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 and area development agreement require you to resolve disputes with the franchisor by litigation only in Minnesota. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Minnesota than in your own state.

2. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

~~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.~~3. **Unopened Franchises**. The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you may also experience delays in opening your own outlet.

~~5.~~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 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" (if any) to see whether your state requires other risks to be highlighted.

The Satellite Agreement will permit you to develop and operate a Satellite for a period of up to ten years, but not exceeding the remaining term of the Franchise Agreement for your Shop.

Successive Term Franchise Agreement; Renewal Agreement

If you are an existing franchisee, with a soon to expire Häagen-Dazs Shop Franchise Agreement, and are now being offered an opportunity to purchase a franchise for a successive term or a renewal term, then the Initial Franchise Fee will be $10,000 in the case of a Successive Term Franchise Agreement, or from $0 to $10,000 in the case of a Renewal Agreement. The entire fee is due when you sign your Franchise Agreement and is non-refundable. The term of the franchise will be for ten years. The terms of a Successive Term Franchise Agreement and Renewal Agreement are identical, except that the franchise fee, in the case of a Renewal Agreement, is determined on the basis of a formula in the expiring Häagen-Dazs Shop Franchise Agreement.

As a matter of practice, at your request, we will enter into a franchise for a shorter successive term, or renewal term, of up to three years, if you cannot obtain lease rights to continue to operate the Shop for a longer period. In the case of a Successive Term Franchise Agreement, will charge $1,500 for up to a one-year term; $3,000 for up to a two-year term; and $4,500 for up to a three-year term. In the case of a Renewal Agreement, the fee would be determined in the same manner, except if the expiring Franchise Agreement contemplated no fee for the renewal term, in which case we would not charge a franchise fee for the reduced term Renewal Agreement.

The Franchise Agreement does not grant you any right to renew the franchise at the end of the successive term. We may withdraw our offer to enter into a successive term Franchise Agreement with you if you fail to timely comply with the procedures prescribed by us.

If your Shop does not conform to current Häagen-Dazs design criteria, then we may require you to remodel your Shop during the first year of your successive term. If you are obligated to remodel during the first year of your successive term, and you fail to do so, then we may terminate your Franchise Agreement.

Modification of Standard Financial Terms

While in general we do not negotiate changes to the standard financial terms described in this Item 5, with respect to a franchise for a Shop, we occasionally agree to modifications based on unique circumstances. We anticipate possibly negotiating modifications to the terms of the Hospitality Shop Franchise Agreement, in view of the nature of the commercial environments where we would anticipate the establishment of a Hospitality Shop. As noted above, we participate in the International Franchise Association VetFran program, and the Experienced Operator Discount Program, under which qualified persons are eligible to pay a reduced franchise fee. As noted above, the terms of our Area Development Agreement will be negotiated on a case by case basis.

During the most recently completed fiscal year ended December 31, 2024 we: (1) sold one franchise at the experienced operator discount; (2) sold a second franchise at the experienced operator discount and also agreed to defer the final $5,000 of the initial franchise fee until on or before December 31 of the year the Shop opens; (3) agreed to remove the 1% local marketing commitment for a Shop within a casino; and (4) granted a five-year extension for $7,500.

Financial Assurances

Some states have imposed a ~~fee deferral.~~financial assurance. Please refer to the State Addendum in Exhibit G to the Franchise Disclosure Document.

Minnesota Specific Provisions

The following provisions shall apply to franchises which are governed by the Minnesota Franchise Act, and shall be deemed made a part of the any franchise agreement subject to the Act:

1. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent of the transfer of the franchise will not be unreasonably withheld.

2. Item 13 of the Franchise Disclosure Document and Section 28 of the Franchise Agreement are hereby amended by the addition of the following language:

3. To the extent required by Section 12, Subd. 1(g) of the Minnesota Franchise Act and regulations adopted thereunder, Franchisor will indemnify the Franchisee of a Shop located in Minnesota against liability incurred by Franchisee to a third party, resulting from claims by such third party, that Franchisee's use of the Franchisor's trademarks, service marks, trade names, logotypes or other commercial symbols infringes upon the similar rights of said third party. Franchisor does not indemnify against the consequences of Franchisee's use of Franchisor's trademarks, service marks, trade names, logotypes or other commercial symbols, except when the use thereof has been in accordance with the requirements of the Franchise Agreement, and, as a condition precedent to indemnification, Franchisee must provide notice to Franchisor of any such claim within 10 days and tender the defense of the claim to Franchisor. If Franchisor accepts tender of defense, Franchisor shall have the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

~~4. Items 5 and 7 of the FDD, Section 7.1 of the Franchise Agreement, and Section 6.2 of the Area Development Agreement are amended to state: Payment of the Initial Franchise Fee shall be deferred until Franchisor has satisfied its pre-opening obligations to Franchisee and Franchisee has commenced doing business. The Development Fee will be deferred until the first franchise is open and operational.~~

4. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks (Minnesota Statute 80C.12 Subd. 1(G)). The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

5. Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchiser from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statute 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

6. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

7. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J). Also, a court will determine if a bond is required.

8. The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

9. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

~~5.~~10. 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.

ADDENDUM TO DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA

The following applies to franchises and franchisees subject to the Virginia Retail Franchising Act.

Required Notice:

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for The Häagen-Dazs Shoppe Company, Inc. for use in the Commonwealth of Virginia shall be amended as follows:

~~Fee Deferral~~

~~Items 5 and 7 of the Franchise Disclosure Document, the Franchise Agreement, and the Area Development Agreement are amended to provide:~~

~~The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.~~

~~The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the development fee owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the development agreement.~~

Additional Disclosure:

The following statements are added to Item 17.h.

Pursuant to 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 ground for default or termination stated in the franchise and development 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

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.

Effective Date: ________, 2025