



FRANCHISE DISCLOSURE DOCUMENT

Franchisor:

MindChamps International PreSchool Franchising Inc.
(a Delaware profit corporation)
8 The Green, STE A
Dover, DE 19901 United States
www.mindchamps.org

MindChamps International PreSchool Franchising Inc. offers franchises for the establishment, development, and operation of facilities operating under the MindChamps® mark, which provide premium learning and educational oriented activities, including childcare services, to children from six (6) weeks to five (5) years old (each, a “School”).

The total investment necessary to begin ownership of a MindChamps® franchise ranges from ~~\$673,293,726,230~~ to ~~\$1,074,293,183,656~~. This includes ~~approximately \$495,000~~ \$203,521 to \$588,500 ~~\$239,521~~ that must be paid to the franchisor or an affiliate. If you purchase land for and build the School, the total investment necessary to begin ownership of a MindChamps® franchise ranges from ~~\$2,680,600 to \$6,101,600~~ \$26,230 to \$6,183,656 (this includes \$203,521 to \$239,521 that must be paid to the franchisor or an affiliate).

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

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 Mr. Ben Ang at +1-786 401 0880 or via email at benang@mindchamps.org.

The terms of your contract will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your contract. Read your entire 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 (“FTC”). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state

agency or visit your public library for other sources of information on franchising.

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

~~We issued this Disclosure Document on~~Issuance Date: August 23, 2024.

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 arbitration and/or litigation only in Delaware. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Delaware 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. **General 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" (if any) to see whether your state requires other risks to be highlighted.

- ii. MindChamps Allied Care Group Pte. Limited (“**MCACMCACG**”), a Singapore private limited company with its registered business address at 6 Raffles Boulevard, #04-100 Marina Square, Singapore 039594. **MCACMCACG** offers and sells franchises in Singapore relating to specialized healthcare services and allied health and early intervention services since June 2016. As of the date of this Disclosure Document, there are 9 franchises in Singapore.
- iii. MindSpace (Global) Pte. Limited (“**MSG**”), a Singapore limited liability company with its registered business address at 6 Raffles Boulevard, #04-100 Marina Square, Singapore 039594. Since October 2021, MSG offers and sells franchises in Singapore for an integrative after school care programme where primary school-going children will be provided with after school care services and enrichment programs. As of the date of this Disclosure Document, there are 27 franchisees in Singapore.
- iv. MindChamps Australia Corporate Pty. Limited (“**MCAC**”), an Australia proprietary limited company with its registered business address at Suite 36.02, 8 Parramatta Square 10 Darcy Street, Parramatta NSW 2150, Australia. Since December 2016, MCAC offers and sells franchises relating to educational services in Australia. As of the date of this Disclosure Document, there are 33 franchises in Australia.
- v. Actors Centre Australia Pty. Limited (“**ACA**”), an Australia proprietary limited company with its registered business address at 30A/23 Norton Street, Leichhardt, NSW, 2040, Sydney, Australia. ACA offers programs relating to nurturing children through theater and drama programs.
- vi. MindChamps Enrichment Academy Pte. Limited (“**MCEA**”), a Singapore private limited company with its registered business address at 6 Raffles Boulevard, #04-100 Marina Square, Singapore 039594. Since August 2013, MCEA offers and sells franchises in Singapore for, among others, MindChamps®’ research-based Reading & Writing™ program.
- vii. MindChamps Media Pte. Limited (“**MC Media**”), a Singapore private limited company with its registered business address at 6 Raffles Boulevard, #04-100 Marina Square, Singapore 039594. MC Media’s principal activity is in the production of dramas, variety shows and documentaries including the production of television programs for young children. MC Media has not offered franchises in this or any other line of business and does not conduct any other business activities.

None of our affiliates has offered franchises in this Franchise or any other line of business except as described above.

The MindChamps® Franchise

We offer to qualified candidates MindChamps® Franchise Agreements for the establishment of a School at a single location, which will operate under the “MindChamps®” and “MindChamps® International PreSchool” marks, and certain other trademarks, trade names, service marks, logotypes, and commercial symbols that we may adopt from time to time (collectively, the “**Marks**”). Each School is identified by the marks “MindChamps®” and/or “MindChamps® International PreSchool” and the school location, e.g. “MindChamps International PreSchool @ [town or other location].”

~~Schools operate under a distinctive business format and method, including but not limited to,~~

~~policies, operational procedures, plans, directions, training methods, Pedagogical Methods, retailing, marketing and advertising strategies and techniques and the ChampionGold Standard developed by us or our Affiliates (the “System”) for implementation in connection with the operation of the business of operating a School providing educational services and delivering courses and programs for preschoolers under the tradename MindChamps International PreSchool™ and using our intellectual property in accordance with the System and the Franchise Agreement (the “Business”). The System is characterized by the distinctive interior and exterior design, décor, layout and color scheme; the Marks; exclusively designed decorations, signage, furnishings and materials; the MindChamps® manual; uniform operating methods, procedures and techniques; and other confidential procedures, methods and techniques for inventory and cost controls, record keeping and reporting, personnel management, purchasing, marketing, sales promotions, advertising and public relations. Our proprietary products include any product, including but not limited to equipment, software, brand positioning collaterals, course materials and certain resources for use in the School, including printed materials, teaching resources, whiteboards, boards for zones display, QE labels/zone labels, acrylic boards and playing resources (the “Education Resources and Furnishing”) that: (i) has been produced in accordance with our specifications; (ii) has been packaged or labeled with the Marks; or (iii) in our sole discretion, is an important component of the System (the “Proprietary Products”).~~

~~MindChamps® works alongside international experts and draws inspiration and research from the domains of education, psychology, neuroscience and theater. MindChamps® is the only educational institute where Neuroscientist Emeritus Professor Allan Snyder’s (Fellow of the Royal Society) empirical research of the revolutionary “3 Minds” model of education — “the Champion Mind, the Creative Mind, and the Learning Mind” — is uniquely built into the MindChamps® curriculum. The curriculum nurtures all aspects of a child’s development and empowers a child to realize their potential.~~

~~Our S.M.I.L.E.S.™ methodology is designed for Integrative learning activities and experiences to engage and promote **Sensory, Motor, Intellectual, Linguistic, Emotional and Social** development in young minds.~~

Our current form of Franchise Agreement is attached as Exhibit B to this Disclosure Document (the “**Franchise Agreement**”). The Franchise Agreement must be signed by an Entity. In addition, we require all Owners of such Entity to sign personal guarantees agreeing to guarantee the payment and performance obligations of the Franchisee under the Franchise Agreement.

The Franchise Agreement grants you the right to operate a School under the System and using the Marks, as the System and Marks may be changed from time to time at and from an agreed upon site (“**Accepted Location**”). If, at the time you enter into the Franchise Agreement, you do not have an Accepted Location; you must lease, sublease, or acquire a site to operate the School, subject to our approval. The Franchise Agreement will designate a non-exclusive marketing area (the “**Designated Area**”). Schools typically will be located close to residential homes and certain commercial areas, all of which may be in either urban or suburban areas.

~~You must operate the Franchise according to our standards and procedures, as set out in our confidential operating manual (the “Manual”). We will provide you with access to a non-editable and non-downloadable copy of the Manual for the duration of the Franchise Agreement. We may periodically change and improve parts of the System, and you must promptly comply with all new or changed items.~~

~~Your School must at all times be under the supervision of one or more of your Owner(s) or key person(s) that we have approved to operate the School and that you have authorized to have~~

~~authority over all business decisions related to your business and to bind you in all dealings with us (“Key Person”). In our experience, the level of participation by the Owner(s) in the management and operation of the School is important to the proper functioning of the School within our System. Your Key Person must reside in the same market as the School and must routinely be on-premises at the School.~~

Childcare Industry, Market and its Specific Regulations. The childcare school market has expanded for several reasons, such as the importance of high-quality early childhood education, the benefits of childcare among corporations to keep effective and productive employees, and the increase in the number of working parents.

While the national market has expanded for services offered by childcare schools, local markets can vary from the overall national market. Each location or “market” has different demographics, childcare needs, business opportunities for working parents and competition for our owned and franchised childcare schools.

You and your employees must comply with all applicable childcare licensing statutes and regulations and other laws enacted by your state and local government regarding the protection and transportation of children and the operation of childcare facilities. You must also comply with health and safety regulations that apply to the preparation, serving and storage of food at your School. You will also have to comply with laws and regulations that are applicable to businesses generally (such as workers’ compensation, Occupational Safety and Health Administration, and Americans with Disabilities Act requirements). ~~You must also comply with all applicable laws, rules, and orders of any governmental authority concerning any pandemic or public health crisis, which may require businesses in the childcare industry to materially modify, limit, or cease operations for an indeterminate period.~~

~~Federal, state and local governmental laws, ordinances and regulations periodically change. It will be your responsibility to ascertain and comply with all federal, state, and local governmental requirements. We do not assume any responsibility for advising you on these regulatory or legal matters. You should consult with your attorney about laws and regulations that may affect your School.~~

General Description of the Market and Competition. ~~School services, products, and related materials are offered to the general public and are targeted especially to professional, working parents with children who are six weeks through twelve years old.~~ We believe that the market for the services provided by the School is established and expanding. Our franchisees compete with day care schools, public and private schools, churches, and corporations which provide day care services and early childhood education.

You may have to compete with other businesses, including franchised operations, national chains and independently owned companies offering daycare/preschool services to children. ~~Changes in local and national economic conditions and population density affect this industry and are generally difficult to predict. The market for childcare services is developed in most areas. You will face other business risks that could have an adverse effect on your business, including pricing policies of competitors, changes to laws or regulations, changes in supply and demand, new technologies and competition from Internet-based organizations that provide information and some related services or products. The market for childcare services is developed in most areas.~~

Affiliated Franchise Programs. We are affiliated with the following franchise programs (“Affiliated Programs”):

- i. MPL is the direct parent company to the franchises of MindChamps® Preschool, MindChamps® Chinese PreSchool, MindChamps® Performing Arts International PreSchool in Singapore and MindChamps® Early Learning and PreSchool in Australia. The principal place of business is at 6 Raffles Boulevard, #04-100 Marina Square, Singapore 039594 in Singapore and Suite 36.02, 8 Parramatta Square 10 Darcy Street, Parramatta NSW 2150 in Australia.
- ii. MindChamps® PreSchool franchise is for preschool schools that cater early childhood education services to children aged eighteen (18) months to six (6) years old in Singapore and Malaysia. As of the date of this Disclosure Document, there were a total of 39 MindChamps PreSchools centres in Singapore (including both company-owned and franchisee-owned centres) and two (2) in Malaysia. The MindChamps® PreSchool franchise is similar to the Franchise offered by us. The MindChamps® PreSchool franchise in Singapore is currently offered by MCPS. The MindChamps® PreSchool franchise is currently offered by MPL and/or MPL's master franchisees and/or MPL's licensees in Malaysia. MPL's registered business address is 6 Raffles Boulevard, #04-100 Marina Square, Singapore 039594.
- iii. MindChamps® International PreSchool is for preschool schools that cater early childhood education services to children in the Philippines, Myanmar and Indonesia. As of the date of this Disclosure Document, there were six (6) MindChamps® International PreSchool centres and franchisees in the Philippines, one (1) in Myanmar and three (3) in Indonesia. The MindChamps® International PreSchool franchise is similar to the Franchise offered by us. The MindChamps International® PreSchool franchise is currently offered by MPL and/or MPL's master franchisees and/or MPL's licensees in the Philippines, Myanmar and Indonesia. MPL's registered business address is 6 Raffles Boulevard, #04-100 Marina Square, Singapore 039594.
- iv. MindChamps® Early Learning and PreSchool franchise is for early learning and preschools schools catering to children aged six (6) weeks to six (6) years old in Australia. As of the date of this Disclosure Document, there were a total of 22 MindChamps® Early Learning and PreSchools centres in Australia. The MindChamps® Early Learning and PreSchool franchise is similar to the Franchise offered by us. The MindChamps® Early Learning and PreSchool franchise in Australia is currently offered by MCAC. MCAC's registered business address is Suite 36.02, 8 Parramatta Square 10 Darcy Street, Parramatta NSW 2150, Australia.
- v. MindChamps® Chinese PreSchool franchise in Singapore nurtures a love for learning the Mandarin Chinese language in children aged eighteen (18) months to six (6) years old in the playgroup, nursery and kindergarten levels. As of the date of this Disclosure Document, there were four (4) MindChamps® Chinese PreSchool centres and franchisees in Singapore. The MindChamps® Chinese PreSchool franchise in Singapore is offered by MCPS. MCPS' registered business address is 6 Raffles Boulevard, #04-100 Marina Square, Singapore 039594.
- vi. MindChamps® Performing Arts International PreSchool franchise in Singapore marries the benefits of the MindChamps renowned preschool curriculum with key learning outcomes derived from the performing arts. As of the date of this Disclosure Document, there were three (3) MindChamps® Performing Arts International PreSchools centres in Singapore. The MindChamps® Performing Arts International PreSchool franchise in Singapore is currently offered by MCPS. MCPS' registered business address is 6 Raffles Boulevard,

[#04-100 Marina Square, Singapore 039594.](#)

- vii. MindChamps® Infant Care franchise in Singapore provides full-day and half-day care programmes for infants and toddlers aged two (2) to eighteen (18) months. As of the date of this Disclosure Document, there was one (1) MindChamps® Infant Care school in Singapore. The MindChamps® Infant Care franchise in Singapore is currently offered by MCPS. [MCPS' registered business address is 6 Raffles Boulevard, #04-100 Marina Square, Singapore 039594.](#)
- viii. MindChamps® Allied Care franchise in Singapore provides healthcare services and allied health and early intervention services. As of the date of this Disclosure Document, there were 11 MindChamps® Allied Care centers in Singapore. The MindChamps® Allied Care franchise in Singapore is currently offered by ~~MCAC~~ MCACG. [MCACG's registered business address is 6 Raffles Boulevard, #04-100 Marina Square, Singapore 039594.](#)
- ix. MindChamps® Reading Program franchise caters to children from three (3) years old. It uses the breakthrough "*Immersive Reading*" approach to nurture reading with "*Active Understanding*". As of the date of this Disclosure Document, there were seven (7) MindChamps® PreSchools offering the MindChamps® Reading Program in Singapore. The MindChamps Reading Program in Singapore is offered as an add-on program to the MindChamps PreSchool franchise. MindChamps® Reading program franchise is currently offered by MCPS in Singapore. [MCPS' registered business address is 6 Raffles Boulevard, #04-100 Marina Square, Singapore 039594.](#)
- x. MindChamps® Reading and Writing Program franchise is a holistic literacy development program, equipping each child with a comprehensive set of writing tools. As of the date of this Disclosure Document, there were seven (7) MindChamps® centres offering the MindChamps® Reading and Writing Program in Singapore. The MindChamps Reading and Writing Program in Singapore may be offered either as a standalone franchise or offered as an add-on program to the MindChamps PreSchool franchise. MindChamps® Reading and Writing program franchise is currently offered by MCPS in Singapore. [MCPS' registered business address is 6 Raffles Boulevard, #04-100 Marina Square, Singapore 039594.](#)
- xi. MindSpace franchise is an integrative after school care program (which also provides enrichment programs) catering to children aged seven (7) to eleven (11) years old. As of the date of this Disclosure Document, there were twenty-seven (27) MindSpace centers in Singapore. [MindSpace franchise is currently offered by MSG. MSG's registered business address is 6 Raffles Boulevard, #04-100 Marina Square, Singapore 039594.](#)

ITEM 2 BUSINESS EXPERIENCE

Chairman, Chief Executive Officer and Director – David Chiem

Mr. Chiem has been our Chairman and CEO since our inception. He is also the Founder, Executive Chairman & Group CEO of MPL located in Singapore since its inception in 2008.

Chief Financial Officer – Teo Wee Jone

Mr Teo has been our Chief Financial Officer since our inception. He has also held various positions with MPL since January 2008, including the Chief Financial Officer of MPL located in Singapore since January 2008.

Global Chief Brand Officer & Chief Operating Officer – Peh Poh Geok

Ms. Peh has been our Global Chief Brand Officer and Chief Operating Officer since our inception. She has also been employed by MPL located in Singapore since 2008.

CEO of MindChamps Australia & New Zealand – Gary Carroll

~~Mr. Carroll was appointed CEO of MindChamps Australia & New Zealand in March 2024. He was previously CEO and CFO of G8 Education Ltd from January 2017 to December 2022 and Co-Chair of the Early Learning and Care Council of Australia (ELACCA).~~

Chief Information Officer – Shan Gandhimani

Mr. Shan has been our Chief Information Officer since our inception. He has been the Chief Information Officer of MPL located in Singapore since January 2021. He previously served ~~as MPL's General Manager, IT from November 2012 to September 2017 and~~ as Chief Information Officer with RHT Consulting located in Singapore from October 2017 to January 2021.

Chief Business Development Officer, USA – Ben Ang

Mr. Ang has been our Chief Business Officer since our inception. Mr. Ang has been the Chief Business Development Officer of MPL located in Singapore since January 2022. Mr. Ang was previously CEO of Edutex Asia from February 2021 to December 2021, Chief Business Development Officer of Training Vision Institute Pte. Ltd from November 2019 to February 2021, He was Chief Operation Officer of Global Wellness Group, Singapore from May 2018 to November 2019 in Singapore ~~and of Singapore Medical Specialist Center from 2017 to April 2018.~~

Group General Counsel - Yeo Hui Leng

Ms. Yeo has been our Group General Counsel since our inception in Singapore. She has also been the Group General Counsel and Company Secretary of MPL in Singapore since April 2021. Based in Singapore, she previously served as Group General Counsel and Head of Investment and Development of Changhua Holdings from December 2019 to March 2021, General Counsel of Radisson Hotels Group from May 2019 to December 2019, ~~SVP Group General Counsel of Wah Hin & Co (family office of OUB founder, Dr. Lien) from June 2017 to May 2019, and VP, General Counsel (Asia Pacific) of FRHI Hotels and Resorts from January 2010 to April 2017.~~

Deputy Director-General of Education – Joseph Lim

Mr. Lim has overseen our curriculum planning and delivery since our inception. He has also been Deputy Director – General of Education of MPL located in Singapore since February 2018. ~~Previously, Mr. Lim was a Principal of a primary and secondary school and then moved on to be Superintendent of a cluster of schools with the Singapore Ministry of Education from January 2010 to February 2017.~~

Vice Dean, Engagement and Training – Paulene Smith

Ms. Smith has been our Vice Dean, Engagement and Training since our inception. She has held multiple positions with MPL located in Singapore since March 2008, including as Director (Special Projects), Senior Director of Education and Training and Vice Dean of Training and Engagement.

Emeritus Professor Allan Snyder FRS (USA/Australia) – Chair of Research

Our Global Research, Advisory & Program Development Team has been chaired by Emeritus Professor Allan Snyder since MPL's inception. He has also been a fellow of the Royal Society of London since 1990.

Professor Kathy Hirsh-Pasek (USA) – Senior Fellow

Professor Hirsh-Pasek has been a member of our Global Research, Advisory & Program Development Team since its inception. She has also been the Stanley and Debra Lefkowitz Faculty Fellow in the Department of Psychology at Temple University in the United States and a Senior

Fellow at the Brookings Institution in the United States since August 2015.

Professor Roberta Michnick Golinkoff (USA) – Senior Fellow

Professor Golinkoff has been a member of our Global Research, Advisory & Program Development Team since its inception. She is the Unidel H. Rodney Sharp Professor in the School of Education and Departments of Psychology and Linguistics and Cognitive Science at the University of Delaware in the United States since 1974.

Dr Thalia R. Goldstein (USA) – Fellow

Professor Goldstein has been a member of our Global Research, Advisory & Program Development Team since its inception. She has also been a research designer and evaluation of Thalia Goldstein Consulting (USA) since 2005 and an associate professor at George Mason University (USA) in the United States since August 2021. She was an assistant professor at George Mason University located in Fairfax, Virginia between August 2017 and August 2021.

Dean of Research & Program Development - Brian Caswell

Mr. Caswell has been the Dean of Research & Program Development with MPL located in Singapore since 1998.

Professor Trevor H. Cairney OAM (Australia) – Fellow

Professor Cairney has been a member of our Global Research, Advisory & Program Development Team since its inception. He has been a member of business NSW council at NSW Business Chamber (Australia) since November 2006, a director and immediate past president at NSW Business Chamber (Australia) since February 2018, an elected member at NSW Business Chamber since October 2018, an NSW representative Australian Industry and Skills Committee in the Australian Government Department of Education and Training since July 2018, the CEO of Higher Education Solutions Pty Ltd (Australia) since January 2017, a university life fellow of UNSW (Australia) since November 2013 and an honorary professor of education at University of Sydney since February 2017. He was a director at NSW Business Chamber (Australia) between February 2006 and March 2020, ~~an adjunct professor of education at UNSW between July 2002 and January 2018~~, the head of foundation at Moore Theological College (Australia) between August 2017 and February 2021, the chairman of the board of directors at Australian Business Lawyers and Advisors between February 2016 and March 2020, a director at Australian Business Foundation between March 2005 and March 2020, ~~a director at Australian Chamber of Commerce and Industry between March 2016 and March 2018 and a chair, employment, education and training committee of Australian Chamber of Commerce and Industry between March 2016 and March 2018.~~

Ms Libby Gleeson AM (Australia) – Fellow

Ms. Gleeson has been a member of our Global Research, Advisory & Program Development Team since its inception and has been a member of MPL's Global Research, Advisory & Program Development Team since July 2018. Ms. Gleeson has been a teacher and lecturer at the University of New South Wales (UNSW) in Australia since 1980.

Dr James Muecke AM (Australia) – Senior Fellow

Dr Muecke was appointed Senior Fellow of our Global Research, Advisory and Programme Development Team in March 2024. 2020 Australian of the Year, Dr Muecke is an Ophthalmologist and blindness prevention pioneer, and ~~former~~ Lieutenant Governor of South Australia. from January 2022 to February 2024.

Dr Scott Hicks (Australia) –Senior Fellow

Dr Hicks has been a member of our Global Research, Advisory & Program Development Team since its inception. He has been the director of several films since 1975 and is a member of the

Directors Guilds of America and the Academy of Motion Picture Arts and Sciences.

Mr Aubrey Mellor OAM (Australia) – Senior Fellow

Mr. Mellor has been a member of our Global Research, Advisory & Program Development Team since its inception and was previously the director of the National Institute of Dramatic Arts (NIDA); ~~one of Australia’s premier theatre schools.~~ He also has been a Senior Fellow with the Performing Arts School at Lasalle in Singapore in 2011.

Emeritus Professor Steven Schwartz (Australia) - Senior Fellow

Emeritus Professor Schwartz has been a member of our Global Research, Advisory & Program Development Team since our inception. ~~Emeritus Professor Schwartz was previously the chairman of the Australian Curriculum, Assessment and Reporting Authority (Australia) between June 2015 and May 2018.~~ He has also been an honorary senior fellow at the University of Melbourne since June 2014, a member of the international advisory committee at Zhejiang University (China) since July 2014, a director at Teach for Australia since August 2013, a senior fellow at the Centre for Independent Studies (Australia) since September 2012, a member of the advisory board at Australian Scholarships Foundation since September 2013, and a contributor at Australian Financial Review since January 2012.

Mrs Carmee Lim (Singapore) – Mentor Principal

Mrs. Lim has been a member of our Global Research, Advisory & Program Development Team since its inception and has been a member of MPL’s Global Research, Advisory & Program Development Team since September 2006.

Mr Steven Andrews (UK) – Chief Academic Officer

Mr. Andrews has been a member of our Global Research, Advisory & Program Development Team since its inception and has been a member of MPL’s Global Research, Advisory & Program Development Team since October 2015.

Mrs Louise Mulligan-Andrews (UK) – Director General of Education

Mrs Mulligan-Andrews has been a member of our Global Research, Advisory & Program Development Team since its inception and has been a member of MPL’s Global Research, Advisory & Program Development Team since October 2015.

Note: Unless otherwise stated above, each individual in Item 2 maintains an office at our headquarters in Dover, Delaware or at MPL and/or MHPL in Singapore.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Unless otherwise described below, the following initial fees are uniformly applied and are non-refundable.

(1) Initial Franchise Fee

The initial franchise fee for a MindChamps® franchise (the “**Initial Franchise Fee**”) for a new

franchisee for a new School is \$100,000, payable upon execution of the Franchise Agreement.

(2) Site Selection Fee / Site Assessment Fee

You have the option to engage us to source for up to 2 sites suitable for the development of the School based on criteria evaluated by us (the “**Suitable Sites**”) for the School. If you engage us to do so, you must pay us the site selection fee of \$35,000 (the “**Site Selection Fee**”) upon the execution of the Franchise Agreement.

If you do not engage us to source for up to 2 Suitable Sites for the School, you must pay us a site assessment fee of \$5,000 (the “**Site Assessment Fee**”) for us to inspect the sites proposed by you within the Designated Area. In addition to the Site Assessment Fee, you must reimburse us for the costs and expenses incurred by us in assessing the proposed sites (up to a maximum of \$20,000).

(3) School Set-up Fee

You must pay us the school set-up fee of \$3,000/classroom (the “**School Set-up Fee**”) upon execution of the Franchise Agreement. Our disclosure at Item 7 below on the estimated School Set-up Fee is based on 8 to 10 classrooms. As consideration for the School Set-up Fee, we will provide you reasonable guidance on renovation and School set-up involving classroom look and feel, education resources, furniture and wall decorations display in accordance with our standards which are based upon the expectation of excellence (the “**ChampionGold Standard**”).

(4) Initial Training Fee (for One Owner and One Key Person)

You must pay us an initial training fee of \$30,000 (the “**Initial Training Fee**”) for one (1) Owner and one (1) Key Person, payable upon execution of the Franchise Agreement. The training covers training in the standards, procedures, techniques and methods comprising the System as described in the Manual. We charge a training fee of \$10,000 per additional Owner or Key Person. If we determine that you have not satisfactorily completed any part of the required training, we have the right to delay the opening of the School until training has been completed to our satisfaction.

(5) Teachers Training Fee

It is a requirement for all teachers to undergo the MindChamps®’ training program. We will provide complimentary training for up to ten (10) teachers. Thereafter, you will be charged based on the following for each teacher:

- i. Enrichment Teacher training fee: \$1,000 each
- ii. Classroom Teacher training fee: \$2,500 each
- iii. School Director training fee: \$3,500 each

You must bear all travel, accommodation and food and beverage costs of the trainees, and shall ensure that all the trainees have the requisite visas, permits, passes and/or authorizations during the period of training to attend and participate in training and must pay your own personnel expenses for training. You shall also bear the travel, accommodation and subsistence costs of our training personnel, which shall be capped at US\$3,000.00 per training session.

Enrichment Teacher refers to a teacher who leads in the implementation and delivery of the various MindChamps® enrichment programs. These would include the MindChamps Reading Program, creativity and theatrical strategies. The Enrichment Teacher ensures quality enrichment programming to support the overall learning experiences of the children. This programming will include documenting the children’s learning and development in the enrichment areas and working collaboratively with families through meaningful feedback.

The Classroom Teacher refers to a teacher whose role is to provide quality care to the children under his/her charge as well as lead in the delivery of the MindChamps ® curriculum. This curriculum includes our enquiry approach to teaching and learning, S.M.I.L.E.S methodology, as well as the set up and execution of the MindChamps ® learning zones. The Classroom Teacher drives the core curriculum in the classroom, documents the children’s learning and works collaboratively with families to ensure the best care and learning experiences for the children.

The School Director refers to a person whose role is to provide the overall operational, compliance and curriculum leadership to the School. He/she leads the team of teachers as well as the support staff to provide quality experiences and learning for the children, while working collaboratively with families. The School Director leads the School through various processes and practices including staff meetings, classroom observations, best practice sharing sessions, quality assurance checks and performance appraisals and professional development. The School Director is also in charge of driving student enrolments through tours and ensuring standards of excellence.

(6) Marketing Starter Pack Fee

You must pay us the marketing starter pack fee of \$40,000, which is a one-time fee for the marketing campaign package we provide to you (the “**Marketing Starter Pack Fee**”). The Marketing Starter Pack Fee is payable upon execution of the lease document for the School entered into by you in relation to the lease of the premises to be used to operate the School (the “**Lease**”) as described in Item 11. The Marketing Starter Pack Fee, which will be spent on your behalf, covers all advertising expenses (including the designing and planning of advertising activities) in connection with the advertising of the School prior to the opening of the School.

(7) Document Preparation Fee

You must pay us the document preparation fee of \$3,000 (the “**Document Preparation Fee**”), which is payable upon execution of the Franchise Agreement. The Document Preparation Fee relates to our costs of legal services relating to preparing, negotiating and/or executing the Franchise Agreement.

(8) Email System / Customer Relationship Management System / Student Management System

You must obtain from us the email system, customer relationship management system and student management system. The email system costs US\$6 per staff/account per month, customer relationship management system costs US\$62 per month for one (1) license and the student management system costs US\$325 per month for one (1) license.

ITEM 6 OTHER FEES

The table below describes fees and payments that are payable to us or our affiliates, or imposed by us on behalf of a third party, relating to the operation of your School. All of the fees listed below are non-refundable and, except as noted below, are uniformly imposed.

Name of Fee	Amount	Due Date	Remarks
Royalty Fee	7% of Gross Sales. ¹	Payable monthly on the 14th day of each month for Gross Sales of the preceding month.	For the definition of Gross Sales, see Note 1.

Brand Fund Contribution	Currently 2% of Gross Sales.	Payable in the same manner as the Royalty Fee.	Brand Fund Contribution may be increased by us at any time, but will not be more than a total of 3% of Gross Sales. See Item 11.
Local Advertising Fee	2% of Gross Sales for the preceding month or \$4,000, whichever is greater.	Payable as incurred.	You must spend a minimum of the greater of two percent (2%) of Gross Sales or \$4,000 each month on marketing, advertising and promotional activities in the local area, and all marketing, advertising and promotional activities undertaken by you must comply with guidelines and directions which we may specify from time to time acting reasonably.
Transfer Fee	<p>For any Control Transfer, your transferee must pay the full amount of our then current initial franchise fee to us. You must pay to us all reasonable<u>the</u> costs incurred by us or reasonably anticipated to be incurred by us for the evaluation of the proposed transferee, supervision, administrative costs, overhead, attorneys' fees, accounting and other costs and expenses of ours incurred in connection with the transfer.</p> <p>For a transfer that is not a Control Transfer, you must pay us a Transfer Fee of \$5,000 per each new Owner and reimburse us the costs and expenses incurred by us in conducting background checks on the new Owner(s).</p>	Payable at the time the proposed assignment is completed.	"Control Transfer" occurs when you assign or transfer the rights and obligations granted to you under the Franchise Agreement and/or you and/or the Owners transfer or permit any transfer to occur which results in the grant of power (whether directly or indirectly) to direct, or cause the direction of, management and policies of the Franchisee or the School to any person or entity that did not have that power before that transfer.
Renewal Fee	Fifty percent (50%) of the Initial Franchise Fee (i.e. \$50,000).	Payable upon renewal.	Payable if you enter into a renewal term and if you have satisfied the conditions for renewal.

			Property by you or your agents, employees, partners, directors or licensees otherwise than in accordance with this Agreement; and (3) any other reason so long as such losses, expenses, damages, fees or costs resulted from the operation of the Business by you and was not due to any default of us.
Renovation/ Upgrading	As specified.	Renovation/upgrading of the School is required after 3 years and thereafter every 2 years.	

NOTES

1. **“Gross Sales”** means the total sales of all goods or services whether on or off School premises, including any subsidies received from the government and/or other organizations, prior to any reductions of any kind such as discounts, comps, coupons, voucher credits, trade for product or services but excluding any sales and equivalent taxes actually collected and paid to the appropriate government taxing authority.
2. **“Crisis Situation”** includes (a) any allegation or occurrence of abuse, neglect, or mistreatment of a child; (b) any allegation or discovery that a child has been released to an unauthorized person; (c) any occurrence of a major accident involving any person at the School; (d) any allegation or occurrence of unlawful conduct at the School, by you or any partner, staff member, officer, or Key Person; (e) any allegation or discovery of any hazardous or unlawful substance at the School; (f) any (i) investigations or notice of contravention of laws/regulations by governmental agencies; or (ii) complaints, directed at the School, the Franchisee or any partner, staff member, officer, Key Person of the Franchisee; (g) any outbreak of contagious serious illness at the School; and (h) any allegation or discovery of any breach of computer or camera systems, loss of data, files or personal data.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Low	High	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee	\$100,000	\$100,000	Lump Sum	Upon the execution of the Franchise Agreement	Us
Site Selection Fee or Site Assessment Fee ³	\$35 5,000	\$35,000	Lump Sum	Upon the execution of the Franchise Agreement. Only charged if you do not pay Site Assessment Fee.	Us
Site Assessment Fee ³	\$5,000	\$25,000	Lump Sum	Upon the execution of the Franchise Agreement and as incurred. Only charged if you do not pay Site Selection Fee.	Us
School Set-up Fee	\$24,000	\$30,000	Lump Sum	Upon the execution of the Franchise Agreement.	Us
Initial Training Fee ⁴	\$30,000	\$30,000	Lump Sum	Upon the execution of the Franchise Agreement.	Us
Launch Marketing ⁵ Marketing Starter Pack Fee ⁵	\$40,000	\$40,000	Lump Sum	Upon the execution of the Lease.	Us
Document	\$3,000	\$3,000	Lump Sum	Upon the execution of	Us

Preparation Fee ⁶				the Franchise Agreement.	
Security Deposit for Lease ⁷	\$15,000	\$100,000	Lump Sum	As required by the landlord, typically upon execution of the lease.	Landlord
Pre-paid rent for up to 3 months <u>months</u> ⁸	\$0	\$90,000	Lump Sum	As required by the landlord, typically upon execution of the lease.	Landlord
School resources and equipment <u>equipment</u> ⁹	\$240,000	\$300,000	As Incurred	As Incurred	Us or <u>approved suppliers</u>
Marketing Materials	\$15,000	\$20,000	As Incurred	As Incurred	Us or <u>approved suppliers</u>
Additional site work costs (for build-to-suit schools) ⁹¹⁰	\$30,000	\$100,000	As Incurred	As Incurred	Third parties
Email system <u>system</u> ¹⁰ <u>system</u> ¹¹	\$360	\$360	Quarterly in advance	Quarterly in advance	Us
Customer Relationship Management system <u>system</u> ¹⁰ <u>system</u> ¹¹	\$186	\$186	As Incurred	As Incurred	Us
Student Management system <u>system</u> ¹⁰ <u>system</u> ¹¹	\$975	\$975	As Incurred	As Incurred	Us
<u>Finance software</u> ¹¹	<u>\$135</u>	<u>\$600</u>	<u>As Incurred</u>	<u>As Incurred</u>	<u>Us or approved suppliers</u>
<u>HRMS</u> ¹¹	<u>\$240</u>	<u>\$600</u>	<u>As Incurred</u>	<u>As Incurred</u>	<u>Us or approved suppliers</u>
<u>Cloud Phone system</u> ¹¹	<u>\$324</u>	<u>\$660</u>	<u>As Incurred</u>	<u>As Incurred</u>	<u>Us or approved suppliers</u>
<u>Document system</u> ¹¹	<u>\$420</u>	<u>\$840</u>	<u>As Incurred</u>	<u>As Incurred</u>	<u>Us or approved suppliers</u>
<u>Phone hardware</u> ¹¹	<u>\$1,710</u>	<u>\$3,630</u>	<u>As Incurred</u>	<u>As Incurred</u>	<u>Us or approved suppliers</u>
<u>IT infrastructure</u> ¹¹	<u>\$18,000</u>	<u>\$35,000</u>	<u>As Incurred</u>	<u>As Incurred</u>	<u>Us or approved suppliers</u>
<u>Laptop</u> ¹¹	<u>\$8,100</u>	<u>\$15,400</u>	<u>As Incurred</u>	<u>As Incurred</u>	<u>Us or approved suppliers</u>
<u>Smartboard</u> ¹¹	<u>\$22,400</u>	<u>\$48,000</u>	<u>As Incurred</u>	<u>As Incurred</u>	<u>Us or approved suppliers</u>
<u>Door recognition device</u> ¹¹	<u>\$1,200</u>	<u>\$4,000</u>	<u>As Incurred</u>	<u>As Incurred</u>	<u>Us or approved suppliers</u>

<u>Printer</u> ¹¹	<u>\$180</u>	<u>\$405</u>	<u>As Incurred</u>	<u>As Incurred</u>	<u>Us or approved suppliers</u>
Miscellaneous Opening Expenses ¹¹ <u>Expenses</u> ¹²	\$70,000	\$100,000	As Incurred	As Incurred	Third parties
Additional Funds – 3 months ¹² <u>months</u> ¹³	\$100,000	\$125,000	As Incurred	As Incurred	Third parties
Land and Development costs (optional) ¹³ ¹⁴	<u>Vary Optional – please refer to note 14</u>	<u>Vary Optional – please refer to note 14</u>	Lump sum	As Incurred	Third parties
TOTAL	<u>\$673,507</u> <u>72,6230</u>	<u>\$1,074,293</u> <u>183,656</u>			

NOTES

1. Explanation of Estimates. The chart above describes the estimated initial investment for a School operated under a build-to-suit lease. We prepared these estimates based on the experience and data collected from the operating expenses of MPL and our affiliate's franchisees and from the operation of MindChamps preschools in Singapore, Australia and other countries. ~~We do not have experience operating or franchising schools in the United States.~~
2. Except as expressly indicated otherwise, these estimates are intended to estimate your required initial cash investment up to the opening date of your School and potential working capital needs for the first three (3) months of operations thereafter.
3. Site Selection / Site Assessment Fee. You have the option to engage us to source for up to 2 Suitable Sites for the School. If you engage us to do so, you must pay us the site selection fee of \$35,000 upon the execution of the Franchise Agreement. If you do not engage us to source for up to 2 Suitable Sites for the School, you must pay us a site assessment fee of \$5,000 for us to inspect the sites proposed by you within the Designated Area. In addition to the Site Assessment Fee, you must reimburse us for the costs and expenses incurred by us in assessing the proposed sites (up to a maximum of \$20,000). You will pay either the Site Selection Fee or the Site Assessment Fee, but not both. We have included both fees in the estimated range as we cannot anticipate which option you will choose.
4. Initial Training Fee. We charge a training fee of \$30,000 for initial opening training and orientation for one (1) Owner and one (1) Key Person. If more than 2 persons attend the initial training, you may be charged a fee of \$10,000 per additional person. The fees for additional attendees at initial training are non-refundable and imposed uniformly on all franchisees. We provide complimentary training for up to ten (10) teachers. Thereafter, we charge a training fee of up to \$3,500 per attendee as listed in Item 5 ("Teachers Training Fee"). You are responsible for all costs for travel, accommodations, meals, and other expenses (including salaries) for your attendees. If the training occurs at a location requested by you, you will also be responsible for all costs for travel (excluding airfare), accommodation, meals, and expenses incurred by us and our employees providing the training.
5. Launch Marketing. You must spend a minimum of \$40,000 for grand opening advertising,

including advertising and promotional activities that you will conduct prior to operating your School, which may vary depending on the conditions within your market. This includes, but is not limited to, advertising, public relations, direct mail, digital and other media, marketing materials, promotional items, initial printing of stationary or business cards, enrollment materials, installation of bus graphics, and other grand opening expenses. We may require you to deposit up to the full \$40,000 for grand opening advertising with us at a specified time prior to the Opening Date, and we will spend such money on pre-opening marketing on your behalf. We must approve any marketing materials before they are used.

6. Document Preparation Fee. You must pay us a fee of \$3,000 as our costs for preparing the franchise documents including the franchise agreement.
7. Security Deposit for Lease. Your landlord may require you to pay a security deposit for your lease. We estimate that the amount of the security deposit may range between \$15,000 and \$100,000, but the amount could be higher depending on your market, the cost of your rent, and the arrangement that you negotiate with your landlord. The deposit may or may not be refundable, depending on the arrangement that you negotiate with your landlord.
8. Pre-paid rent for up to 3 months. In some instances, a landlord may require the tenant to prepay rent, either before or after the lease commencement date. If no pre-paid rent is required by the landlord, your costs will be \$0.

~~8.9.~~ School resources and equipment. You may spend approximately \$30,000 per classroom for furniture and equipment including teaching resources, whiteboards, boards for zone display, zone labels, acrylic boards, outdoor teaching and playing resources. The costs of School Resources and Equipment will vary and are subject to change. The low and high estimates represent the costs that may be incurred to set up eight (8) and ten (10) classrooms respectively.

~~9.10.~~ Additional site work costs (for build-to-suit schools). Typically, most of the schools are developed on a build-to-suit basis due to the need to consider the various requirements and regulations set by governmental agencies, state and local ordinances, and childcare licensing and/or education licensing authorities. The costs vary depending on factors such as the size, condition and location of the school, cost of labour and raw materials. If you choose a build-to-suit basis, the build-out costs will usually be paid by the franchisee through either of the following methods: (1) the build-out costs will be calculated into, and amortized over, the initial term of the lease as your rent, or (2) the franchisee will pay the amount in a lump sum to the developer or landlord. If additional fit-out or build-out is required which is not part of the build-out undertaken by the developer/landlord (e.g. painting and decorating the premises to meet the corporate image of the franchisor), your estimated costs will be approximately \$30,000 - \$100,000 depending on the fit-out requirements.

~~10.11.~~ We describe the computer system and the various IT services and software program requirements in more detail in Item 11. The low and high estimates represent the costs that may be incurred for a School with eight (8) to ten (10) classrooms and twenty (20) staff for the first three (3) months of operations.

~~11.12.~~ Miscellaneous Opening Expenses. You may spend up to \$100,000 for miscellaneous expenses before you open the School. The miscellaneous opening expenses are our best estimates of costs for various items including deposits utilities, insurance, licenses/permits, professional services, pre-opening payroll, kitchen and office furniture, janitorial, kitchen and general supplies, uniforms, shipping and storage charges, legal fees for document review and

the formation of an Entity, and any incidental costs prior to the opening of the School.

~~12.13.~~ The amount of necessary reserves for operating expenses **Additional Funds.** We recommend that you have additional funds available to cover rent for the School and operating expenses, including employee's salaries, for the first 3 months that the School is open. The amount of necessary reserves for additional funds will vary greatly from franchisee to franchisee and will depend upon many factors, including the rate of growth and success of your School, which in turn will depend upon factors such as public awareness of your Franchise, your ability to operate efficiently and in conformance with our recommended methods of doing business, and competition. Because the exact amount of reserves will vary from business to business, you should retain the services of an experienced accountant or financial advisor to develop a business plan and financial projections for the Franchise. These estimates are for a typical new School with a building size ranging from 8,000 square feet to 10,000 square feet.

~~13.14.~~ Land and Development Costs. We do not require you to purchase land and build the facility for your School. The above estimates are based on the assumption that you lease the facility for the School on a build-to-suit basis. If you decide to purchase land and build the facility, we estimate the costs range between approximately \$2,726,230 million to \$56,183,656 million, but these cost estimates are highly dependent on the geographic area and size in which you choose to purchase and build. If you or an entity you control owned the School premises or acquired the School premises during the term of the Franchise Agreement, you (or your affiliated entity) must sign an option to lease agreement and right of first refusal in the form we require. The entity that owns the School premises must be a separate entity from the entity that is the franchisee under the Franchise Agreement. The Lease must be approved by us and contain a provision, in a form acceptable to us, giving us the option to obtain an assignment or transfer of the Lease in the event that you should for whatever reason decide that you want to terminate the Lease or should the Franchise Agreement be terminated.

15. All tables: Any amounts paid to us or our affiliates are typically not refundable. Amounts paid to a third party may or may not be refundable, depending on the contracts between you and third party.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

General

To ensure that the highest degree of quality and service is maintained, you must operate the School in compliance with your Franchise Agreement and in conformity with the methods, standards, and specifications as we may periodically prescribe in the Manual or otherwise in writing. You must not deviate from our standards and specifications, unless you have received our prior written consent.

Except as specified below, you are not required to purchase or lease goods, services, supplies, fixtures, equipment, inventory, computer hardware or software, real estate, or comparable items related to establishing or operating the School from us, our designees, or suppliers we approve, or under our specifications.

As part of the MindChamps program, we source or prepare the Proprietary Products. The fees that you must pay for the Proprietary Products are set out in Items 6 and 7 above. You must ensure that the School is always equipped and replenished with the quantity of Proprietary Products as reasonably required by us. You shall purchase the Proprietary Products only from us or suppliers approved by us. The sale of Proprietary Products by us is subject to our terms and conditions.

At your expense, you must procure from us, our Affiliates or suppliers approved by us, IT services,

hardware and enrollment and other software programs approved by us at our discretion. You agree to procure enrollment and other software programs and services from us, our Affiliates or suppliers approved by us and pay the fees as set out in Item 6 of this Disclosure Document for these programs and services. We may modify the fees and it will increase each year by approximately 5%. We describe these IT services and enrollment and other software program maintenance services in more detail in Item 11.

To the extent that we establish specifications, require approval of alternative suppliers or service providers, or designate specific suppliers or service providers for particular items or services, we will publish our requirements in the Manual or otherwise in writing. We can unilaterally change specifications and standards for particular products or services or for particular suppliers. These changes or additions may affect your obligations and may require additional capital investment or expenditures.

We apply the following general criteria in deciding whether to approve a supplier: (i) ability to make the product to our quality and safety specifications; (ii) production and delivery capability; (iii) integrity of the supplier; and (iv) financial condition of the supplier.

If our approval of the supplier or service provider is required, you must submit your request for approval in writing to us. You may not purchase any goods or services from any proposed new supplier or service provider before you receive our approval in writing. We do not charge any fees to secure our approval. We will notify you in writing whether we approve the proposed new supplier or service provider within a reasonable time (generally within 30 days of completion of our review). Our approval of the proposed new supplier or service approval is solely at our discretion. We may revoke our approval of the supplier or service provider if they no longer meet our approval criteria.

We estimate that 95% of your purchases and leases in establishing the School and approximately 95% of your total purchases and leases in operating the Business will be subject to the restrictions described above.

In the year ending December 31, 2023, we did not derive any revenue from the sale of any required purchases or leases by franchisees. Neither we nor our other affiliates derived any other revenue from required purchases or leases.

None of our officers own an interest in any supplier with whom you are required or recommended to do business.

Neither us nor our affiliates receive rebates or other financial benefits from a supplier of goods or services to you. There are no purchasing or distribution cooperatives. We do not provide any material benefits to you based on your purchase of particular products or services or use of particular suppliers. Although we do not currently do so, we may, at our option, negotiate certain purchase and pricing arrangements with suppliers for the benefit of us and/or our franchisees.

Insurance

You must at your own expense purchase and maintain the types and amounts of insurance that we require from an insurance company that we accept from a carrier rated A+ by AM Best. We require you to purchase the following types of insurance coverage in the amounts described below:

1. Liability. A commercial general liability policy in the amount of not less than \$3,000,000 aggregate and \$1,000,000 per occurrence, including operations, products and completed operations, broad form contractual liability, personal injury, public liability and advertising liability.

(Franchise Agreement, Section 10(D)(1));

3. Provide to you advice, know-how and guidance relating to the management, operation of the School, including business development and marketing (in relation to promotional materials only) of the School, and any other matters relating to the System from time to time arising with a view to assisting and enabling you to operate the School (Franchise Agreement, Section 10(D)(1));
4. Make available to you for your use any improvements in the System during the term of the Franchise Agreement (Franchise Agreement, Section 10(D)(1));
5. Update the Course Materials, Programs and Pedagogical Methods from time to time (Franchise Agreement, Section 10(D)(1));
6. At your cost, to review your performance at the School, rendering of assistance and introduction of new Programs, curricula, materials or Pedagogical Methods at a time and location we determine (Franchise Agreement, Section 10(D)(1); and
7. We will provide you with reasonable guidance on the staffing level to be maintained at the School (Franchise Agreement, Section 9).

Location, Selection and Opening; Site Sourcing

You must either engage us to source a suitable site for the School for you or engage us to evaluate and assess sites proposed by you within the Designated Area. If you engage us to source a suitable site for the School for you, the Site Selection Fee will be payable by you to us. If you engage us to inspect and assess suitable sites proposed by you within the Designated Area, the Site Assessment Fee will be payable by you to us.

Upon payment of the Site Selection Fee by you, we will source for a suitable site for the School which is accepted by you or we will source up to 2 suitable sites for the School. The factors that we consider in selecting or approving a suitable site include the location and neighborhood, population, competitive schools in the area and lease terms.

If you fail to secure or maintain a lease for the School within twelve (12) months from the date of the franchise agreement (provided that, if you have engaged us to source a suitable site for the School and have paid the Site Selection Fee, you have been presented with at least 2 Suitable Sites), we may give you a notice in writing of the breach and if you fail to remedy the breach in the time frame and in the manner specified in the notice of breach, we are entitled to terminate the franchise agreement without refund of the Initial Franchise Fee paid by you.

In consideration of the School Set-up Fee paid by you, we will also provide pre-opening services which include providing reasonable guidance on renovation for the interior and exterior look of the School, School set-up involving classroom look and feel, education resources, furniture and wall decorations display in accordance with the ChampionGold Standard and administrative and operations set-up. In general, when we source for a suitable site for the School for you, we do not own the premises and will not be leasing the premises to you.

Upon payment of the Site Assessment Fee by you, we will inspect sites proposed by you within the Designated Area, subject to your submission of a description of the location, in the form that we require, and any other information or materials as we may reasonably require.

MindChamps will provide unaudited financials regarding expenditures of the Brand Fund which will be provided no more often than on an annual basis.

In the fiscal year ending December 31, 2023, the Brand Fund had \$0 expenditures.

Computer System

Our computer system consists of the following items:

S/n	Item	Details
1	Email system	Email Subscription
2	Customer Relationship Management system	Leads Tracking, Customer Journey, Managed mass email, Campaign, Activity Capture
3	Student Management system	Registration, Enrolment, Invoice, Receipt, Portfolio, Temperature taking & Attendance, Report Card, Parents App
4	Finance	AR, AP, GL, Bank, Fixed Assets, Inventory
5	HRMS	Recruitment, Employee Profile, Leave, Appraisal, Payroll
6	Cloud Phone system	Cloud PABX with caller ID, call hold, Call transfer, Voice mail
7	Document system	Microsoft Office Applications (Word, PowerPoint, Excel and Outlook)
8	Phone hardware	Phone Hardware
9	IT Infrastructure	Network Switch, Wifi access point, CCTV, Firewall
10	Laptop	Laptop - 14", Windows Pro, i7 processor, 16GB RAM
11	Smartboard	Smartboard TV Panel 65"
12	Door Access – Face	Face Recognition device
13	Printer	MFC printer

(collectively, the “**Computer System**”).

Items 1 – 3 must be purchased from us or our Affiliates. The fees for the email system set out in item 7 of this Disclosure Document are estimated on the basis that there will be up to 20 staff hired for your School. If more than 20 staff are needed for your School, the fees will increase. Internet service is not included in the fee and you must obtain it separately. You must procure Items 1 – 3 from us throughout the term of the Franchise Agreement.

Items 4 – 13 may be purchased either from us, our Affiliates or from third-party suppliers, subject to adherence to specifications and guidelines as provided by us. If you purchase items ~~7–124 –~~ 13 from us or our Affiliates, you must pay the fees as set out in item 6 of this Disclosure Document.

If you obtain the Computer System from us and/or our Affiliates, the costs are as follows:

<u>Item</u>	<u>Cost</u>	<u>Payment due date</u>
<u>Email</u>	<u>\$6 per staff/account per month.</u>	<u>Payable quarterly in advance.</u>
<u>Customer Relationship Management system</u>	<u>\$62 per month for one (1) licence.</u>	<u>Payable quarterly in advance.</u>

<u>Student Management system</u>	<u>\$325 per month for one (1) licence.</u>	<u>Payable quarterly in advance.</u>
<u>Finance software</u>	<u>\$45 - \$100 per user per month.</u>	<u>Payable quarterly in advance.</u>
<u>HRMS</u>	<u>\$4 - \$10 per staff per month.</u>	<u>Payable quarterly in advance.</u>
<u>Cloud Phone system</u>	<u>\$12 - \$20 per phone per month.</u>	<u>Payable quarterly in advance.</u>
<u>Document system</u>	<u>\$7 - \$14 per staff per month.</u>	<u>Payable quarterly in advance.</u>
<u>Phone hardware</u>	<u>\$190 - \$330 per device.</u>	<u>As incurred.</u>
<u>IT infrastructure</u>	<u>\$18,000 - \$35,000 onetime purchase and set up.</u>	<u>As incurred.</u>
<u>Laptop</u>	<u>\$900 - \$1,400 per device.</u>	<u>As incurred.</u>
<u>Smartboard</u>	<u>\$2,800 - \$4,800 per device.</u>	<u>As incurred.</u>
<u>Door Access – Face recognition device</u>	<u>\$1,200 - \$2,000 per device.</u>	<u>As incurred.</u>
<u>Printer</u>	<u>\$60 - \$135 per month.</u>	<u>Payable quarterly in advance.</u>

You must grant us full administrator access to the Computer System, including the right to preset any applications necessary for the operation of the School and full rights to change the configuration of the Computer System. You will grant unrestricted remote access to the Computer System to us subject to applicable local laws and regulations. Any changes to the Computer System must be approved by us in writing. You may use the Computer System only for the School.

If you purchase the Computer System from us, we will provide remote monitoring, troubleshooting and maintenance of the Computer System for you. Any IT support provided by us will be done remotely and no on-site support will be provided.

We may periodically require you to update or upgrade the Computer System. We will advise you in writing of any required upgrades.

We estimate that the costs incurred by you for any optional or required maintenance updating, upgrading or support contracts for the computer hardware systems will be approximately \$800 - \$1,200 a month, but this may vary from year to year.

The contractual limits on required upgrades are described below.

Remodeling and Upgrades

In addition to your obligation to maintain the School, you must also undertake all periodic and ongoing remodeling, renovation and upgrading as we require in the Manual or otherwise in writing. For example, you must make, from time to time, the upgrades and other changes to the Computer System and related equipment as we may request in writing. We have the right to require any equipment upgrades we deem necessary for your School. Other than as stated in this paragraph there are no other limitations on our ability to require you to remodel and upgrade the School or the equipment.

Manual

Attached as **Exhibit D** to the Disclosure Document is the table of contents for the Manual as of the date of this Disclosure Document. The Manual currently includes approximately 4,820 pages.

Training

Your Key Person and one (1) Owner must complete our initial training program to our satisfaction. The Initial Training Fee covers the costs for your Key Person and one (1) Owner to attend initial training. We may permit additional individuals to attend initial training, at our option, but may charge a fee for those additional attendees to attend initial training.

The following table identifies the topics covered in the initial training:

TRAINING PROGRAM

Subject	Hours of Classroom/ eLearning/ Remote Learning	Hours of On-the-Job Training	Location
MindChamps Way	40	0	Online
Specialization Programme: Core (English)	46	0	Online
Specialization Programme: Enrichment (English)	28	0	Online
MindChamps Reading and Writing	41	0	Online
MindChamps Onboarding	3	0	Online
TOTAL	158	0	

The Initial Training Fee is \$30,000 for one (1) Owner and one (1) Key Person, payable upon execution of the Franchise Agreement. We charge a training fee of \$10,000 per additional Owner or Key Person. Please see Item 5 for more details.

During the Term of the Franchise Agreement, you will be required to attend the following training events:

<u>Additional Training Events</u>			
Quarterly Community of Practice (4 x annually)	6	0	Online
Annual Global Teachers Development and	8	0	Online

the area, marital status, age of children, workplace population, family data and household ownership. Additional factors to determine the Designated Area may include major and restricting topographical features that define contiguous areas such as rivers, mountains, major roads, and undeveloped land areas, the density of residential and business entities, trading patterns and traffic flows and other factors that we deem relevant in our sole discretion.

During the 6-months period from the date of the Franchise Agreement, if we or any of our franchisees desires to operate a School within the Designated Area, we will give you a notice in writing of such desire and of your right of first refusal to operate a School within the Designated Area. Upon receiving the notice, you must reply in writing to us within 14 days of the date of the notice to accept the offer along with the full payment of the then current initial franchise fee. After 14 days, if we have not received any response in writing from you, we have the right to operate or permit any of our franchisees to operate a MindChamps® International PreSchool within the Designated Area.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

There are no geographical restrictions on soliciting or accepting customers, however, all marketing, advertising and promotional activities undertaken by you must comply with guidelines and directions we specify and must be approved by us in writing.

Your right to operate within the Designated Area is not conditioned upon any sales quotas or the opening of additional Schools. However, we can modify the Designated Area if you are in breach of the Franchise Agreement.

Reserved Rights

Other than the 6-months right of first refusal described above, we and our affiliates have the right to conduct any business activities, under any name, in any geographic area, and at any location, regardless of the proximity to or effect on your School. For example, without limitation:

- a) We and our affiliates have the right to operate, or license any other party to operate, a School anywhere, including the Designated Area;
- b) We or our affiliates may establish, or license any other party to establish, other franchises or company-owned outlets selling or offering services similar to those provided in a School under a trademark or service mark different than the Marks anywhere, including in the Designated Area;
- c) We or our affiliates may, or may license any other party to, advertise, promote, market, or sell goods or services identified by the Marks that are similar to those provided in a School anywhere, including in the Designated Area via any other channels of distribution, including, without limitation, the Internet, other electronic networks, retail or wholesale channels, telemarketing, or catalogs.

You will not have any marketing or advertising protection or exclusivity in the Designated Area and other franchisees may market or advertise in the Designated Area. We and our affiliates are not required to compensate you for soliciting, selling products or services to, or enrolling individuals who reside inside of your Designated Area.

Except as described in Item 1, we do not operate or franchise, or currently plan to operate or franchise, any business under a different trademark that sells or will sell goods or services similar to those that our franchisees sell. However, our affiliates, including the Affiliated Programs described in Item 1 may operate and/or franchise businesses that sell similar goods or services to

**State Specific Addendum to Franchise Disclosure Document
(Hawaii)**

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE FDD, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FDD CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

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.

The State of Hawaii has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from Hawaii franchisees until we have completed all of our pre-opening obligations and you are open for business.

State Specific Addendum to Franchise Disclosure Document
(Minnesota)

This Addendum to the Franchise Disclosure Document modifies and supersedes the Disclosure Document with respect to franchises offered or sold to either a resident of the state of Minnesota or a non-resident who will be operating a franchise in the state of Minnesota as follows:

1. Item 17 which designates jurisdiction or venue in a forum outside the State of Minnesota is deleted. Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibits us 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 Disclosure Document or the Franchise Agreement can abrogate or reduce (i) any of your rights as provided for in Minnesota Statutes, Chapter 80C, or (ii) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. Item 17 of the Franchise Disclosure Document titled, "Conditions for our approval of Transfer" is hereby modified by the addition of the following to the end of the paragraph therein:

"The general release shall exclude only such claims as the Franchisee or its owner(s) may have under the Minnesota Franchises Law, Minn. Stat. 80C.1-80C.22, and the Rules and Regulations promulgated thereunder by the Commissioner of Commerce."

3. The Franchise Disclosure Document is hereby modified by the addition of the following statement:

"According to Minnesota law, you cannot waive any rights under the Minnesota Franchises Law. As provided in Minn. Rules 2860.4400J, you cannot consent to our obtaining injunctive relief. We may seek injunctive relief.

Any limitations of claims must comply with Minnesota Statutes, Section 80C.17, Subd. 5."

4. The Franchise Disclosure Document is hereby modified by the addition of the following statement:

"With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) 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 (2) that consent to the transfer of the franchise will not be unreasonably withheld."

5. The Franchise Disclosure Document is hereby modified by the addition of the following statement:

"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. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g)."

6. The State of Minnesota has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from Minnesota franchisees until we have completed all of our pre-opening obligations and you are open for business.

The provisions of this Addendum only apply if the jurisdictional requirements of the Minnesota Franchises Law and the rules promulgated thereunder are met independently without reference to this Addendum and to the extent they are then valid requirements of the statute.

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.

Exhibit B-1

State Required Addenda to Franchise Agreement

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to the Franchise Agreement is agreed to this _____ day of _____, 20____, between MindChamps International PreSchool Franchising Inc. and _____ to amend and revise the said Franchise Agreement as follows:

1. Illinois law governs the Franchise Agreement.
2. 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.
3. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. 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.
5. 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.
6. Clause 40(A) of the Franchise Agreement is amended by inserting the following at the end of Clause 40(A): “ Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the representations made in the franchise disclosure document”.

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	Pending
Hawaii	November 19, 2024 Pending
Illinois	Pending September 16, 2024
Indiana	Pending August 30, 2024
Maryland	Pending
Michigan	September 10, 2024 Pending
Minnesota	Pending
New York	November 12, 2024 Pending
North Dakota	November 22, 2024 Pending
Rhode Island	Pending September 10, 2024
South Dakota	Pending September 11, 2024
Virginia	Pending October 31, 2024
Washington	Pending
Wisconsin	Pending August 28, 2024

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.

40. GENERAL PROVISIONS

- (A) This Agreement sets out and shall constitute the entire agreement between the Parties and shall supersede any and all promises, representations, warranties or any other statements whether written or oral made by or on behalf of one Party to the other Parties provided always that any variations made under and in accordance with the terms of this Agreement shall constitute part of this Agreement. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the representations made in the franchise disclosure document.
- (B) This Agreement may be signed in any number of counterparts and by the Parties hereto on separate counterparts, each of which, when so executed, shall be an original, but all counterparts shall together constitute one and the same document.
- (C) The Franchisee shall bear the stamp duty or any other duty payable on this Agreement pursuant to the laws of the relevant Designated Area, and shall be responsible for ensuring that such duties are paid in a timely manner.
- (D) This Agreement shall inure for the benefit of and be binding upon the Parties and their successors in title or permitted assigns (as the case may be).
- (E) The acceptance by the Franchisor of any report or account submitted by the Franchisee pursuant to this Agreement does not preclude the Franchisor from subsequently querying their accuracy.
- (F) No right or remedy conferred upon or reserved to the Parties is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but shall each be cumulative of every right or remedy.
- (G) In the event of any inconsistency between the provisions of the Schedules, the Manual and the terms of this Agreement, priority shall be given in the order as follows: -
 - (1) the terms of this Agreement;
 - (2) the Schedules; and
 - (3) the Manual.
- (H) Save as expressly provided otherwise, a person who is not a party to this Agreement has no right under any applicable law to enforce any term of this Agreement.

41. PURPOSE

- (A) The purpose of this Agreement (“**Purpose**”) is to:
 - (1) grant to the Franchisee the right to operate the Business using the Intellectual Property and System during the Term;
 - (2) specify the terms and conditions that must be complied with by the Franchisee in the operation of the Business, including the Franchisee’s payment obligations and use of the Intellectual Property and System; and