key performance indicators (KPIs), technology tools, and management skills			
Class shadowing and client personalization in teaching of the True Movement Method®	0	8	True Movement® headquarters in Edmonton, Alberta
Home Study: Software set up and familiarization with programs; review of classroom teaching materials and instructional manuals	10-15	0	Your home or location of your choice
Total:	60-70	8	

The initial business operations training is offered as needed, but not less than twice a year.

Instructional operations materials that we provide include our confidential manual, Power Point or slide presentations, videos, and handouts. The curriculum includes business operations strategy, leadership, recruiting, marketing, retail, sales and studio environment. You will be required to complete tasks and study your training materials for the period between signing your Franchise Agreement and opening the studio.

True Movement® founder Erin Baker oversees the initial business operations training and provides ongoing support and training guidance for every franchise owner in the System. Ms. Baker has a business degree in management from Athabasca University and a marketing diploma from Red Deer Polytechnic. Ms. Baker has worked in the fitness and physical rehabilitation industry for more than 25 years. In 2009, Ms. Baker opened her first True Movement exercise and wellness studio, and she has trained others on the True Movement® equipment since 2020. Since creating the True Movement® method, Ms. Baker has trained more than 150 professional or semi-professional athletes.

Other instructors for the training will include our employees who have operated and run exercise studios across the globe. All True Movement® employees leading the initial business operations training have had experience in at least one specific aspect of studio operations. We may change or substitute training personnel as necessary, and we may delegate our duties and share our responsibilities regarding training.

There is no fee payable for the initial business operations training program. However, you are responsible for all travel, living expenses and wages or other compensation payable to the Guarantors or the employee designated as your Studio Manager during their attendance at training.

The initial business operations training program is mandatory and must be completed to our satisfaction by at least one Guarantor and your Studio Manager prior to your opening of the Franchised Business. If a Guarantor fails to satisfactorily complete the initial business operations training program, we may terminate the Franchise Agreement. [A participant may complete the program to our satisfaction by](#)

attending all scheduled classes, timely completing all assignments, and demonstrating a comprehensive understanding of how the Franchised Business is to be run.

TRUE MOVEMENT METHOD® CERTIFICATION TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
True Movement Method®	0	24	Franchised Business or True Movement® headquarters in Edmonton, Alberta
Study and reading of materials on the True Movement Method®	16-20	0	Your home or location of your choice
Instruction of free class to volunteers	0	3	Franchised Business or another True Movement® Studio near the Franchised Business
Total:	16-20	27	

There are five levels of certification in the True Movement Method®. Instructional materials for the Level 1 Certification Training consist of materials provided to you during the training sessions such as a written manual with a breakdown of each Level 1 exercise detailed step-by-step. Those entering the certification training have access to a video library of all True Movement Level 1 exercises and in this library each exercise is explained in detail for trainers to review at their own pace. During the training there exists an on-line dashboard classroom in which additional resources and assignments are available. The dashboard also contains videos on True Movement® Platform safety, teaching tips, and True Movement® classes for observational requirements. All assignments and exams provided in the dashboard classroom have clear due dates and instructions. All topics covered in written assignments are discussed during the in-person certification training workshop. Written assignments are short answer or multiple choice and open book. Those undergoing Level 1 certification training must also complete an anatomy module and exam within two months of completing the in-person, four-day course.

Materials for Levels 2 through 5 certification or continuing education training (see details below) will be provided prior to commencement of the classes.

Each person employed or retained by you as a trainer to provide assessments and True Movement Method® instruction at the Franchised Business will attend and satisfactorily complete our Level 1 Certification Training. Prior to opening, you must have a minimum of three employees successfully

complete the Level 1 Certification Training. This means you must have your Studio Manager, if they are training clients, and two trainers complete the Level 1 Certification Training, or three trainers complete the Certification Training, if your Studio Manager is not training clients.

Levels 2 through 5 build upon the curriculum offered in Level 1 by teaching additional postures and movements with increasing difficulty in mobility, flexibility, and strength. Trainers must proceed with each level chronologically, successfully completing a level before moving onto the next. Employing Level 2 through 5 certified trainers is not immediately required for a Franchised Business, but these higher level certifications provide the Franchised Business with the opportunity to provide more advanced movement instruction to clients.

Trainers must maintain continuing education certification standards, described below. Within four years of obtaining a new level of certification, a trainer or Studio Manager must advance to the next certification level. For example, in year 1, if your Studio Manager obtains Level 1 certification, by the end of year 4, he or she must have completed Level 2 certification. This requirement exists until trainers or studio managers have obtained Level 5 certification. The training is based demonstrating proficiency at the current level before moving to the next level. For each level the trainer must show proficiency at that level including by teaching classes to volunteer clients and being evaluated on those classes. The potential trainer needs to meet expectations based on a rubric of requirements. If they do not meet those requirements, the potential trainer needs to recomplete the assignment for a fee.

True Movement® founder Erin Baker creates the curriculum for this training, and she provides the direction and supervision of instructors for the True Movement Method® certification training. Ms. Baker's experience as a trainer is set out above. Instructors for the True Movement Method® training sessions will have successfully completed training for the True Movement Method® level that they are teaching.

There is no fee payable for any pre-opening True Movement Method® Level 1 certification training being offered for up to two Guarantors, your Studio Manager, and up to three trainers who will work as instructors. However, you are responsible for all travel, living expenses and wages or other compensation payable to the Guarantors, the Studio Manager and the three trainers during their attendance at training. ~~For additional individuals to~~ To obtain the Level 1 certification for individuals other than the Guarantors, Studio Manager, and three required trainers the cost is \$1,000 per trainer, which includes manual, live or online training, assignments, exams, online dashboard, evaluation, and resources. This fee may be paid directly to us by the prospective trainer, or you may pay us the fee and seek reimbursement from the prospective trainer.

After your initial opening if you retain a new Studio Manager who is not already certified in the True Movement Method® that Studio Manager must successfully attend and participate in the Level 1 certification program for a cost of \$1,000, which you will pay to us.

Level 1 Training Certification program is mandatory and must be completed to our satisfaction by your Studio Manager, and at least three instructors, which may include your Studio Manager, prior to opening of the Franchised Business. If your Studio Manager fails to satisfactorily complete the Level 1 True Movement Method® certification training program, we may terminate the Franchise Agreement, and the parties shall deliver mutual releases in form satisfactory to the Franchisor.

Training but allows trainers to apprentice under the support of a certified True Movement® trainer at the Franchised Business with specific rules, steps, and assignments to complete in phases. These apprentices are not certified in the True Movement Method® until all steps are complete and approved by a True Movement Method® training coordinator and you. Apprenticeship trainers are considered your employees, and are paid by you while they observe, attend, assist, or instruct classes.

State or local laws may also require that these trainers obtain certification in CPR or first aid. Such certification training may occur offsite and may require additional fees to be paid by you. You bear responsibility for ensuring that you and your staff meet any such requirements and that the training is paid for by you.

TRUE MOVEMENT METHOD® CONTINUING EDUCATION TRAINING

Subject	Hours of Classroom Training	Hours of On-The Job Training	Location
Online module	5	0	On-line from your home or office
Study and reading of True Movement Method® materials	10	0	At your home or office
Total:	15	0	

Each Guarantor, studio manager, and trainer of the True Movement Method® must have 15 hours of True Movement Method® continuing education credits earned every two years. Each online module costs \$250 payable by trainers such as the Studio Manager and your employees to us.

Such continuing education training will be conducted by us from time to time on-line. In the future such training may be offered at certain franchised locations to meet trainer demand. You will pay us the then-current fee for such training, and you will be responsible for all wages and other compensation payable to your attendees attending the continuing education training.

ADDITIONAL TRAINING

Each Guarantor, Studio Manager, and trainer will also complete, on an annual basis, ~~such~~ additional training programs and modules as we designate from time to time, which programs and modules may be made available virtually by way of a web-based classroom platform or other online resource. In the future we offer such training at your Franchised Business or at another franchised True Movement® Studio.

We may from time to time make available to the Guarantors and to your employees additional training programs, seminars or conferences at such times and places and for such fees as we reasonably determine. We require that at least one of the Guarantors, or your Studio Manager attend our annual conference when and if one is held. You are responsible for all course fees, travel and living expenses incurred by the Guarantors, Studio Manager and your trainers to attend such courses, seminars or conferences. (Franchise Agreement §7.05)

ITEM 12

TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control. ~~However, we will not establish or grant a franchise for the operation of another True Movement® Franchised Business in the Franchise Area so long as you are not in default under the Franchise Agreement.~~

The franchise is for a specific ~~location~~area to be described in the Franchise Agreement (the “Franchise Area”). ~~If a specific location has not been identified when you sign the Franchise Agreement, you will have to identify a location within the area specified in the Franchise Agreement within 120 days of the effective date of the Franchise Agreement. If you do not identify a location that is acceptable to us in that time period, either of us may terminate the Franchise Agreement and we will refund \$10,000 of the Initial Franchise Fee.~~

With the Franchise Area you are granted a protected territory as set out on a map in Schedule “A” of the Franchise Agreement, subject to certain exceptions described in the Franchise Agreement. ~~The boundaries of the protected territory will be determined based on several factors, which may vary from one location to the next. These factors include population, residential and business density, residential and business growth, median household income, traffic patterns, driving time, natural boundaries and other market components.~~

You may operate the Franchised Business from any location in the Franchise Area, and you may relocate during the term of the Franchise Agreement (except that you must relocate to a place that is in the Franchise Area), but your Franchise Area will not change. You will not have an option, right of first refusal or similar right to acquire additional Franchised Businesses.

At such time that a site for your franchised location has been approved by us, we will include in Part 2 of Schedule A of the Franchise Agreement your Territory, which in most instances will be no less than an area equivalent to a radius of 2.5 miles around your franchised location in densely populated urban areas and up to 5 miles in suburban or rural markets. The radius and shape, however, will depend on the specific market variables of your location, including demographics, psychographics, density, market trends, traffic flow, natural and human-made boundaries, character of the neighborhood, competition from other businesses providing similar services within the area and our current general territory profile criteria, such as minimum population, minimum number of qualified households and age range of core customers. Your Territory may not be in the shape of a circle and may be described by street map landmarks and compass directions. In densely populated urban areas with good demographics, your authorized territory may be less than one mile in radius.

If we determine, in our discretion, to base your Territory on population, then the sources we use to determine the population within your Territory will be supplied by (a) the territory mapping software we

determine to license or otherwise use, or (b) publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources).

Currently, in a suburban or rural area the minimum population is 20,000 and the minimum number of qualified households is 6,500, but may be smaller in an urban market.

A “qualified household” in an urban area has annual average income of \$75,000 or above, but this threshold may be lower in a suburban or rural area.

The authorized territories we grant to our franchisees may overlap, as long as the address of a franchisee’s studio is not located within the boundaries of another franchisee’s authorized territory.

There are no restrictions on you from soliciting or accepting customers at your location inside the Franchise Area. We reserve the right to use other channels of distribution to make sales in the Franchise Area under our principal Marks or under different Marks, including the sale of the True Movement Platform® to individuals, sports teams, sports facilities and others located in the Franchise Area by us or our affiliate. We and our affiliate do not have to pay you any compensation for soliciting or accepting orders from inside the Franchise Area. For example, we may sell a True Movement Platform® to a sports facility based in your Franchise Area without compensating you.

You may accept customers who reside outside of the Franchise Area. You may not, without our consent, offer True Movement® services outside of the Franchise Area. You do not have the right to use other channels of distribution such as catalog sales, telemarketing, or other direct marketing to make sales outside of your territory.

We and our affiliates do not operate or franchise, or have plans to operate or franchise, a business under a different trademark that offers services that are similar to those to be offered by the Franchised Business, but we may do so in the future.

~~We may establish and operate and grant to others the right to establish and operate a True Movement® Studio business or any other business using the Marks, the System or any variation of the Marks and the System, in any location outside the Franchise Area, on such terms and conditions that we deem appropriate. Your Franchise Area may abut the franchise area of another True Movement® Studio business. We may engage in any other activity, action or undertaking that we are not expressly prohibited from taking under the Franchise Agreement or as expressly permitted under the Franchise Agreement.~~

ITEM 13 TRADEMARKS

The following service marks are owned by 1411475 Alberta Ltd. and 2436173 Alberta Ltd., and are registered on the Principal Register of the U.S. Patent and Trademark Office:

Mark	Application/Registration No.	Registration Date
True Movement Platform	97386307 <u>7160916</u>	Sept. 12, 2023

Mark	Application/Registration No.	Registration Date
(See Note 1)		
True Movement Method Platform (See Note 1)	97386339 7160917	Sept. 12, 2023
True Movement Method (See Note 1)	97386281 7160918	Sept. 12, 2023
True Movement Virtual (See Note 2)	98556686 7863617	May 17, 2024 (pending) July 15, 2025
 (See Notes 2 and 3)	99363840 (Serial No. for application)	August 28, 2025 (Pending)

Notes

- 1) Our affiliate 1411475 Alberta Ltd. owns the U.S. trademarks for True Movement®; True Movement Method®; and, True Movement Platform®.
- 2) Our affiliate 2436173 Alberta Ltd. owns the U.S. trademark for True Movement Virtual®. and has applied for the True Movement® logo trademark. The application for the logo was filed without a claim to color, and encompasses the color of the circle, purple, used on the FDD cover page.
- 3) We do not have a federal registration of our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally-registered trademark. If your right to use the trademark is challenged, you may have to change to an alternative trademark which may increase your expenses.

Our affiliates, 2436173 Alberta Ltd. and 1411475 Alberta Ltd. have filed all required affidavits. Our affiliates intend to renew all trademark registrations when required and our affiliates will file all appropriate affidavits for the trademarks at the times required by law.

There are currently no effective determinations of the United States Patent & Trademark Office, the Trademark Trial and Appeal Board, any state trademark administrator or court, or any pending infringement, opposition or cancellation proceeding with respect to the Marks. We have never sought to prevent registration of any mark to protect one of the Marks.

There is no pending material federal or state court litigation regarding our use or ownership rights in

True Movement Platform® is to be used by franchisees and individuals being trained on the True Movement Platform®.

Patented-Pending Devices and Methods

During the term of this Agreement, you may receive, through purchase or otherwise, certain devices or methods subject to patents owned by our affiliate, 2436173 Alberta Ltd. To the extent that any such devices or methods are subject to registered patents, either by the USPTO, WIPO, or any other such entity, 2436173 Alberta Ltd. has expressly granted True Movement Franchising, Inc., a license to sell, use, sub-license, or market the device and/or methods. You are only permitted to use the patented equipment and patented methodology as detailed in our Manual and through our True Movement® training.

There are no current determinations, proceedings or litigation involving any of our patent-pending devices or methods. There are no agreements limiting the use of the patents for 2436173 Alberta Ltd. We know of no infringement that could materially affect the franchise.

Should you become aware that any unauthorized third party is using any of our patent-pending devices or methods, we request that you notify us of such unauthorized use.

You will not have any rights, including rights to compensation, under the Franchise Agreement if we require you to modify or discontinue using the subject matter covered by the pending patents. If a third party sues claiming that you are infringing the patent rights of the third party with the True Method Platform®, you must inform us immediately.

We are not required by any agreement to protect or defend our patent applications. We are not aware of any infringing uses of any patent-pending devices or methods that could materially affect our use of these materials. At our discretion we may amend the pending patents for devices or methods of use, and we may require that you cease using outdated patented machines or methods of use.

No Implied License to the Patent

~~You acknowledge that the~~ The rights and licenses granted in this Franchise Agreement are limited to the scope expressly granted. Except for the rights expressly granted under this Franchise Agreement, no right, title, or interest of any nature whatsoever is granted whether by implication, estoppel, reliance, or otherwise, by True Movement Franchising, Inc. to you. All rights with respect to any know-how, patent or other intellectual property right rights that are not specifically granted herein are reserved to the Franchisor. We have no obligation to protect the patent, patent application or to defend you against any claims arising out of the use of the items that are subject to the pending patent applications.

Franchisor's Copyrights

We hold no copyrights and do not license any copyrights, except our affiliate, 2436173 Alberta Ltd. claims common law copyright protection for advertising and promotional materials, and materials in the Manual that are used as part of the System.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL
OPERATION OF THE FRANCHISED BUSINESS

The Franchise Agreement requires that either a Guarantor or another person approved by us, who has been fully trained, act as manager of the Franchised Business, and devote full time and attention to the operation of the Franchised Business. There is no requirement that your manager own any of your equity, but we do recommend that a Guarantor under the Franchise Agreement act as manager.

As noted above, you may disclose information that is confidential and may constitute trade secrets to your manager, in circumstances of confidence and on a “need-to-know” basis. You will use your reasonable best efforts to maintain and to cause your manager to maintain the confidentiality of all such information. Upon our request, you will use reasonable best efforts to obtain written covenants, from your manager, in form and terms prescribed from time to time by us, to maintain confidentiality.

[The on-premise manager must complete our Initial Business Operations training. If the on-premise manager is also one of the Franchised Businesses’ three trainers that work with clients, then that manager must also complete the True Movement Method certification training.](#)

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only sell the products and services authorized by us and you must sell all the products and services authorized by us.

We may revise our list of authorized products and services from time to time based upon our evaluation of various factors, which may include customer demand, geographic location, technological developments, and other market or economic factors. Our right to modify the list of authorized products and services is unlimited.

Further, subject to applicable law, we may establish minimum and/or maximum prices for the authorized products and services, and you must sell the authorized products and services in accordance with any such minimum and/or maximum prices. Minimum and/or maximum prices for the authorized services may vary from region to region to reflect differences in costs, economic and other factors in any region.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE
RESOLUTION ~~THE FRANCHISE RELATIONSHIP~~

[This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.](#)

THE FRANCHISE RELATIONSHIP

~~**THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS DISCLOSURE DOCUMENT**~~

PROVISION	SECTIONS IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	2.01	5 years
b. Renewal or extension of the term	2.04	You may renew the Franchise Agreement for 2 additional, successive terms of 5 years so long as you are in compliance with the terms specified in the Franchise Agreement or the Franchise Agreement applicable to any renewal term.
c. Requirements for you to renew or extend	2.04	<p>(a) You will have given us written notice of your intention to renew at least 9 months before the expiration of the then current term.</p> <p>(b) You will have completed all maintenance, refurbishing, renovating and re-modelling of the Premises and of the Equipment and Furnishings as we have reasonably required to meet the System standards in effect.</p> <p>(c) You will not be in default of this Agreement or any other agreement with us or any of our Affiliates as at the end of the then current</p>

PROVISION	SECTIONS IN FRANCHISE AGREEMENT	SUMMARY
		<p>from you of your intention to renew.</p> <p>(f) You will have paid to us a renewal fee equal to Twenty-five (25%) of the Franchisor's then-current initial franchise fee.</p> <p>(g) You and the Guarantors will have executed, at the time of such renewal, a general release of all claims against the Franchisor, its Affiliates and their respective officers and directors, in form prescribed by the Franchisor which release shall exclude any claims that the Franchise Partner and the Guarantors may have under applicable franchise law for the state in which the Franchised Business is located.</p> <p><u>(h) Upon renewal, you may be asked to sign a Franchise Agreement with materially different terms and conditions than the original Franchise Agreement.</u></p>
d. Termination by you	N/A	You may not terminate the Franchise Agreement for any reason.
e. Termination by us without cause	N/A	We may not terminate the Franchise Agreement without cause.
f. Termination by us with cause	10.01	We may terminate the Franchise Agreement with cause.
g. "Cause" defined - curable defaults	10.01 (c), (d), (e), (j)	(a) You fail to pay when due any amount owing to us, our affiliates, or any supplier

PROVISION	SECTIONS IN FRANCHISE AGREEMENT	SUMMARY
		<p>(C) If You, for a reason other than clerical error, understate Gross Revenue for any period by more than 2% or by reason of clerical error understate Gross Revenue for any period by more than 2% on more than 2 occasions in a 12-month period;</p> <p>(d) If You<u>you</u> lose the right to possession of the Premises or the Lease is terminated as a result of the default of the Franchisee;</p> <p>(e) If the studio manager fails to satisfactorily complete all required training for the operation of the Franchised Business;</p> <p>(e) If You or any Guarantor attempts to assign any property without fully complying with the requirements of Article 9.00 of the Franchise Agreement;</p> <p>(f) If You received from us during a consecutive twelve (12) month period, three or more Notices relating to a default (whether such Notices relate to the same or different defaults and whether or not such defaults have been remedied by the You).</p> <p>(g) If You make a general assignment for the benefit of creditors, have a receiver or</p>

PROVISION	SECTIONS IN FRANCHISE AGREEMENT	SUMMARY
		<p>take all actions that we deem necessary or advisable to evidence the fact that you have ceased use of the Marks and that you have no further right or interest in the Marks.</p> <p>We have the option to purchase your assets, or only the True Movement Platforms®, for the lesser of book value or fair market value if you are terminated or fair market value if your Franchise Agreement expires.</p>
j. Assignment of contract by us	9.01	We may assign any or all of our rights under the Franchise Agreement, provided that the assignee agrees in writing to assume all our obligations under the Franchise Agreement. In the event of such an assignment, we will no longer be responsible under the Franchise Agreement. You agree to execute any document regarding the status of this Agreement as we or our assignee may reasonably request.
k. "Transfer" by you - defined	9.02	"Transfer" is defined to include the sale, assignment, transfer, mortgage, charge, grant of security interest or otherwise encumber any of your rights and interest under the Franchise Agreement.
l. Our approval of transfer by you	9.02	Our prior written consent is required to Transfer the Franchise Agreement. To Transfer the Franchise Agreement, You you must

PROVISION	SECTIONS IN FRANCHISE AGREEMENT	SUMMARY
		<p>Franchise Territories which are the subject of the Transfer.</p> <p>viii) We are reasonably satisfied that the proposed transfer terms and other factors involved in the transfer do not materially impair the transferee's ability to effectively assume and care out its obligations.</p>
<p>n. Our right of first refusal to acquire your business</p>	<p>9.02, 10.05</p>	<p><u>Franchisees are not permitted to sell or assign any interest in the Franchised Business.</u></p> <p><u>If the Franchisee desires to effect a Transfer, the Franchisee shall submit to the Franchisor a copy of the offer relating to the proposed Transfer, information relating to the character and business background and experience of the proposed transferee and such other information as the Franchisor may require together with the sum of Two Thousand Five Hundred Dollars (\$2,500.00) plus Applicable Taxes, which amount is non-refundable and will be used by the Franchisor to evaluate the offer and the proposed transferee.</u></p> <p>For a period of thirty (30) days following the termination or expiry of the Franchise Agreement, the Franchisor shall have the option, exercisable by Notice to the Franchisee, to purchase</p>

PROVISION	SECTIONS IN FRANCHISE AGREEMENT	SUMMARY
		<p>all Equipment and Furnishings, inventory and supplies owned and used by the Franchisee in connection with the operation of the Franchised Business, or to purchase only the True Movement Platforms® owned and used by the Franchisee at the Franchised Business, at a price equal to the lesser of the book value and the fair market value of the property in question. Such purchase price shall not contain any factor or increment for goodwill or other intangibles and the Franchisor may exclude from the assets purchased any Equipment and Furnishings, inventory and supplies which, in the reasonable opinion of the Franchisor, are obsolete, damaged or otherwise not in marketable or usable condition.</p>
<p><u>o.</u> <u>Franchisor's option to purchase franchisee's business</u></p>	<p><u>10.05</u></p>	<p><u>Except as described in (17n.) above, we do not have the right to purchase your Franchised Business.</u></p>
<p><u>p.</u> e.—Your death or disability</p>	<p>9.03</p>	<p>In the event of the death or disability of a Guarantor, except in the case of the last Guarantor when there is more than one, the Guarantor or his estate will have 120 days from the date of death or disability to sell such person's interests to the remaining Guarantors.</p> <p>In the event of the death or disability of the last</p>

PROVISION	SECTIONS IN FRANCHISE AGREEMENT	SUMMARY
		<p>Guarantor or where there is only one Guarantor, then upon such person's death or permanent disability, the interests in the Franchised Business must be sold within 120 days to a buyer that is acceptable to us, subject to the terms and conditions of Transfers as described under subsection (m) above.</p>
<p><u>q.</u> p. Non-competition covenants during the term of the franchise</p>	<p>11.02</p>	<p>During the Term, you and the Guarantors will not (without our prior written consent) either directly or indirectly carry on, be engaged in, be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of, or permit its name or any part thereof to be used or employed by any person engaged in or concerned with or interested in any business engaged in the development, operation, franchising or management of training programs focused on stability, mobility and strength training.</p>
<p><u>r.</u> q. Non-competition covenants after the franchise terminates or expires</p>	<p>11.03</p>	<p>For a period of two (2) years from the date of termination of the Franchise Agreement, you and the Guarantors may not (without our prior written consent) anywhere within the Franchise Area, within a radius of ten (10) kilometres surrounding the Franchise Area, or within the exclusive geographic territory of any other True Movement® Studio, either individually or in partnership or jointly or in</p>

PROVISION	SECTIONS IN FRANCHISE AGREEMENT	SUMMARY
		<p>conjunction with any other person carry on, be engaged in, be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of, or permit its name or any part thereof to be used or employed by any person engaged in or concerned with or interested in any business engaged in the development, operation, franchising or management of fitness and physical rehabilitation businesses similar to those offered by a True Movement® business.</p>
<p><u>s.</u> ¶ Modification of the agreement</p>	<p>1.09</p>	<p>No modification of the Franchise Agreement will be binding unless it is agreed to in writing by the parties except (i) as specifically provided in the Franchise Agreement, and (ii) that we may, in our sole discretion, modify the Manual from time to time to reflect changes to the System.</p>
<p><u>t.</u> s. Integration/merger clause</p>	<p>14.13</p>	<p>The Franchise Agreement constitutes the entire Agreement with respect to the Franchised Business and supersedes all previous agreements and understandings between the parties in any way. It is expressly understood and agreed that the<u>The</u> Franchisor has made no representations, inducements, warranties or promises, whether direct, indirect or collateral, expressed or implied, oral or</p>

PROVISION	SECTIONS IN FRANCHISE AGREEMENT	SUMMARY
		<p>otherwise, concerning the Franchised Business, the Franchise Agreement, except as what is in this franchise disclosure document provided to You<u>you</u>.</p> <p><u>Nothing in the agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.</u></p> <p><u>Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.</u></p> <p><u>Notwithstanding the foregoing, nothing in the franchise agreement or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.</u></p>
<p><u>u.</u> t. Dispute resolution by arbitration or mediation</p>	<p>13.03, 13.04</p>	<p>Subject to potential limitations of your state's law, all claims must be resolved by non-binding mediation in Edmonton, Alberta, Canada and then if not resolved, by binding arbitration in Wilmington, Delaware. We retain the right to seek injunctions and other</p>

PROVISION	SECTIONS IN FRANCHISE AGREEMENT	SUMMARY
		emergency relief for the protection and enforcement of certain rights in any court having competent jurisdiction.
<u>v.</u> u. Choice of forum	13.04	Subject to potential limitations of your state's <u>applicable state</u> law, if a court of competent jurisdiction decides the requirement to arbitrate is unenforceable, litigation must be in Wilmington, Delaware.
<u>w.</u> v. Choice of law	1.04	Subject to potential limitations of your state's <u>applicable state</u> law, Delaware law applies for construction and interpretation of the franchise agreement, but does not give rise to statutory or regulatory claims that would not otherwise apply.

ITEM 18
ARRANGEMENTS WITH PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If

you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Erin Baker at erin@truemovement.ca, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table Number 1 - Systemwide Outlet Summary for Years ~~2022~~2023 – ~~2024~~2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022 2023	0	0	0
	2023 2024	0	0	0
	2024 2025	0	0	0
Company-Owned	2022 2023	0	0	0
	2023 2024	0	0	0
	2024 2025	0	0	0
Total Outlets	2022 2023	0	0	0
	2023 2024	0	0	0
	2024 2025	0	0	0

**Table Number 2 - Transfers Of Outlets From Franchisees To New Owners
(Other Than The Franchisor) for Years ~~2022~~2023 – ~~2024~~2025**

State	Year	Number of Transfers
Total	2022 2023	0
	2023 2024	0
	2024 2025	0

Table Number 3 - Status of Franchised Outlets for Years ~~2022~~2023 - ~~2024~~2025

State	Year	Outlets at Star of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Total	2022 2023	0	0	0	0	0	0	0
	2023 2024	0	0	0	0	0	0	0

	<u>2024</u> <u>025</u>	0	0	0	0	0	0	0
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Table Number 4 - Status Of Company-Owned Outlets for Years ~~2022~~2023 - ~~2024~~2025

State	Year	Outlets at Star of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Total	2022 20 <u>23</u>	0	0	0	0	0	0
	2023 20 <u>24</u>	0	0	0	0	0	0
	2024 20 <u>25</u>	0	0	0	0	0	0

Table Number 5 - Projected Openings As Of ~~June 25~~July 31, 2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the next Fiscal Year
Illinois	0	1	0
Total	0	1	0

As of the issuance date of this disclosure document, we do not have any franchises and no franchisees have had outlet terminated, cancelled, not renewed, transferred or have otherwise voluntarily or involuntarily ceased to do business under a franchise agreement.

If you purchase this franchise, your contact information may be disclosed to other prospective franchisees, including after you leave the franchise system.

Note that in the future, current and former franchisees may be asked to sign provisions restricting their ability to speak openly about their experiences with us. You may wish to speak with these current and former franchisees but be aware that not all such franchisees will be able to communicate with you. Typically, current and former franchisees will only be restricted from speaking about the terms of any settlement they reached with us.

~~If you purchase this franchise, your contact information may be disclosed to other prospective franchisees, including after you leave the franchise system.~~

We have not created, sponsored or endorsed any trademark-specific franchisee organization associated with the franchise system being offered to you. No independent franchisee organization has asked to be included in this disclosure document.

ITEM 21
FINANCIAL STATEMENTS

Our fiscal year end is July 31, 2025. We have only operated since April 29, 2025, and therefore cannot provide the required financial statements for the preceding three years. Attached to this disclosure document and designated Exhibit H is our start up balance sheet dated May 23, 2025.

ITEM 22
CONTRACTS

All proposed agreements regarding the franchise offering are attached as follows:

Exhibits

- A Franchise Agreement
 - Schedule A – Address of Premise and Territory
 - Schedule B - Marks
 - Schedule C - Conditional Assignment Provisions
 - Schedule D – Sample General Security Agreement

- D State Amendments to the Franchise Agreement

- E Confidentiality and Deposit Agreement

- F Mutual Release Agreement

ITEM 23
RECEIPTS

The last 2 pages of this disclosure document are duplicate Receipts, which will serve as an acknowledgement by you that you have received a copy of this disclosure document. You should sign both copies of the Receipt, return one copy to us and retain one for your records. If the Receipt pages, or any other page or Exhibit is missing from your copy of the franchise disclosure document, please contact us immediately.

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2.04 Renewal

The Franchisee may renew the rights herein granted for two additional five (5) year terms, with the renewal terms running in succession, provided the following conditions are met for each renewal term:

- (a) the Franchisee shall have given the Franchisor written notice of its intention to renew at least nine (9) months, but no more than twelve (12) months, prior to the expiry of the Term;
- (b) the Franchisee shall have completed to the Franchisor's satisfaction all such maintenance, refurbishing, renovating and ~~re-modelling~~remodeling of the Premises and of the Equipment and Furnishings as the Franchisor shall reasonably require to meet the System standards then in effect;
- (c) the Franchisee shall not be in default of this Agreement or any other agreement with the Franchisor or any of its Affiliates as at the expiry of the term of this Agreement and shall have substantially complied with all the terms and conditions of such agreements during their respective terms;
- (d) the Franchisee shall have satisfied all monetary obligations owed by the Franchisee to the Franchisor and any of its Affiliates as at the expiry of the term of this Agreement and shall have throughout the term of this Agreement, timely met all monetary obligations to the Franchisor, its Affiliates and to trade creditors of the Franchised Business;
- (e) the Franchisee and the Guarantors shall have executed, at the time of renewal, the Franchisor's then current form of franchise agreement, the terms of which may differ from the terms of this Agreement and which, when executed, shall supersede in all respects this Agreement and shall execute such other documents and agreements as are then customarily required by the Franchisor in the granting of franchises. Without limiting the generality of the foregoing, such new franchise agreement may stipulate for a higher royalty fee and higher expenditures and contributions for advertising and, unless otherwise agreed, shall contain no right or option to further renew the right and license herein granted;
- (f) the Franchisee shall have paid to the Franchisor a renewal fee in an amount equal to Twenty-five percent (25%) of the Franchisor's then-current initial franchise fee;
- (g) the Franchisee and the Guarantors shall have executed, at the time of such renewal, a general release of all claims against the Franchisor, its Affiliates and their respective officers and directors, in form prescribed by the Franchisor which release shall exclude therefrom any rights that the Franchisee or the Guarantors may have under applicable franchise law; and
- (h) the Franchisee shall have the right to remain in possession of the Premises (or other premises acceptable to the Franchisor) for such renewal term.

7.02 True Movement Method® Certification Training

Each person employed or retained by the Franchisee to provide assessments and True Movement Method® training to customers of the Franchised Business shall attend and satisfactorily complete the True Movement Method® Level 1 certification training. Such training shall be conducted by the Franchisor from time to time at the Franchisor's head office or other location designated by the Franchisor. Except as provided in Section 7.01, the Franchisee shall pay to the Franchisor the then-current fee for such training and in all cases shall be responsible for all wages and other compensation payable to its attendees attending this training. At the request of the Franchisee, the Franchisor may provide the True Movement Method® Level 1 certification training at the Franchisee's True Movement® Studio in which event, the Franchisee shall reimburse the Franchisor for all travel, accommodation and living expenses incurred by the Franchisor's trainers during this training. [To open a True Movement® studio we require you to employ at least three trainers who have completed the Level 1 certification training.](#)

Currently, there is no fee for training of your Studio Manager if conducted as part of the initial opening. We retain the right to charge a reasonable fee. If you later retain a new Studio Manager who is not yet certified in the True Movement Method® and who attends training after your initial opening, there will be a \$1,000 fee for True Movement Method® certification training, which the Franchisee must pay. We reserve the right to waive this fee or reasonably increase it.

The Franchisee bears the responsibility to ensure that instructors at the Franchised Business train clients within the bounds of the True Movement Method® certification level that the instructor has successfully completed. The Franchisee must also ensure that instructors while working at the Franchised Business only teach the True Movement Method® and True Movement® classes. Instructing, teaching, or training any clients or classes at the Franchised Business other than the True Movement Method® is a material breach of this Agreement.

7.03 Opening Assistance

As part of the Franchisor's initial business operations training program, the Franchisor agrees to provide on-site assistance for five (5) business days during the opening of the Franchised Business.

7.04 Continuing Assistance

The Franchisor agrees to furnish to the Franchisee such continuing advice and guidance as is from time to time reasonably required by the Franchisee in connection with the Franchisee's operation of the Franchised Business, including advice and guidance with respect to the following:

- (a) training employees of the Franchised Business by the Franchisee;
- (b) inventory and supplies for the Franchised Business;

concerning this Agreement, the matters herein, the Franchised Business or concerning any other matters which are not embodied herein, except as set forth in the franchise disclosure document provided by the Franchisor to the Franchisee.

Nothing in this Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document

14.14 Currency

All references to dollars in this Agreement shall refer to United States dollars.

14.15 Survival

The rights of the Franchisor and the obligations of the Franchisee and Guarantor under Sections 10.02 to 10.08 and 14.02 and under Articles 11.00 and 12.00 of this Agreement shall survive the expiry or termination of this Agreement.

14.16 Counterparts and Electronic Transmission

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but together shall constitute one and the same instrument. This Agreement may be transmitted electronically and the reproduction of signatures electronically will be treated as binding as if originals.

ARTICLE 15.00 ACKNOWLEDGEMENTS

15.01 Volume Rebates

The Franchisee acknowledges that the Franchisor shall be entitled to receive and retain without accountability to the Franchisee, rebates, discounts, allowances, benefits and other similar advantages that the Franchisor may obtain from any supplier by reason of such supplier supplying products or services to its franchisees. Further, the Franchisor or its Affiliates may earn a profit from the sale of products to the Franchisee.

[signature page follows]

SCHEDULE B

MARKS

Mark	Application/Registration No.	Registration Date
True Movement Platform	97386307 7160916	Sept. 12, 2023
True Movement Method Platform	97386339 7160917	Sept. 12, 2023
True Movement Method	97386281 7160918	Sept. 12, 2023
True Movement Virtual	98556686 7863617	May 17, 2024 (pending) July 15, 2025
	99363840 (Serial No. for application)	August 28, 2025 (Pending)

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
Indiana	Securities Commissioner Indiana Securities Division Room E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681	Securities Commissioner Indiana Securities Division Room E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202
Michigan	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, Michigan 48913 (517) 373-7117	Michigan Corporation & Securities Bureau Department of Commerce 6546 Mercantile Way Lansing, MI 48911 (517) 373-7117
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	Minnesota Department of Commerce Securities-Franchise Registration 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600
Nebraska	Staff Attorney Department of Banking & Finance Commerce Court 1230 O Street, Suite 400 Lincoln, Nebraska 68508-1402 (402) 471-3445	
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, New York 10005 (212) 416-8222 Phone (212) 416-6042 Fax	Secretary of State 99 Washington Avenue Albany, NY 12231 (518) 473-2492
North Dakota	North Dakota Insurance & Securities Department 600 East Boulevard, Fifth Floor Bismarck, North Dakota 58505 58505-0510 (701) 328-4712 328-2910	North Dakota Securities Insurance Commissioner 600 East Boulevard, Fifth Floor Bismarck, North Dakota 58505 58505-0510 (701) 328-4712 328-2910

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
Oregon	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	
Rhode Island	Division of Securities John O. Pastore Complex, Bldg. 69-1 Cranston, Rhode Island 02920 (401) 426-9500	Director of the Rhode Island Department of Business Regulation 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
South Dakota	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
Texas	Statutory Document Section Secretary of State 1019 Brazos Austin, Texas 78701-2413 (512) 475-0775	
Utah	Department of Commerce Division of Consumer Protection 160 East 300 South SM Box 146704 Salt Lake City, Utah 84114-6704 (801) 530-6601	
Virginia	State Corporation Commission, Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, Virginia (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street 1 st Floor Richmond, Virginia 23219 (804) 371-9733
Washington	Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater <u>P.O. Box 41200</u> <u>Olympia, WA 98501 98504-1200</u> (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater <u>P.O. Box 41200</u> <u>Olympia, WA 98501 98504-1200</u> (360) 902-8760
Wisconsin	Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Street, Suite 300 Madison, WI 53703 (608) 266-8557	Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Street, 4th Floor Madison, WI 53703 (608) 261-9555

EXHIBIT C

STATE ADDENDA TO THE DISCLOSURE DOCUMENT

The True Movement Franchising Inc. disclosure document is revised for the following states as set forth below. ~~We reserve the right to challenge the application in enforceability of the following provisions and underlying state franchise law.~~

CALIFORNIA

The following language is added to the Cover Page:

Our website, <https://truemovement.ca>, has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

The following language is added to Item 17:

“THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR.”

Neither the Franchisor, any person or franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 and following).

The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The franchise agreement requires binding arbitration. The arbitration will occur in Delaware. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.4 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement requires application of the laws of the State of Delaware. This may not be enforceable in the State of California.

- B. The proposed registration application is or will shortly be on file in the following states.

Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, South Dakota, Virginia, Washington and Wisconsin

- C. States which have refused, by order or otherwise, to register these franchises are.

None

- D. States which have revoked or suspended the right to offer franchises are.

None

- E. States which the proposed registration of these franchises has been withdrawn are:

None

ILLINOIS

Illinois law governs the Agreement(s).

~~Paragraph 705/4 of the Illinois Franchise Disclosure Act (the "Act") provides that:~~

Payment of Initial Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

The Franchise Agreement does not provide you with any rights to terminate it. The term of the Franchise Agreement is 5 years.

~~"Any~~In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction ~~or~~and venue in a forum outside of ~~this~~the State of Illinois is void ~~provided that. However,~~ a franchise agreement may provide for arbitration ~~in a forum~~to take place outside of ~~this State."~~Illinois.

~~Rule Section 200.608 or the Act provides that:~~

Section 19 of the Illinois Franchise Disclosure Act sets forth the conditions and notice requirements for termination of a franchise agreement.

~~"As described in Section 4 of the Act, a franchise agreement shall not require a franchisee to litigate any cause of action, with the exception of arbitration proceedings, arising under the franchise agreement or the Act outside of this state, nor shall a franchisee agreement provide for a choice of law provision for any state other than Illinois."~~

Section 20 of the Illinois Franchise Disclosure Act sets forth the conditions of non-renewal of a franchise agreement, along with the compensation requirements.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor, franchise seller or other person acting on behalf of a Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND

The following language is added to Item 17~~5~~:

~~The Franchise Agreement provides that if negotiation fails, any dispute between us or claim arising out of or relating to the Franchise Agreement or any other franchise related agreement will be mediated in Edmonton, Alberta, Canada, under Delaware law, arbitrated in Wilmington, Delaware under Delaware law, except that we may seek an injunction and other remedies to prohibit infringement of our intellectual property rights, disclosure of our confidential information and a breach of non-compete covenants in any court of competent jurisdiction. The Franchise Agreement also provides that if a court determines that our agreement to arbitrate a particular dispute is not enforceable, then the dispute must be litigated in Wilmington, Delaware under Delaware law. These provisions to the extent they dictate the location and governing law for court proceedings are not permitted under the Illinois Franchise Disclosure Act. For Illinois franchisees, all court proceedings must be in Illinois under Illinois law.~~

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement

MARYLAND

The following language is added to Item 17:

- (1) Any limitation of claims shall not act to reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law (the "Law"). Claims under the Law must be brought within 3 years after the grant of the franchise to you.
- (2) Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Law.

Any provision of the Disclosure Document or in the Franchising Agreement requiring that you sign a general release as a condition of renewal, sale and assignment/transfer shall not

or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. The following language is added to Items 5 and 7 of the FDD:

Based upon the franchisor's most recent financial statement, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

NEW YORK

1. **The following language is added to the cover page:**

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT B OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees

commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts – Any sale made must be in compliance with §683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. §680 et seq.), which describes the time period a Franchise disclosure document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise disclosure document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO NORTH DAKOTA FRANCHISE LAW

The State of North Dakota has determined that requiring a franchisee to sign a general release upon renewal of a franchise agreement is unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement that a franchisee sign a general release as a condition of renewing the franchise agreement is deleted.

The State of North Dakota has determined that requiring a franchisee to consent to termination or liquidated damages in a franchise agreement is unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement that a franchisee consent to termination or liquidated damages is deleted.

The State of North Dakota has determined that certain covenants restricting competition may be contrary to Section 9-08-06 of the North Dakota Century Code. Any covenants against competition shall be subject to this section of the North Dakota Century Code. Covenants not to compete are generally considered unenforceable in North Dakota.

The State of North Dakota has determined that parties agreeing to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's place of business.

The State of North Dakota has determined that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee consent to the jurisdiction of courts outside North Dakota is deleted.

The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that specify they are governed by the laws of a

state other than North Dakota, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The laws of the State of North Dakota will govern the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements.

The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or the Supplemental Agreement requiring the waiver of a trial by jury to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee waive a jury trial is deleted.

The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements requiring a franchisee to consent to a waiver of exemplary and punitive damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee consent to a waiver of exemplary and punitive damages is deleted.

The State of North Dakota has determined that requiring a franchisee to consent to a limitation of claims to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The limitation of claims period is governed by North Dakota law.

The State of North Dakota has determined that requiring a franchisee pay all costs and expenses incurred by the franchisor in enforcing the agreement to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Based upon the franchisor's financial condition, the North Dakota Insurance & Securities Department has required a financial assurance from True Movement Franchising Inc. Therefore, all initial fees shall be deferred until such time as all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.

RHODE ISLAND

1. The following language is added to Item 3:

No person identified in Item 2:

a. Is subject to any currently effective order of the securities and exchange commission or the securities administrator of any state denying registration to or revoking or suspending the registration of such person as a securities broker or dealer or investment advisor, or is subject to any currently effective order of any national securities association.

b. Is subject to any currently effective injunction or restrictive order relating to business activity as a result of an action brought by any public agency or department, including, without limitation, actions affecting a license as a real estate broker or salesman.

SOUTH DAKOTA

Based upon the franchisor's financial condition, the South Dakota Securities Regulation Office has required a financial assurance. Therefore, all initial fees and payments owed by franchisee to franchisor or its affiliates will be deferred until the franchise is operational. Items 5 and 7 of the Disclosure Document are amended to provide that the initial franchise fee and other payments owed by you to us or our affiliates will be paid by you when your Franchised Business is operational.

VIRGINIA

1. The following language is added to the Cover Page:

THIS DISCLOSURE DOCUMENT IS PROVIDED FOR YOUR OWN PROTECTION AND CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THIS DISCLOSURE DOCUMENT AND ALL CONTRACTS AND AGREEMENTS SHOULD BE READ CAREFULLY IN THEIR ENTIRETY FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

A FEDERAL TRADE COMMISSION RULE REQUIRES FRANCHISORS TO FURNISH THEIR DISCLOSURE DOCUMENT TO PROSPECTIVE FRANCHISEES FOURTEEN CALENDAR DAYS BEFORE THE PROSPECTIVE FRANCHISEE SIGNS A BINDING AGREEMENT WITH OR MAKE ANY PAYMENT TO, THE FRANCHISOR OR AN AFFILIATES.

ALTHOUGH THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE VIRGINIA RETAIL FRANCHISING ACT AS AMENDED, REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIVISION OF SECURITIES AND RETAIL FRANCHISING OF THE VIRGINIA STATE CORPORATION

COMMISSION OR A FINDING BY THE DIVISION OF SECURITIES AND RETAIL FRANCHISING THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE, ACCURATE OR NOT MISLEADING.

IF THIS DISCLOSURE DOCUMENT IS NOT DELIVERED ON TIME, OR IF IT CONTAINS A FALSE, INCOMPLETE, INACCURATE OR MISLEADING STATEMENT, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE VIRGINIA DIVISION OF SECURITIES AND RETAIL FRANCHISING, 1300 EAST MAIN STREET, RICHMOND, VIRGINIA 23219.

The name and address of the Franchisor's Virginia agent ~~in Virginia~~ authorized to receive service of process ~~is~~:

Clerk of the State Corporation Commission
1300 E. Main Street, 9th Floor
Richmond, Virginia 23219

The following is added as an additional risk factor for consideration:

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from \$334,650 to \$1,056,200. This amount exceeds the franchisor's stockholder's equity as of July 31, 2025, which is \$50,000.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for True Movement Franchising Inc. for use in the Commonwealth of Virginia shall be amended and the following statements are added to Item 17.h:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON

Please see Exhibit D for the Washington Addendum to the Franchise Disclosure Document, the Franchise agreement, the Development Agreement, and All Related Agreements.

EXHIBIT D

STATE AMENDMENTS TO THE FRANCHISE AGREEMENT

The True Movement Franchising Inc. Franchise Agreement is amended for the following states as set forth below, ~~but only to the extent that the amendments are then valid requirements of an applicable and enforceable state law, and only for so long as such state law remains in effect~~. A state law is applicable only if the jurisdiction requirements of the state law applicable to the provision are met independent of the state law amendments set forth below.

CALIFORNIA

The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. BUS. & PROF. CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq (collectively the "Acts"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If the Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).
- b. If the franchisee is required in the Agreement to execute a release of claims, such release shall exclude claims arising under the Acts (such as those contained in Sections 4(2)(g), 6(4) and 15(2)(c) of the Franchise Agreement).
- c. If the Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671, the liquidated damage clause may be unenforceable.
- d. If the Agreement contains a covenant not to compete which extend beyond the expiration or termination of the Agreement, the covenant may be unenforceable under California law.
- e. The Agreement requires binding arbitration. The arbitration will occur in Wilmington, Delaware, with each party bearing its own costs and the costs of arbitration and administration being shared equally. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Agreement restricting venue to a forum outside the State of California.
- f. If the Agreement requires that it be governed by a state's law, other than the State of California, such requirement may be unenforceable.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other

person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS

~~The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, Ill. Rev. Stat. ch. 815 para. 705/1—705/44 (1994) (the "Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:~~

Illinois law governs the Agreement(s).

Payment of Initial Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

~~a. Paragraphs 705/19 and 705/20 of the Act provide rights to You concerning non-renewal and termination of this Agreement. If this Agreement contains a provision that is inconsistent with these paragraphs of the Act, the Act will control.~~

~~b. Any release of claims or acknowledgements of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act shall be void and are hereby deleted with respect to claims under the Act (such as those in Sections 4(2)(g), 6(4) and 15(2)(c) of the Franchise Agreement).~~

~~c. If this Agreement requires litigation to be conducted in a forum other than the State of Illinois, the requirement is void with respect to claims under the Act.~~

~~d. If this Agreement requires that it be governed by a state's law, other than the State of Illinois, to the extent that such law conflicts with Illinois law, Illinois law will control, without regard to conflicts of law.~~

~~e. Paragraph 705/5(2) of the Act requires that we provide you a copy of our Disclosure document at least 14 days prior to your signing any binding franchise agreement or other agreement or paying any consideration. If this agreement contains a provisions that is inconsistent with this Paragraph of the Act, the Act will control.~~

~~f. Nothing in this Agreement waives any rights the franchisee may have under Section 41 of the Act or other Illinois laws.~~

The Franchise Agreement does not provide you with any rights to terminate it. The term of the Franchise Agreement is 5 years.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Section 19 of the Illinois Franchise Disclosure Act sets forth the conditions and notice requirements for termination of a franchise agreement.

Section 20 of the Illinois Franchise Disclosure Act sets forth the conditions of non-renewal of a franchise agreement, along with the compensation requirements.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor, franchise seller or other person acting on behalf of a Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

See the last page of this Exhibit D for your required signature.

INDIANA

The Indiana Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with Indiana law, including the Indiana Franchises Act, Ind. Code Ann. " 1 - 51 (1994) and the Indiana Deceptive Franchise Practices Act, Inc. Code Ann. ' 23-2-2.7 (1985) (collectively the "Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. The Indiana Deceptive Franchise Practices Act provides rights to You concerning non-renewal and termination of this Agreement. To the extent the Agreement contains a provision that is inconsistent with the Act, the Act will control.

a. ~~b.~~ If the franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release shall exclude claims arising under the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, and such acknowledgments shall be void with respect to claims under the Acts.

b. ~~e.~~ If the Agreement contains covenants not to compete upon expiration or termination of the Agreement that are inconsistent with the Indiana Deceptive Franchise Practices Act, the requirements of the Act will control.

c. ~~d.~~ The Indiana Deceptive Franchises Practices Act provides that substantial modification of the Agreement by True Movement Franchising Inc. requires written consent of the franchisee.

If the Agreement contains provisions that are inconsistent with this requirement, the Act will control.

~~d.~~ ~~e.~~ If the Agreement requires litigation to be conducted in a forum other than the State of Indiana, the requirement may be unenforceable as a limitation on litigation under the Indiana Deceptive Franchise Practices Act § 23-2-2.7(10).

~~e.~~ ~~f.~~ If the Agreement requires that it be governed by a state's law, other than the State of Indiana, to the extent that such law conflicts with the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, the Acts will control.

MARYLAND

The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, MD. BUS. REG. CODE ANN. §14-201 ET SEQ. (2010 Repl. Vol. and Supp. 2011) and the rules and regulations promulgated thereunder (the "Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. If the franchisee is required in this Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release will exclude claims arising under the Act, and such acknowledgments shall be void with respect to claims under the Act.

a. Any limitation of claims provisions in the Agreement will not act to reduce the 3 year statute of limitations afforded a franchisee for bringing a claim under the Act. Claims under the Act must be brought within 3 years after the grant of the franchise to the franchisee.

b. If the Agreement requires litigation to be conducted in a forum other than the State of Maryland, the requirement will not be interpreted to limit any rights franchisee may have under the Act to bring suit in the State of Maryland.

Any provision of the Disclosure Document or in the Franchising Agreement requiring that you sign a general release as a condition of renewal, sale and assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law, to the extent required by this law.

Any representation requiring you to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of liability incurred under the Maryland Franchise Registration and Disclosure Law. The Franchise Agreement is amended accordingly to the extent required by law.

Any provision of the Disclosure Document or in the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

You may sue us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees under Section 5.01 of the Franchise Agreement shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

The undersigned parties do hereby acknowledge receipt of this Maryland Franchise Agreement Addendum and the Maryland Franchise Disclosure Document Addendum.

Dated this _____ day of _____, 20_____.

Signature of Franchisor Representative

Signature of Franchisee Representative

Title of Franchisor Representative

Title of Franchisee Representative

MINNESOTA

The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Miss. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the “Franchise Act”). To the extent that the Agreement and Disclosure document contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. The Minnesota Department of Commerce requires that True Movement Franchising Inc. indemnify Minnesota licensees against liability to third parties resulting from claims by third parties that the franchisee’s use of the Marks infringes trademark rights of the third party. Under Section 14.02 of the Agreement, True Movement Franchising Inc. does indemnify against the consequences of franchisee’s use of the Marks but only to the extent you are held liable by a third party. If this indemnification provision is inconsistent with Minnesota Department of

Disclosure Document or agreements can abrogate or reduce (1) any of your rights as provided for in Minnesota Statute 80C, or (2) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

k. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

l. Based upon the franchisor's financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisees under Section 5.01 of the Franchise Agreement shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement.

NEW YORK

The New York Department of Law required that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989) (the “Act”). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

If the franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act or any regulation, rule or order under the Act, such release shall exclude claims arising under the Act or any regulation, rule or order under the Act, and such acknowledgement shall be void. It is the intent of this provision that the non-waiver provisions of Sections 687.4 and 687.5 of the Act be satisfied.

ADDENDUM TO THE FRANCHISE AGREEMENT PURSUANT TO NORTH DAKOTA FRANCHISE LAW

The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51 19, Sections 51 19 01 through 51 19 17 (1993) (the “Act”). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The State of North Dakota has determined that requiring a franchisee to sign a general release upon renewal of a franchise agreement is unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement that a franchisee sign a general release as a condition of renewing the franchise agreement is deleted.

~~a. Covenants not to compete during the terms of and upon termination or expiration of the Agreement are enforceable only under certain conditions according to North Dakota law, if the Agreement contains a covenant not to compete which is inconsistent with North Dakota law, the covenant may be unenforceable.~~

~~b. If the Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the Act. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.~~

~~c. If the Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under the Act.~~

~~d. If the Agreement requires payment of liquidated damages or a termination penalty, the requirement may be unenforceable under the Act.~~

~~e. If the Agreement requires that it be governed by a state's law, other than the State of North Dakota, North Dakota law will control.~~

The State of North Dakota has determined that requiring a franchisee to consent to termination or liquidated damages in a franchise agreement is unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement that a franchisee consent to termination or liquidated damages is deleted.

~~f. If the Agreement requires the franchisee to waive the franchisee's right to a jury trial, the requirement may be unenforceable under North Dakota law.~~

The State of North Dakota has determined that certain covenants restricting competition may be contrary to Section 9-08-06 of the North Dakota Century Code. Any covenants against competition shall be subject to this section of the North Dakota Century Code. Covenants not to compete are generally considered unenforceable in North Dakota.

~~g. If the Agreement requires the franchisee to waive the franchisee's right to make a claim for exemplary or punitive damages, the requirement may be unenforceable under North Dakota law.~~

~~h. If the franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release shall exclude claims arising under the Act, and such acknowledgments shall be void with respect to claims under the Act.~~

The State of North Dakota has determined that parties agreeing to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's place of business.

~~i. If the Agreement requires the franchisee to consent to a limitation of claims that is shorter than the statute of limitations under North Dakota law, the statute of limitations under North Dakota law applies.~~

The State of North Dakota has determined that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust, or inequitable within the intent of

Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee consent to the jurisdiction of courts outside North Dakota is deleted.

The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that specify they are governed by the laws of a state other than North Dakota, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The laws of the State of North Dakota will govern the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements.

The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or the Supplemental Agreement requiring the waiver of a trial by jury to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee waive a jury trial is deleted.

The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements requiring a franchisee to consent to a waiver of exemplary and punitive damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee consent to a waiver of exemplary and punitive damages is deleted.

The State of North Dakota has determined that requiring a franchisee to consent to a limitation of claims to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The limitation of claims period is governed by North Dakota law.

The State of North Dakota has determined that requiring a franchisee pay all costs and expenses incurred by the franchisor in enforcing the agreement to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Based upon the franchisor's financial condition, the North Dakota Insurance & Securities Department has required a financial assurance from True Movement Franchising Inc. Therefore, all initial fees shall be deferred until such time as all initial obligations owed to franchisee under

the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business.

RHODE ISLAND

The Rhode Island Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R.I. Gen. Law. ch. 395 Sec. 19-28.1-1 - 19-28.1-34 (the “Act”). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If this Agreement requires litigation to be conducted in a forum other than the State of Rhode Island, the requirement may be void under the Act.
- b. If the Agreement requires that it be governed by a state's law, other than the State of Rhode Island, to the extent that such law conflicts with the Act it may be void under the Act.
- c. If the franchisee is required in this Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release shall exclude claims arising under the Act, and such acknowledgments shall be void with respect to claims under the Act.

SOUTH DAKOTA

Based upon the franchisor's financial condition, the South Dakota Securities Regulation Office has required a financial assurance. Therefore, all initial fees and payments owed by Franchisee will be deferred until the franchise is operational. Article 5 of the Franchise Agreement is amended to provide that the Initial Franchise Fee and other payments owed by the Franchisee to the Franchisor or its affiliates will be paid by the Franchisee when its Franchised Business is operational.

WASHINGTON

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the ~~franchise agreement~~Franchise Agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

- 1. Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

- 10. Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
- 11. Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
- 12. Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
- 13. Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
- 14. Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
- 15. ~~Nonsolicitation~~Non solicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
- 16. Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the

inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Deferral of Initial Fees. Based upon the franchisor's financial condition, the Washington Department of Financial Institutions has required a financial assurance from True Movement Franchising Inc. Therefore, all initial fees and payments owed by franchisees under Section 5.01 of the Franchise Agreement shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. This deferral includes the Deposit and Initial Fee detailed in Item 5 of the FDD.

20. Section 14.13 of the Franchise Agreement. The following language contained in Section 14.13 of the Franchise Agreement does not apply in Washington:

“It is expressly understood and agreed that the Franchisor has made no representations, inducements, warranties or promises, whether direct, indirect or collateral, expressed or implied, oral or otherwise, concerning this Agreement, the matters herein, the Franchised Business or concerning any other matters which are not embodied herein, except as set forth in the franchise disclosure document provided by the Franchisor to the Franchisee.”

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____ 20_____.

Signature of Franchisor Representative

Signature of Franchisee Representative

Title of Franchisor Representative

Title of Franchisee Representative

WISCONSIN

The Securities Commissioner of the State of Wisconsin requires that certain provisions contained in franchise documents be amended to be consistent with Wisconsin Fair Dealership Law, Wisconsin Statutes, Chapter 135 (the "Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. The Act, among other things, grants You the right, in most circumstances, to 90 days' prior written notice of nonrenewal and 60 days within which to remedy any claimed deficiencies. If the Agreement contains a provision that is inconsistent with the Act, the provisions of the Agreement shall be superseded by the Act's requirements and shall have no force or effect.

- b. If the Agreement requires that it be governed by a state's law, other than the State of Wisconsin, to the extent that any provisions of the Agreement conflicts with the Act such provision shall be superseded by the Act's requirements.

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing state law amendments, if any, supersede any inconsistent portion of the Franchise Agreement dated the _____ day of _____, 20____, ~~but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.~~

DATED this _____ day of _____, 20____.

FRANCHISOR:

True Movement Franchising Inc.

FRANCHISEE:

By: _____

By: _____

Title: _____

Title: _____

EXHIBIT E

CONFIDENTIALITY AND DEPOSIT AGREEMENT



CONFIDENTIALITY AND DEPOSIT AGREEMENT

TO: TRUE MOVEMENT FRANCHISING INC. (the “Franchisor”)

1. The undersigned (the "Applicant") hereby acknowledges that it has received a copy of the True Movement Franchising Inc. disclosure document at least fourteen (14) days prior to the date hereof.
2. The Applicant encloses herewith a deposit in the amount of Ten Thousand Dollars (\$10,000) (the “Deposit”). If a Franchise Agreement is entered into between the Franchisor and the Applicant, the Deposit (without interest) will be credited towards payment of the Initial Franchise Fee. If a Franchise Agreement is not entered into, the Deposit will be retained by the Franchisor.
3. The Applicant understands that the Franchisor may furnish information and material which will be of a confidential and proprietary nature concerning the Franchisor and the True Movement® System and that such information and material as well as the contents of the Franchisor’s disclosure document (collectively, the “Confidential Information”) are the property of the Franchisor. **The Applicant agrees that, except for disclosure to the Applicant’s professional advisors, the Applicant will not, directly or indirectly, copy, use or disclose any of the Confidential Information. The Applicant further agrees to return all Confidential Information to the Franchisor if a Franchise Agreement is not entered into between the Franchisor and the Applicant.**
4. The Applicant understands that the acceptance by the Franchisor of the Deposit from the Applicant is not an assurance that the Applicant will be granted a True Movement® Studio franchise.

DATED this ____ day of _____, 202_.

APPLICANT:

The Franchisor hereby acknowledges receipt of the Deposit of Five Thousand Dollars (\$10,000).

True Movement Franchising Inc.

Per: _____

EXHIBIT F
MUTUAL RELEASE AGREEMENT

(for Renewing franchisees)

MUTUAL RELEASE AGREEMENT

This **MUTUAL RELEASE AGREEMENT** is entered into as of the ___ day of _____, 202_, by and among **True Movement Franchising Inc.**, a Delaware corporation (the “**Franchisor**”), [NAME OF FRANCHISEE], a [STATE OF FORMATION TYPE OF ENTITY] (the “**Franchise Partner**”), and _____, individual(s) resident in the State of _____, (hereinafter each a “**Guarantor**” and collectively, the “**Guarantors**”).

WHEREAS the Franchisor, the Franchise Partner and the Guarantor are parties to a franchise agreement made the ___ day of _____, 202_ (the “**Franchise Agreement**”) pursuant to which the Franchise Partner operated a True Movement® Studio business in _____ (the “**Franchised Business**”);

AND WHEREAS the Franchise Agreement has expired and the Franchise Partner wishes to renew the franchise for its Franchised Business;

AND WHEREAS a condition to such renewal is the execution by the Franchise Partner and the Guarantors of this Release;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the mutual covenants herein contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the parties hereto), the parties agree as follows:

1. Unless otherwise defined herein, capitalized terms shall have the meanings given such terms in the Franchise Agreement.
2. Subject to the terms of this Release Agreement, the Franchisor, the Franchise Partner and the Guarantors acknowledge and agree that the Franchise Agreement and the obligations of the parties thereunder has expired and is of no further force and effect, effective as of the date hereof.
3. Each of the undersigned hereby irrevocably and unconditionally remises, releases and forever discharges the other of them and their respective agents, employees, officers, directors, managers, equity holders, affiliates, heirs, executors, administrators, successors and assigns (collectively, the “**Releasees**”) of and from any and all manner of action and actions, cause or causes of action, suits, debts, dues, sums of money, claims and demands whatsoever at law or in equity (each a “**Claim**” and collectively “**Claims**”) which against the Releasees the undersigned ever had, now has, or may in the future have for or by reason of or arising out of any cause, matter or thing existing up to and including the date hereof arising from the operation by the Franchise Partner of the Franchised Business pursuant to the Franchise Agreement.

EXHIBIT G

TABLE OF CONTENTS OF THE TRUE MOVEMENT ® MANUAL

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EXHIBIT H
FINANCIAL STATEMENTS

EXHIBIT I

**LIST OF CURRENT FRANCHISEES AND FRANCHISEES
WHO HAVE LEFT THE SYSTEM**

Our Current Franchisees: None

Our Former True Movement® Franchisees: None

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	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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.

RECEIPT

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 True Movement Franchising Inc. offers you a franchise, we must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, us 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 agreement or the payment of any consideration that relates to the franchise relationship.]

[Michigan requires 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 ~~we do~~ [True Movement Franchising Inc. 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, DC 20580 and the state agency listed on Exhibit B.

The franchise sellers for this offering are Erin Baker, Beth Potter, Kelli Sholdice Other: _____ of True Movement Franchising Inc., located at 11204 178 St., NW Edmonton, Alberta, Canada T5S 1P2 and reachable at 1-780-800-8783.

Issuance date: June 25, 2025

I received a disclosure document dated June 25, 2025, that included the following Exhibits:

- A Franchise Agreement
 - Schedule A – Address and Premise of Territory
 - Schedule B – Marks
 - Schedule C – Conditional Assignment Provisions
 - Schedule D – General Security Agreement
- B List of State Agencies
- C State Addenda to this Disclosure Document
- D State Amendments to the Franchise Agreement
- E Confidentiality and Deposit Agreement
- F Mutual Release Agreement
- G Table of Contents of the Manual
- H Financial Statements
- I List of Current franchisees and franchisees Who Have Let the System

Date

Market Rep.

Prospective

You should return one copy of the signed receipt by signing, dating, and emailing it to True Movement Franchising Inc. at erin@truemovement.ca. You may keep the second copy for your record.

RECEIPT

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 True Movement Franchising Inc., offers you a franchise, we must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, us 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 agreement or the payment of any consideration that relates to the franchise relationship.]

[Michigan requires 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 ~~we do~~ [True Movement Franchising Inc. 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, DC 20580 and the state agency listed on Exhibit B.

The franchise sellers for this offering are Erin Baker, Beth Potter, Kelli Sholdice and Other: _____ of True Movement Franchising Inc., located at 11204 178 St., NW Edmonton, Alberta, Canada T5S 1P2 and reachable at 1-780-800-8783.

Issuance date: June 25, 2025

I received a disclosure document dated June 25, 2025, that included the following Exhibits:

- A Franchise Agreement
 - Schedule A – Address of Premise and Territory
 - Schedule B – Marks
 - Schedule C – Conditional Assignment Provisions
 - Schedule D – General Security Agreement
- B List of State Agencies
- C State Addenda to this Disclosure Document
- D State Amendments to the Franchise Agreement
- E Confidentiality and Deposit Agreement
- F Mutual Release Agreement
- G Table of Contents of the Manual
- H Financial Statements
- I List of Current franchisees and franchisees Who Have Let the System

Date

Market Rep.

Prospective

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