



FRANCHISE DISCLOSURE DOCUMENT

BrewDog Franchising LLC
An Ohio limited liability company
96 Gender Road
Canal Winchester, Ohio 43110
(614) 908-3050
hello@brewdog.com
www.brewdog.com

The franchise offered is to develop and operate a brewpub and limited brewery concept under the “BREWD OG®” name and other trademarks that offers the BREWD OG proprietary craft beer, and a menu of pizza, burgers, sandwiches and other assorted food and alcoholic and nonalcoholic beverage items.

The total investment necessary to begin operation of a new BrewDog BrewPub is \$3,385,500 to \$5,750,500. This includes \$60,000 to \$65,000 that must be paid to the franchisor. If you want development rights, you must pay us a development fee for all of the BrewDog BrewPubs you agree to develop (the amount depends on the number of BrewDog BrewPubs to which you commit). The total investment necessary to begin operation if you acquire development rights (for a total of three BrewDog BrewPubs) is \$3,440,500 to \$5,808,500, which includes the cost of developing the first BrewDog BrewPub. This includes \$110,000 - \$115,000 that must be paid to the franchisor.

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 Keith Bennet at BrewDog Franchising LLC, 96 Gender Road, Canal Winchester, Ohio 43110, (614) 908-3050.

The terms of your contract will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “[A Consumer’s Guide to Buying a Franchise](#),” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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.

Issuance date of this Franchise Disclosure Document: April 26, 2023

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Ohio. 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 Ohio than in your own state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
4. **Financial Condition.** The auditor's report on the franchisor's financial statements express substantial doubt about the franchisor's ability to remain in business. This means that the franchisor may not have the financial resources to provide services or support to you.

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 FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED
BY THE MICHIGAN FRANCHISE INVESTMENT LAW**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENFORCEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa, Lansing, Michigan 48933
(517) 335-7567

Notwithstanding paragraph (f) above, we intend to enforce fully the provisions of the arbitration section of our Franchise Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing our arbitration provision. If you acquire a franchise, you acknowledge that we will seek to enforce that section as written, and that the terms of the Franchise Agreement will govern our relationship with you, including the specific requirements of the arbitration section.

TABLE OF CONTENTS

	Page
ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
ITEM 2 BUSINESS EXPERIENCE	3
ITEM 3 LITIGATION.....	4
ITEM 4 BANKRUPTCY	4
ITEM 5 INITIAL FEES.....	4
ITEM 6 OTHER FEES	5
ITEM 7 ESTIMATED INITIAL INVESTMENT.....	11
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	17
ITEM 9 FRANCHISEE’S OBLIGATIONS	22
ITEM 10 FINANCING.....	24
ITEM 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING.....	24
ITEM 12 TERRITORY	37
ITEM 13 TRADEMARKS	42
ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.....	44
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	45
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	47
ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	47
ITEM 18 PUBLIC FIGURES.....	52
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	52
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	52
ITEM 21 FINANCIAL STATEMENTS	61

TABLE OF CONTENTS

	Page
ITEM 22	CONTRACTS..... 61
ITEM 23	RECEIPTS 61
EXHIBITS	
Exhibit A	Financial Statements
Exhibit B	Franchise Agreement
Exhibit C	Development Rights Agreement
Exhibit D	Operations Manual Table of Contents
Exhibit E	List of State Agencies/Agents for Service of Process
Exhibit F	Form of General Release
Exhibit G	State-Specific Additional Disclosures and Agreement Riders
Exhibit H	List of Franchisees <u>in</u> System and those who Left

APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT G.

Item 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor

The franchisor is BrewDog Franchising LLC (“we,” “us,” or “our”). “You” means the entity to which we grant a franchise. Your owners must sign our “Guaranty and Assumption of Obligations.” This means all of our Franchise Agreement’s provisions (Exhibit B) also will apply to your owners.

We are an Ohio limited liability company which was established on August 9, 2019. Our principal business address is 96 Gender Road, Canal Winchester, Ohio 43110. We conduct business under the “BREWD OG ®” trademark, and no other name. We have no predecessors.

Our parent is BrewDog USA Inc., a Delaware corporation. Its principal business address is 96 Gender Road, Canal Winchester, Ohio 43110. The direct parent of BrewDog USA Inc. is BrewDog PLC, a company incorporated in the United Kingdom, whose principal business address is Balmacassie Industrial Estate, Ellon, Aberdeenshire, AB41 8BX. BrewDog PLC is the owner of the trademarks and licenses those marks to us and also provides beer and website services to franchisees. BrewDog PLC currently has franchisees operating in the United Kingdom, Italy, Estonia, Iceland, Australia, Netherlands, India and South Korea with the first franchise being granted in Sweden in May 2013. BrewDog PLC began operating BrewDog businesses outside of the United States in October 2010. Except as noted above, neither BrewDog PLC nor BrewDog USA Inc. has operated a BrewDog BrewPub or offered franchises in any other line of business.

Our affiliate, BrewDog Brewing Company, LLC, is an Ohio limited liability company, whose principal business address is 96 Gender Road, Canal Winchester, Ohio 43110. BrewDog Brewing Company, LLC provides beer indirectly through a three-tier system, merchandise, glassware and social media support to franchisees. BrewDog Brewing Company, LLC currently owns six of the eight company-owned operating BrewDog BrewPubs, and other affiliates of ours, BrewDog Atlanta, LLC and BrewDog Vegas, LLC own and operate the other two locations. Neither of these entities has offered franchises in any other line of business. We have no other affiliates currently disclosable in this Item 1. If we have an agent in your state for service of process, we disclose that agent in Exhibit E.

The Franchise Offered

We grant franchises to develop and operate a brewpub bar business concept identified by the Marks (defined below) that offer our proprietary craft beer, and a menu featuring pizza, burgers, sandwiches and other assorted food and alcoholic and non-alcoholic beverage items, all of which we and our affiliates may modify from time to time and we require the franchise to brew a limited quantity of beer on premises in accordance with state laws and with the standards and specifications prescribed by us. We call these businesses “BrewDog BrewPubs.” In this disclosure document, we refer to your BrewDog BrewPub as the “BrewPub.” BrewDog BrewPubs operate under trademarks, service marks, and other commercial symbols we periodically designate, including “BREWD OG®” (the “Marks”), and the mandatory and suggested specifications, standards, operating procedures, and rules we periodically specify for

BrewDog BrewPubs (“System Standards”). Your BrewPub must offer the services and products we specify and may not offer any unauthorized products or services.

We also may grant multi-unit development rights to qualified franchisees, which then may develop a specific number of BrewDog BrewPubs within a defined territory (a “Development Territory”) according to a pre-determined development schedule (the “Development Schedule”). Those franchisees may open and operate their BrewDog BrewPubs directly or through certain “Controlled Affiliates.” We use the form of Development Rights Agreement which is attached as Exhibit C to this disclosure document. Before you sign the Development Rights Agreement, we and you will agree to the designated Development Territory, the number of BrewDog BrewPubs that you will develop in the Development Territory, and Development Schedule which establishes the timeframe within which you will develop them. At the time of signing the Development Rights Agreement you will sign our current Franchise Agreement, which is attached to this Disclosure Document as Exhibit B, for the first BrewPub and pay the Development Fee which is calculated as one hundred percent (100%) of the initial franchise fee for the first BrewPub to be opened and fifty percent (50%) of the initial franchise fee for each BrewPub which you will be obligated to open under the Development Rights Agreement. Upon the opening of each additional BrewPub developed under the Development Rights Agreement after the first location, we and you (or your Controlled Affiliates (defined in Item 15)) will sign our then current form of franchise agreement (which could differ from the Franchise Agreement described in this disclosure document) for each BrewDog BrewPubs; provided, however, for each Franchise Agreement signed pursuant to the Development Rights Agreement, (i) the Royalty rate will remain at 5% of the Total Monthly Receipts and (ii) the initial franchise fee will be \$50,000. You will pay the initial fees according to the terms of such then-current franchise agreement.

We have offered franchises and development rights for BrewDog BrewPubs since October 2020. We have no other business activities and have not offered franchises in other lines of business. We have never operated a BrewDog BrewPub (although our affiliates have owned and operated BrewDog BrewPubs since February 2017).

Competition

Your BrewPub will offer services and products to the general public throughout the year. The market for the BrewDog BrewPubs is developing and is still a small percentage of the sales of beer in the United States. You will face competition from other businesses, including local bars and restaurants and brewpub operators, some of which will be associated with national or regional franchise chains, and independent businesses. Some competitors currently are larger and have better name recognition in the United States than “BrewDog.”

Regulatory Matters

You must comply with all federal, state and local laws and regulations that apply to your operations. You must obtain and maintain any related permits, licenses, certifications, approvals and other indications of authority necessary for the operation of your BrewPub. Most states and local jurisdictions have enacted laws, rules, and regulations that might particularly impact the operation of BrewDog BrewPubs, including those regulating the production, offer and sale of alcohol. Federal, state and local laws, regulations and ordinances vary significantly in the

procedures, difficulty and cost associated with obtaining a license to manufacture and sell alcohol, the restrictions placed on the manner in which alcohol may be sold, and the potential liability imposed by dram shop laws involving injuries, directly and indirectly, related to the sale of alcohol and its consumption. Specifically, you must also obtain a non-retail brewing/brew pub license and obtain the necessary federal Alcohol and Tobacco Tax and Trade Bureau (“TTB”) and all applicable state approvals, permits and licenses (and you must actually brew beer in such sufficient quantities as is necessary to maintain such licenses). You must comply with these laws and with all laws applying generally to all businesses. You should investigate these laws and regulations when evaluating your franchise acquisition.

Item 2 **BUSINESS EXPERIENCE**

Our officers and other individuals who will have management responsibility relating to the sale or operations of franchises are as follows:

President, Co-Founder: James Watt

Mr. Watt has been our President since our inception. He is also the Chief Operating Officer and co-founder of BrewDog PLC, in Ellon, Scotland since 2007.

Financial Director, Chief Financial Officer and Treasurer: Neil Simpson

Mr. Simpson has been our Financial Director, Chief Financial Officer and Treasurer since our inception. He also served as the Finance Director for BrewDog Plc in Ellon, Scotland from August 2012 to May 2018 and has been the Business Development Director for BrewDog Plc since May 2018.

Vice President of US Real Estate and Development: Keith Bennet

Mr. Bennet has been our Vice President of US Real Estate and Development (previously known as Special Projects and Business Development) for us since our inception and for BrewDog Brewing Company LLC in Canal Winchester, Ohio since May, 2016 and also handled Special Projects and Business Development for BrewDog Plc in Ellon, Scotland from February 2014 to May 2016.

Franchise Director: Laura Godsman

Ms. Godsman has been our Franchise Director for us since July 2022 and for BrewDog Plc in London, England since June 2021. Prior to that, from January 2021 to June 2021, she was the Account Director for Food & Beverage Operations at Sky TV in London, England. From October 2018 to March 2020 she was the Hospitality Operations Manager for Chapel Down & Curious Brewery in London & Kent, England. From December 2016 to October 2018, Ms. Godsman was the International Commercial Project Manager for Jamie Oliver International in London, England.

Franchise Openings and Project Manager: Sophie Sadler

Ms. Sadler has been our Franchising Openings and Project Manger and the Franchising Openings and Project Manager for BrewDog Plc since July 2021 in London, England. Prior to that, from November 2018 to July 2021 she was the International Franchise Manager for BrewDog Plc in Norwich, England. From July 2017 to November 2018, Ms. Sadler was the International Partnership Support Manager for BrewDog Plc in Norwich, England.

Chief Executive Officer of Retail: James Brown

Mr. Brown has been the Chief Executive Officer of Retail for BrewDog Retail Ltd. Since December 2015 in Ellon, Scotland.

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

FRANCHISE AGREEMENT

Initial Franchise Fee. You must pay us a \$50,000 initial franchise fee in a lump sum when you sign the Franchise Agreement (“Initial Franchise Fee”). The Initial Franchise Fee is uniformly applied and will be refunded only in the limited circumstances where (i) after using commercially reasonable efforts, a franchisee fails to obtain the necessary alcohol regulatory licenses for the operation of the BrewPub within a year of executing the Franchise Agreement, or (ii) the franchise relationship would result in any tied house or other alcohol regulatory violations.

Initial Training Fee. We provide initial training for four (4) people, your Principal Owner, General Manager, Head Brewer and Kitchen Manager, for no additional fee. However, if you desire to bring additional personnel to the initial training program, you must pay us an additional amount of \$500 per such additional person. Additionally, we may charge our then-current training fee of \$1,000 if your Principal Owner or General Manager fails to complete initial training to our satisfaction prior to the grand opening and must attend a retraining session. These fees are not refundable and are uniformly charged to all franchisees who bring additional personnel to training or must attend re-training.

Opening Inventory of branded merchandise. After you sign the Franchise Agreement, but before you open for business, you will need to order sufficient quantities of merchandise and items branded with our Marks and glassware (which may or may not be branded with the Marks) solely from BrewDog Brewing Company, LLC, our affiliate. This initial order from our affiliate

(the “Initial Order”) ranges in cost between \$10,000 - \$15,000 depending upon the size of your BrewDog BrewPub and how much inventory of such branded items and glassware you would like to initially purchase for your BrewPub. You will not be required to purchase more than maximum of \$15,000 and you must purchase at least \$10,000 of the minimum quantities of such items. At the time you order the Initial Order, you are permitted (but not required) to order additional supplies and equipment from us as well, but you must, at a minimum, purchase the Initial Order. The contents and price of the Initial Order is uniform for all franchisees, but the quantities may vary depending upon the Franchisee. The amount you pay us for the Initial Order is non-refundable. You must pay us for the Initial Order when it is placed which will be before your BrewPub is open and operational.

DEVELOPMENT RIGHTS AGREEMENT

If you sign a Development Rights Agreement because you commit to develop multiple BrewDog BrewPubs in a Development Territory, we currently charge a development fee that you must pay in full at the same time you sign the Development Rights Agreement (the “Development Fee”). The Development Rights Agreement will not be effective, and you will have no development rights, until we receive the Development Fee. The Development Fee depends on the number of BrewDog BrewPubs you commit to develop. You will pay a fee equal to 100% of the Initial Franchise Fee (\$50,000) for the first BrewDog BrewPub to be developed and opened plus 50% of the Initial Franchise Fee (\$25,000) for each additional BrewDog BrewPub to be developed under the Development Rights Agreement. The Development Fee is refundable only in the limited circumstances where (i) a franchisee fails to obtain the necessary alcohol regulatory licenses for the operation of the BrewPub within a year of executing the Franchise Agreement, or (ii) the franchise relationship would result in any tied house or other alcohol regulatory violations. The Development Fee is non-refundable in all other circumstances. Therefore, if you sign the Development Rights Agreement, pay the Development Fee, and then cannot find sites for BrewDog BrewPub or choose for another reason not to perform (in which case we terminate the Development Rights Agreement), we may keep the entire Development Fee and need not return any money to you. We will apply Twenty-Five Thousand Dollars (\$25,000) of the Development Fee towards each Initial Franchise Fee then-changed under each subsequent franchise agreement (which may be a different amount than the current Initial Franchise Fee of \$50,000) you enter into between you and us under the Development Rights Agreement. This Development Fee calculation is uniform among all developers who enter into a Development Rights Agreement, but each developer may have different number of BrewPubs they agree to develop under their Development Rights Agreement. At a minimum, a franchisee must commit to developing at least two (2) BrewDog BrewPubs under a Development Rights Agreement.

Item 6
OTHER FEES

Column 1	Column 2	Column 3	Column 4
Type of Fee ⁽¹⁾	Amount ⁽²⁾	Due Date	Remarks

Column 1	Column 2	Column 3	Column 4
Type of Fee ⁽¹⁾	Amount ⁽²⁾	Due Date	Remarks
Royalty	5% of BrewPub's Total Monthly Receipts ⁽³⁾	Due by the day of each month that we periodically specify ⁽⁴⁾	
Marketing Fund Contributions	If established, 1% of BrewPub's Total Monthly Receipts, with the ability to increase up to 3% of BrewPub's Total Monthly Receipts ⁽³⁾	Currently, not required, but if established, amounts will be due by the day of each month that we periodically specify ⁽⁴⁾	See Item 11 for information regarding the Marketing Fund, if established.
Local Marketing Spend	1.5% of BrewPub's Total Monthly Receipts	Must be spent annually	All descriptions and samples of all proposed Local marketing must be approved by us.
Successor Franchise Fee	50% of the then-current initial franchise fee	When you sign successor franchise agreement (if you have that right)	
Food Safety Audit Fees	Direct cost for subscription to our designated food safety audit and shift management system, currently \$1,850 per year, but we reserve the right to increase the amount of such fee, in accordance with the increases from the third party.	Due by the day of each week that we periodically specify, first annual payment due the first month after the opening of your BrewPub	We grant you access to use our license to access a food safety and work shift management shift system for your BrewDog BrewPub. We will charge you an annual fee for such use. This fee is subject to increase from the licensor, and upon such increases, your fee will proportionately increase. We do not charge a mark-up on such fee.
Social Media Management Fees	Direct cost for our subscription to social media management system which we utilize for your BrewPub, currently \$250 per year, but we reserve the right to increase the amount of such fee, in accordance	Due in an annual payment, on a date that we specify, first annual payment due the first month after the opening of your BrewPub	We utilize our license with a third party social media management system to operate and run social media accounts for your BrewDog BrewPub on your behalf. We will charge you an annual fee for such use. This fee is subject to increase from the licensor, and upon such increases, your fee will proportionately increase. We do not charge a mark-up on such fee.

Column 1	Column 2	Column 3	Column 4
Type of Fee ⁽¹⁾	Amount ⁽²⁾	Due Date	Remarks
	with the increases from the third party		
Advertising Cooperative	Not exceed 1% of Total Monthly Receipts	Determined by cooperative members	We may designate local advertising markets and if designated, you must participate in and contribute to the cooperative advertising and marketing programs in your market. The members of the cooperative establish their own procedures and contributions, subject to our approval. Any local or regional advertising cooperative fees, which are imposed by the cooperative, will be payable to the cooperative and not us.
Transfer of Franchise Rights or Controlling Ownership Interest in Franchisee	50% of the then-current initial franchise fee	Upon transfer	
Transfer of Non-Controlling Ownership Interest in Franchisee	Up to \$2,500 (based on costs incurred by us)	Upon transfer	
Ongoing and Supplemental Training and Assistance	Our then-current fee for ongoing and supplemental training, currently \$1,000 (plus our expenses, not to exceed \$300 per trainer per day)	As incurred, after the grand opening of your BrewPub	We may charge you for ongoing and supplemental training if (i) we develop new training programs or new operational methods, or (ii) we feel that you need additional help or support on particular operational matters. This may include brewing consultation. Ongoing and supplemental training will only be required after the opening of your BrewPub.
Visit by Opening Training Team	Travel and food expenses incurred by our team to travel to your BrewPub (not to exceed \$500 per trainer per day)	As incurred, after the grand opening of your BrewPub	Due if you're opening the first two BrewDog BrewPubs with us. You must pay us travel and food costs per trainer and reimburse us for additional expenses we incur if you change travel schedules or ask us to provide additional on-site training or assistance.
Training Fee for Additional Personnel at initial	\$500 per person	As incurred, before the Initial Training	Due if you choose to bring additional personnel to the initial training program beyond your Principal Owner, General

Column 1	Column 2	Column 3	Column 4
Type of Fee ⁽¹⁾	Amount ⁽²⁾	Due Date	Remarks
training program			Manager, Head Brewer and/or Kitchen Manager.
Retraining Fee	Our then-current retraining fee, currently \$1,000 (plus our expenses, not to exceed \$300 per trainer per day)	As incurred	Due if (i) your Principal Owner, General Manager, Head Brewer and/or Kitchen Manager fails to complete initial training program to our satisfaction prior to the grand opening and must re-take the training, or (ii) we must train their replacements throughout the term of the Franchise Agreement.
Branded Product and Glassware Purchases	Varies depending on the quantity of branded products and glassware you buy from us or our affiliates	As incurred	Beyond the Initial Order, you must continue to buy certain branded products, merchandise and glassware from us or our affiliates.
Testing and Evaluation Costs	Projected testing/evaluation costs (amount depends on circumstances, including products being tested, location where testing is required, testing required)	As incurred	Covers costs of testing new products/services or inspecting new suppliers you propose. This also covers quality testing of brewing and beer you are producing at your BrewDog BrewPub.
Relocation	Not to exceed 25% of the then-current initial franchise fee	As incurred	Due only if you relocate BrewPub.
Audit	Cost of inspection or audit, including legal fees and independent accountants' fees, plus travel expenses, room and board, and compensation of our employees	As incurred	We will conduct an audit up to once a year. In addition, if you fail to report or understate Total Monthly Receipts by 2% or more, we may conduct follow-up audits at your expense to confirm your compliance.
Inspection Fee	Actual costs of follow-up audit (including our personnel's wages and travel, hotel,	As incurred	Compensates our costs and expenses for each follow-up inspection to confirm your compliance with Franchise Agreement and System Standards.

Column 1	Column 2	Column 3	Column 4
Type of Fee ⁽¹⁾	Amount ⁽²⁾	Due Date	Remarks
	and living expenses)		
Interest	Lesser of .5% per month or highest commercial contract interest rate law allows	When invoiced	Due on past due amounts.
Administrative Fee	\$100	When invoiced	Due for each late or dishonored payment.
Costs and Attorneys' Fees	Varies under circumstances and depends on nature of your non-compliance	As incurred	Due when you do not comply with Franchise Agreement.
Indemnification	Varies under circumstances and depends on nature of third-party claim	As incurred	You must reimburse us for all claims and losses arising out of (i) BrewPub's construction, design, or operation, (ii) the business you conduct under Franchise Agreement, (iii) your non-compliance or alleged non-compliance with any law, (iv) a data security incident, or (v) your breach of Franchise Agreement.
Management Fee	5% of Total Monthly Receipts, plus any out-of-pocket expenses incurred in connection with BrewPub's management	As incurred	Due if we assume the BrewPub's management in certain situations, including your default.
Remedial Expense	Out-of-pocket cost reimbursement	As incurred	You must reimburse our costs of correcting any deficiencies at the BrewPub or in its operation (short of our taking over management) if you fail to do so.
Tax Reimbursement	Out-of-pocket cost reimbursement	As incurred	You must reimburse us for taxes we must pay any state taxing authority on account of either your operation or your payments to us (except for our income taxes).
Insurance	Out-of-pocket cost	As incurred	You must reimburse our costs if we

Column 1	Column 2	Column 3	Column 4
Type of Fee ⁽¹⁾	Amount ⁽²⁾	Due Date	Remarks
Reimbursement	reimbursement		obtain insurance coverage for the BrewPub because you fail to do so.
De-Identification Fee	Cost reimbursement	As incurred	You must reimburse our costs of de-identifying your BrewPub if you fail to do so.

Notes:

1. Except as noted above, all fees are imposed and collected by and payable to us or an affiliate. Except as noted above, no fee is refundable. The fees described above are our current offering and generally are uniformly imposed.
2. “Total Monthly Receipts” means the sums receivable by you in each month of the Term from carrying on the BrewDog BrewPub including all cash and credit transactions of whatever nature and all sums received whether or not invoiced, but excluding all sales taxes and customer refunds and the cost of any free offers or discounts offered or given as part of a special promotion that we have required or authorized (but not otherwise). If you receive any proceeds from any business interruption insurance applicable to loss of revenue at the BrewPub, these proceeds shall be added to Total Monthly Receipts in an amount equal to the imputed Total Monthly Receipts that the insurer used to calculate those proceeds. Each charge or sale upon credit shall be treated as a sale for the full price on the day during which that charge or sale is made, regardless of when you receive payment (whether full, partial or at all) on that sale.
3. Each month follows the calendar and will start on the 1st and will end either on the 30th or 31st as applicable for such month, although we may change the first and last days of each calendar month for Royalty (and other payment) calculation purposes. We will specify which day of the month payments shall be made to us for the Royalty Fee and Marketing Fund contribution (if established), and other amounts due under the Franchise Agreement. Each calendar week currently begins on Monday and ends on Sunday. You must sign and send us the documents we periodically require, or enable the electronic mechanism, authorizing us to debit your business checking or other account automatically for the Royalty Fee and Marketing Fund contribution (if established), and other amounts due under the Franchise Agreement or otherwise. If we institute an automatic debit program for the BrewPub, we will debit your account on or before the payment due date for the Royalty Fee and Marketing Fund contribution (if established), and other amounts due. Funds must be available in the account for withdrawal. We may require you to have a specific amount of overdraft protection for your bank account. You must reimburse any “insufficient funds” charges and related expenses we incur due to your failure to maintain sufficient funds in your bank account.

If you fail to report the BrewPub’s Total Monthly Receipts when required, we may debit your account for 125% of the Royalty and Marketing Fund contribution (if established) we debited for the previous payment period. If the amount we debit is less than the

amount you actually owe us (once we determine the BrewPub’s actual Total Monthly Receipts), we will debit your account for the balance due on the day we specify. If the amount we debit is greater than the amount you actually owe us (once we determine the BrewPub’s actual Total Monthly Receipts), we will credit the excess, without interest, against the amount we may debit for the following payment period.

4. Annually, you are required to spend a minimum of 1.5% of the BrewPub’s Total Monthly Receipts on Marketing Materials (defined as advertising, marketing, and promotional formats and materials) and advertising, marketing, and promotional programs for the BrewPub (the “Local Marketing Spending Requirement”). We will credit all of your Cooperative contributions toward the Local Marketing Spending Requirement. However, we do not count the grand opening marketing program toward this minimum obligation. If we require you to make contributions to the Marketing Fund, we will credit all of your payments into the Marketing Fund toward your Local Marketing Spending Requirement. We may periodically review your books and records and have you send us reports to determine your advertising, marketing, and promotion expenses throughout the year. By the end of the year you should have spent the total 1.5% of the Total Monthly Receipts.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

FRANCHISE AGREEMENT

Column 1 Type of expenditure	Column 2 Amount (Low/High)	Column 3 Method of payment	Column 4 When due	Column 5 To whom payment is to be made
Initial Franchise Fee ⁽¹⁾	\$50,000	Lump sum	On signing of Franchise Agreement	Us
Leasehold Improvements / Construction ⁽²⁾	\$2,000,000 - \$3,000,000	As incurred	As incurred	Third parties
Construction Consultant / Owners Representation ⁽²⁾	\$30,000 - \$100,000	As incurred	As incurred	Third parties
Design and Architect Fees ⁽²⁾	\$100,000 - \$150,000	As incurred	As incurred	Third parties
Furniture, Fixtures & Equipment ⁽³⁾	\$800,000 - \$1,500,000	As incurred	As incurred	Third parties
Signage ⁽⁴⁾	\$100,000 - \$250,000	Lump sum	As incurred	Third parties
Three Months’ Rent ⁽⁵⁾	\$75,000 - \$180,000	Monthly	Upon signing of lease	Third parties

Column 1 Type of expenditure	Column 2 Amount (Low/High)	Column 3 Method of payment	Column 4 When due	Column 5 To whom payment is to be made
Security Deposit ⁽⁶⁾	\$25,000 - \$60,000	Lump sum	Upon signing of lease	Third parties
Opening Inventory and Supplies ⁽⁷⁾	\$75,000 - \$150,000	Lump sum	As incurred	Our affiliate and third parties
Grand Opening Advertising ⁽⁸⁾	\$10,000	Lump sum	As incurred	Third parties
Training Expenses ⁽⁹⁾	\$50,000	As incurred	As incurred	Third parties
Miscellaneous Opening Costs ⁽¹⁰⁾	\$20,500- \$50,500	As incurred	As incurred	Third parties
Additional Funds – 3 months ⁽¹¹⁾	\$50,000 - \$200,000	As incurred	As incurred	Third parties
TOTAL ESTIMATED INITIAL INVESTMENT ⁽¹²⁾	\$3,363,500 - \$5,730,500			

- Except for security and utility deposits and the limited scenarios for the Initial Franchise Fee, no expenditure in the table is refundable.

Notes:

1. The Initial Franchise Fee is \$50,000. The Initial Franchise Fee is refundable only in the limited circumstances where (i) a franchisee fails after using commercially reasonable efforts to obtain the necessary alcohol regulatory licenses for the operation of the BrewPub within a year of executing the Franchise Agreement, or (ii) the franchise relationship would result in any tied house or other alcohol regulatory violations.
2. This figure represents our estimate of your costs for the construction build-out and leasehold improvements for the BrewPub based upon an average of \$381 per square foot. A standard BrewDog BrewPub occupies approximately eight thousand five hundred (8,500) to ten thousand (10,000) square feet of leased space. The preferred trade area for the leased space is comprised of a blend of residential, leisure and retail. The location must be suitable as a brewing facility, which would include space for wastewater disposal, storage of limited brewing supplies, inventory and other related items. This figure also includes estimated charges and expenses you will incur for hiring and procuring the services of a general contractor, Construction Consultant, and architect for architectural permit drawings, engineers for structural plans, permits, construction, remodeling and decorating costs. While we provide you with initial layouts and designs for a BrewDog BrewPub at no cost to you, you are required to hire a third party architect and general contractor, whom we approve in advance, to prepare specific blueprints and

design concepts for your particular BrewPub in your leased premises. This figure includes the direct costs for such professionals. This estimate does not include costs associated with constructing a building shell, extensive redesign, permitting variances, legal obstacles, or legal fees in negotiating your lease agreement. Additionally, this cost estimate assumes that your landlord will provide you with necessary following utility fixtures and connections for your premises, including water and sewer lines, electrical circuit breaker, two-inch gas line (with half pound minimum pressure), telephone sleeves, and HVAC unit with distribution, duct work, grills and diffusers. If the landlord does not provide the foregoing utility fixtures, your initial cost for leasehold improvements may be greater than the estimate provided.

You are required to hire a construction consultant (sometimes referred to as an owner's representative) in connection with the construction process of your BrewPub. The estimated fee for such a consultant has been included in a separate line item above and is in addition to the cost of the construction. This consultant will help you through the construction process and help keep the various contractors on schedule.

All leasehold improvements must conform to our standards and specifications. You are responsible for ensuring your final leasehold improvements conform not only to our specifications, but also all local laws and building codes. The cost for a build-out of your BrewPub will vary depending on the size, the condition of the premises before you assume possession, current configuration of the leased premises facilities (i.e. HVAC, electrical, and plumbing), the market in which the BrewPub will operate, and the terms of your lease agreement which you are able to negotiate. Your ability to negotiate landlord contributions or allowances for your leasehold improvements will substantially impact your initial investment. Your total net cost to build-out your BrewPub may be significantly impacted by the level of tenant improvement allowances you negotiate and receive from your landlord.

3. This figure is an estimate of the costs for equipment, furniture, fixtures, and other fixed assets for your BrewPub. The estimates are based upon the equipment and fixtures necessary for an 8,500 – 10,000 square foot premises. Equipment and fixtures must conform to our standards and specifications. The cost of purchasing equipment and other items depend on the characteristics of the BrewPub's site, price differences among suppliers, and shipping distances from suppliers. The numbers include sales taxes and shipping costs. This estimate figure includes amounts for stools, tables, chairs, bar installation, bar equipment, kitchen equipment for the 'back of house' and the required brewing equipment and draft system. This figure also includes the cost of the required point of sale systems and the Computer Systems which ranges between \$25,000 - \$150,000.
4. This estimate includes outdoor signage and interior signage and displays required for the BrewPub. The numbers include sales taxes and shipping costs.
5. This figure includes the estimate for three months' rent and real estate costs such as security deposits and utilities used at the leased premises. As mentioned, a typical BrewDog BrewPub premises is 8,500 – 10,000 square feet and located in an area with a blend of residential, leisure and retail space. Rent depends on geographic location, size,

local rental rates, businesses in the area, site profile, and other factors. Rents vary from market to market and likely will be higher in large metropolitan areas than in suburban markets and smaller metropolitan areas. The high estimate assumes that you lease a site in a high-demand area. Your lease negotiations with your landlord regarding tenant improvements and other contributions from the landlord, along with the BrewPub's size and market area will help determine the amount of your lease payments and when they will begin. The initial investment table does not reflect the potential purchase cost of real estate or the costs of constructing a building suitable for the BrewPub. Because of the numerous variables that affect the value of a particular piece of real estate, this initial investment table does not reflect the potential purchase cost of real estate or the costs of constructing a new building suitable for the BrewPub.

6. Your landlord likely will require you to pay a security deposit equal to 1 month's rent or more.
7. You must purchase an opening inventory for your BrewPub including food, beverages, small wares, kitchen supplies, cleaning chemicals, beer, linens and brewing ingredients and supplies. The estimate in this Item 7 includes the cost of the Initial Order identified in Item 5 which is paid to us and includes additional amounts that you will be purchasing from our affiliate for on-going glassware and branded items for the initial three-months of operations. All other amounts in this estimate are amounts you will pay to designated third party suppliers for food inventory, non-alcoholic beverages, beer, and brewing ingredients. You will be purchasing small wares, kitchen supplies, cleaning supplies, linens and brewing ingredients directly from third parties, and this estimate includes the costs for an initial three month supply.
8. You must spend a minimum of \$10,000 for a grand opening advertising program for your BrewPub. We expect this program to begin approximately six (6) to eight (8) weeks before and to continue for approximately two (2) weeks after the BrewPub opens. We will consult with you about the type of grand opening program we believe is most suitable for your BrewPub, but you are required to expend such amounts to third party vendors. You may not create or conduct any market introduction program we have not approved.
9. This estimates the cost for four (4) persons (Principal Owner, General Manager, Head Brewer and Kitchen Manager) to attend our required initial training program. Although we do not charge tuition or any fee for the initial training, you must pay all attendance costs, which include expenses for food, travel and wages for your employees. The costs for such expenses depend on point of origin, method of travel, class of accommodations, and living expenses (food, transportation, etc.). You should consider employee wage requirements and practices in your market area. This figure also includes an estimate of the food and travel costs you will need to reimburse us for the opening Training Team we will send to you for assistance and training on the grand opening of your BrewPub.
10. Miscellaneous costs include business and liquor licensing costs, including but not limited to, TTB compliance, legal and accounting costs, insurance premiums, permits and licensing costs. As noted, to operate a brewery on the premises of the BrewPub, you must acquire various local, state and federal licenses and permits related to the manufacturing,

sale and consumption of alcohol. You may be required to place a bond for the BrewPub with the TTB when you apply for your permits. The amount of the bond is based on the BrewPub's actual production, but the average range paid by BrewDog affiliated BrewPubs owned by our affiliates which is similar to the BrewPub that you will own and operate for the bond is \$0 to \$10,000. This amount was factored into the figure above. We also recommend that at least one owner of the franchisee complete a Cicerone® training class which is offered through independent third-party providers. We do not collect this fee and we don't require such training, but we believe it's beneficial for your operation of the BrewPub and strongly suggest you attend. The cost of such training is included within the range of miscellaneous costs. We recommend that you engage an attorney, an accountant, and other consultants to help you in your due diligence and review any services we or an affiliate provides.

11. This line-item estimates the funds needed to cover your initial expenses during the first 3 months of operation (other than the items identified separately in the table. These expenses do not include any draw or salary for you. However, this is only an estimate, and you might need additional working capital during the first 3 months you operate your BrewPub and for a longer timeframe afterward.

12. You should review these figures carefully with a business advisor before deciding to acquire the franchise. Real estate, construction, and rent expenses vary considerably from market to market and depend upon a wide range of factors including the BrewPub's size, condition of the premises, location, market demand and your ability to negotiate for landlord contributions. We do not offer financing directly or indirectly for any part of the initial investment. Availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan. We relied on our affiliate's BrewDog BrewPub development and operating experience since 2017 to compile these numbers.

**YOUR ESTIMATED INITIAL INVESTMENT
DEVELOPMENT AGREEMENT**

Column 1	Column 2	Column 3	Column 4	Column 5
Type of expenditure	Amount (Low/High)	Method of payment	When due	To whom payment is to be made

Column 1 Type of expenditure	Column 2 Amount (Low/High)	Column 3 Method of payment	Column 4 When due	Column 5 To whom payment is to be made
Development Fee ⁽¹⁾	\$50,000 for the first BrewPub plus \$25,000 for each additional BrewPub you commit to open under the Development Agreement. For a 3 BrewPub development, the fee is \$100,000.	Lump sum, paid as follows:	On signing of Development Agreement	Us
Professional Fees	\$5,000 - \$8,000	As incurred	Before signing	Third party attorneys, accountants
Initial Investment to Open first BrewPub under the Development Agreement ⁽²⁾	\$3,247,500 - \$5,620,500	As incurred	As incurred	Third parties
TOTAL	\$3,418,500 - \$5,788,500			

Notes:

1. The Development Fee is calculated based upon the number of BrewPubs you will open. This chart the initial investment for the development of three (3) BrewPubs. Except as expressly stated, these fees are not refundable, even if you fail to open the BrewPubs required under the development schedule. To develop more than one BrewPub, you must enter into a Development Rights Agreement (Exhibit C). The Development Fee will be refundable only the limited circumstance where (i) a franchisee fails to obtain the necessary alcohol regulatory licenses for the operation of the first BrewPub to be opened under the Development Agreement within a year of executing the Development Agreement and Franchise Agreement, or (ii) the franchise relationship would result in any tied house or other alcohol regulatory violations.
2. This is the estimated investment for opening the first BrewPub location to be developed under the Development Agreement, pursuant to the initial table set forth in this Item 7, provided, the Initial Franchise Fee amount has been removed. Since you are paying the Development Fee, that will cover the full payment of Initial Franchise Fee for the first BrewPub to be opened under the Development Agreement.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate the BrewPub according to our System Standards. System Standards may regulate, among other things, types, models, and brands of required furniture, fixtures, signs, draft systems, brewing equipment and supplies and other equipment (including components of, and required software licenses for, the Computer System) for the BrewPub (collectively, “Operating Assets”); required, authorized, and unauthorized services and products for the BrewPub; and designated and approved suppliers of items and services. You must buy or lease all Operating Assets and other products and services for the BrewPub only according to our System Standards and, if we require, only from suppliers we designate or approve (which may include or be limited to us, our affiliates, and/or other restricted sources) at the prices the suppliers choose to charge.

PURCHASES FROM US OR OUR AFFILIATES

The following are items or services that you currently must purchase from us or an affiliate. We may designate alternative suppliers in the future for these items, including, but not limited to, an affiliate of us.

Branded Merchandise. You must purchase all merchandise and items branded with the Marks and glassware (which may or may not be branded with the Marks) solely from BrewDog Brewing Company, LLC, our affiliate. Currently, BrewDog Brewing Company, LLC is the only approved supplier for such branded merchandise and glassware.

Food Safety Software and Social Media Management Programs. You must utilize and implement those certain food safety audit program and systems for your BrewPub that we require along with particular social media management platforms. Currently we hold a license to such software programs with the third party licensors and we operate such programs for you, and charge you an annual fee. Currently we are the only approved provider of such social media management and software and you must implement and such licenses in your BrewPub.

PURCHASES FROM APPROVED THIRD PARTY SUPPLIERS

To maintain the quality over the goods and services that BrewDog BrewPubs offer and sell and our system’s reputation, we currently require you to purchase and source the following items for your BrewDog BrewPub from our approved third party suppliers.

BrewDog Beer. You are required to purchase our proprietary BrewDog beer for consumption and sale from your BrewPub. You must purchase all BrewDog beer for your BrewPub from our approved third party distributors, with whom we are not affiliated.

Draft System. You must purchase a draft system for the BrewPub from our approved supplier, and currently the sole approved supplier is Micro Matic. We are not affiliated with Micro Matic.

Point of Sale System. You are also required to purchase a specific point-of sale system for the BrewPub from our approved supplier, and currently, the sole approved supplier is NCR. We are not affiliated with NCR.

BrewDog Products. Subject to applicable law, you must offer at the BrewPub all proprietary craft beers that we identify from time to time, as well as all other food and beverage products and services that we periodically specify as being mandatory (“BrewDog Products”) and the BrewDog Products will make up no less than seventy percent (70%) of the beers offered for sale at the BrewPub at any time (to the extent allowed under applicable law). All remaining craft beers offered or sold by the BrewDog BrewPub must be independent craft brands, which we must approve.

Food Inventory and other Operating Assets. Besides the items and services described above under Purchases From Us or our Affiliates for which we and our affiliate currently are the approved or designated suppliers, you must (i) use an architect and a general contractor that you choose, whom we approve in advance, for the BrewPub’s construction and development, and (ii) must acquire the BrewPub’s food, beverages, furniture, fixtures, brewing equipment and supplies, and other equipment, point-of-sale system, signage and other supplies, advertising, and gift card/loyalty program services only from the suppliers we designate or approve. Neither we nor our affiliates are the required or designated suppliers for such items and no officer of ours owns any interest in any unaffiliated supplier to the franchise system. We restrict your sources of items and services in many cases to protect trade secrets and other intellectual property, help assure quality and a reliable supply of products meeting our standards, achieve better purchase and delivery terms, control third-party use of the Marks, and monitor the manufacture, packaging, processing, sale, and delivery of these items.

Construction and Development of your BrewPub. You must develop the BrewPub at your expense. We will give you construction guidelines and mandatory and suggested specifications and layouts for a BrewDog BrewPub, including requirements or recommendations (as applicable) for dimensions, design, interior layout, décor, signage, and Operating Assets in accordance with the BrewDog Retail Design Standards (“Design Standards”). All other decisions regarding the BrewPub’s development and floorplan layout, design, color scheme, finishes, improvements, décor, and Operating Assets are subject to our review and prior written approval. You must ensure that the BrewPub’s construction and remodeling plans comply with the Americans with Disabilities Act (“ADA”), applicable state and federal alcohol regulatory laws, zoning regulations, environmental laws and regulations, other applicable ordinances, building codes and permit requirements, and lease requirements and restrictions.

You must hire (and contract directly with) an architect and a general contractor we approve to prepare the BrewPub-specific blueprints and plans and then to construct the BrewPub. You may not hire an architect or general contractor that we have not approved. Additionally, we require you to hire a construction consultant or someone acting as an owner’s representative in connection with the construction process. We do not have any required constructions consultants, but we must approve the consultant you hire.

You agree to send us one (1) set of construction plans and specifications for review and acceptance before you begin constructing the BrewPub, as well as all revised or “as built” plans and specifications during construction. You may not begin build-out for the BrewPub until we

have approved the plans and specifications in writing. Our review is limited to ensuring your compliance with the Design Standards. Our review is not designed to assess compliance with federal, state, or local laws and regulations, including the ADA and TTB reporting and compliance, as compliance with those laws and regulations is your responsibility.

You must at your expense construct, install all trade dress (that is, brand-identifying features and visual image of the BrewPub) and Operating Assets in, and otherwise develop the BrewPub according to our standards, specifications, and directions. The BrewPub must contain all Operating Assets, and only those Operating Assets, we specify or pre-approve. You agree to place or display at the BrewPub (interior and exterior), according to our guidelines, only the signs, emblems, lettering, logos, and materials we approve.

In addition, we may from time to time, but not more than once every five (5) years during the Term (after the BrewPub’s opening), require you to substantially alter the BrewPub and the Site’s appearance, branding, layout and/or design, and/or replace a material portion of your Operating Assets, in order to meet our then current requirements for new similarly situated BrewDog BrewPubs. This obligation could result in your making extensive structural changes to, and significantly remodeling and renovating, the BrewPub, and/or in your spending substantial amounts for new Operating Assets, and you agree to incur, without limitation, any capital expenditures required in order to comply with this obligation and our requirements (even if those expenditures cannot be amortized over the remaining Term). Within sixty (60) days after receiving written notice from us, you must have plans prepared according to the standards and specifications we prescribe and, using architects and contractors, construction consultants we designate or approve, and you must submit those plans to us for our approval. You must complete all work according to the plans we approve within the time period that we reasonably specify. However, nothing in this paragraph in any way limits your obligation to comply with all mandatory System Standards we periodically specify.

Insurance. You must maintain insurance coverage for the BrewPub at your own expense in the amounts, and covering the risks, we periodically specify. Currently, we require that, at a minimum, you must maintain the following types and minimum amounts of insurance coverage:

Commercial General Liability (Occurrence Form)

General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal & Advertising Injury Liability	\$1,000,000
Each Occurrence	\$1,000,000
Liquor Liability	\$1,000,000 (limit)

Workers’ Compensation and Employer’s Liability

Workers’ Compensation	State Statutory Limits
Employer’s Liability	
Bodily Injury by Accident	\$1,000,000 each accident
Bodily Injury by Disease	\$1,000,000 policy limit
Bodily Injury by Disease	\$1,000,000 each employee

Automobile Liability

Bodily Injury & Property Damage (CSL)	\$1,000,000 each accident
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Property

Coverage on Business Personal Property, and Inventory on a Special Cause of Loss Coverage Form. Loss of Business Income should be included.

Employment Practices Liability

Each Claim and Aggregate Include First and Third Party Claims \$1,000,000

Umbrella Liability

Each Occurrence and Aggregate \$2,000,000

Builders' Risk

General Cost of construction build-out

Your insurance carriers must be licensed to do business in the BrewPub's state and be rated A or higher by A.M. Best and Company, Inc. (or satisfy our other criteria). We periodically may increase the required coverage amounts and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or relevant changes in circumstances. Insurance policies must name us and our designated affiliates as additional insureds and give us 30 days' prior written notice of material modification, cancellation, non-renewal, or non-payment. You must send us a valid insurance certificate or duplicate insurance policy showing required coverage and payment of premiums.

OTHER REQUIREMENTS

Marketing Materials. At least thirty (30) days before using them, you must send us all Marketing Materials we have not prepared or already approved and all approved Marketing Materials that you propose to change in any way. If we do not approve those materials within thirty (30) days after receiving them, they will be deemed disapproved for use. You may not use any Marketing Materials we have not approved or have disapproved. You also will conduct a market introduction program for the BrewPub that we must pre-approve.

Test Programs. We also periodically may require you to participate in market research and test programs that we periodically require or approve concerning various aspects of the Franchise System, including new or updated procedures, systems, equipment, signs, trade dress, supplies, marketing materials and strategies, merchandising strategies, products, and services.

Equity for Punks. You must participate in, and comply with the requirements of, our gift card and other customer loyalty programs, including but not limited to, the Equity for Punks ("EFP") program, subject to applicable law. Generally, the types of benefits that you will have to provide to customers who are enrolled in the EFP program are discounts on food, beverage and merchandise purchases and access to special events and keg tapping parties at your BrewPub.

Except as described above, there are no goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the BrewPub that you currently must buy or lease from us (or our affiliates) or designated or approved suppliers. In the future, we may designate other products and services that you must buy only from us, our affiliates, or designated or approved suppliers. To maintain the quality of BrewDog BrewPub services and products and our franchise network's

reputation, all Operating Assets and other services and products your BrewPub uses or sells (besides those described above that you may obtain only from us, our affiliates, and/or approved and designated suppliers) must meet our minimum standards and specifications, which we issue and modify based on our, our affiliates', and our franchisees' experience in operating BrewDog BrewPubs. Our Operations Manual, other technical manuals, and written and on-line communications will identify our standards and specifications for you. When appropriate and authorized, you may provide those standards and specifications to suppliers if they agree to maintain confidentiality.

If you want to use any Operating Assets, BrewDog Products or other products or services for or at the BrewPub that we have not yet evaluated, or purchase or lease any Operating Assets or other products or services from a supplier or distributor that we have not yet approved (for Operating Assets or other products and services that we require you to purchase only from designated or approved suppliers or distributors), you first must submit sufficient information, specifications and samples for us to determine whether the product or service complies with our standards and specifications and/or the supplier or distributor meets our criteria. We may condition our approval of a supplier or distributor on requirements relating to product quality, prices, consistency, warranty, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) and/or other criteria. We have the right to inspect the proposed supplier's or distributor's facilities and to require the proposed supplier or distributor to deliver product or other samples, at our option, either directly to us or to any independent laboratory that we designate for testing. Either you or the proposed supplier or distributor must pay us a fee (not to exceed the reasonable cost of the inspection and the actual cost of the test) to make the evaluation. We reserve the right periodically to re-inspect the facilities, products and services of any approved supplier or distributor and to revoke our approval of any supplier, distributor, product or service that does not continue to meet our criteria. Notwithstanding the foregoing, we may limit the number of approved suppliers with whom you may deal, designate sources that you must use, and/or refuse any of your requests for any reason, including if we have already designated an exclusive source (which might be our affiliate) for the applicable product or service or if we believe that doing so is in the best interests of the BrewDog BrewPub network.

REVENUE FROM FRANCHISEE PURCHASES

We and/or our affiliates may derive revenue based on your purchases and leases, including from charging you (at prices exceeding our and their costs) for services and products we or our affiliates sell you and from promotional allowances, volume discounts (where permitted by law), and other amounts paid to us and our affiliates by suppliers we designate, approve, or recommend for some or all BrewDog BrewPub franchisees. We and our affiliates may use all amounts received from suppliers, whether or not based on your and other franchisees' prospective or actual dealings with them, without restriction for any purposes we and our affiliates deem appropriate. We and our affiliates have negotiated volume discounts with certain food vendors and will receive rebates from such unaffiliated supplier based on your purchases of food and non-alcoholic beverage inventory for your BrewPub. However, we did not earn any amounts from such rebates arising from franchisee purchases in 2022.

Collectively, your purchases and leases from us or our affiliates, from designated or approved suppliers, or according to our standards and specifications represent about ninety percent (90%) of your overall initial purchases and leases to open and establish a BrewDog BrewPub and about ninety (90%) of your ongoing required purchases in operating the BrewPub. Because we did not have any open and operating franchised BrewPubs during 2022, we and our affiliates did not derive any revenue during 2022 from franchisees' direct purchases or leases or receive any payments from designated and approved suppliers on account of their sales to our franchisees, but we have the right to do so in the future. During our 2022 fiscal year, our total revenues from selling products and providing services to franchisee was \$0.00, which represents 0% of our total accrued revenue for the 2022 fiscal year, which was \$0.00. None of our affiliates received any revenue from selling products or providing services to franchisees in 2022. We calculated these figures from our audited financial statements.

There currently are no purchasing or distribution cooperatives. Where permitted by applicable law, we and our affiliates may negotiate purchase arrangements with suppliers (including price terms). In doing so, we and our affiliates seek to promote the overall interests of the franchise system and affiliate-owned operations and our interests as the franchisor (and not for the benefit of a particular franchisee). We make no guaranty, warranty, or promise that we and our affiliates will obtain the best pricing or most advantageous terms on behalf of BrewDog BrewPubs. We and our affiliates also do not guaranty the performance of suppliers and distributors to BrewDog BrewPubs. We are not responsible or liable if a supplier's or distributor's products or services fail to conform to or perform in compliance with System Standards or our contractual terms with the supplier or distributor.

We do not provide material benefits to a franchisee (for example, renewal or granting additional franchises) for purchasing particular products or services or using particular suppliers.

The Development Rights Agreement does not require you to buy or lease from us (or our affiliates), our designees, or approved suppliers, or according to our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items. However, you must give us information and materials we request regarding each site at which you propose to operate a BrewDog BrewPub so we can assess and accept that site.

Item 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	2.A and B of Franchise Agreement and Sections 5 and 7 of Development Rights Agreement	5,7, 8, 11, and 12
b. Pre-opening purchases/leases	2.C and D of Franchise Agreement	5, 7, 8, and 11

Obligation	Section in agreement	Disclosure document item
c. Site development and other pre-opening requirements	2.C and D of Franchise Agreement	5, 7, 8, and 11
d. Initial and ongoing training	4 of Franchise Agreement	6, 7, and 11
e. Opening	2.E of Franchise Agreement	11 and 12
f. Fees	5 and 7 of Franchise Agreement; 4 and 5 of Development Rights Agreement	5, 6, 7, and 8
g. Compliance with standards and policies/operating manual	6.G of Franchise Agreement	8 and 11
h. Trademarks and proprietary information	10 and 11 of Franchise Agreement	13 and 14
i. Restrictions on products/services offered	6 of Franchise Agreement	8, 11, 12, and 16
j. Warranty and customer service requirements	6.D of Franchise Agreement	Not Applicable
k. Territorial development and sales quotas	2, 3 and 5 of Development Rights Agreement	11 and 12
l. On-going product/service purchases	6.C of Franchise Agreement	6 and 8
m. Maintenance, appearance and remodeling requirements	6.G of Franchise Agreement	8, 11, and 17
n. Insurance	6.E of Franchise Agreement	7 and 8
o. Advertising	7 of Franchise Agreement	5, 6, 7, 8, and 11
p. Indemnification	17.D of Franchise Agreement	6
q. Owner's participation/management/staffing	1.C and 1.D of Franchise Agreement	11 and 15
r. Records and reports	8 of Franchise Agreement	6
s. Inspections and audits	9 of Franchise Agreement	6
t. Transfer	13 of Franchise Agreement; 11 of Development Rights Agreement	6 and 17
u. Renewal	14 of Franchise Agreement	6 and 17
v. Post-termination obligations	16 of Franchise Agreement	6 and 17
w. Non-competition covenants	16.D of Franchise Agreement	15 and 17
x. Dispute resolution	18.F, 18.G, 18.H and 18.I of Franchise Agreement; 12 of Development Rights Agreement	17

Item 10
FINANCING

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

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

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

Pre-Opening Assistance

Before you begin operating the BrewPub, we will:

1. Review potential BrewPub sites you identify within the Site Selection Area. Any site must be conducive to brewing activities sufficient to obtain and maintain a non-retail brewing/brewpub license. We will use our reasonable efforts to review and either accept or reject a site you propose within thirty (30) days after receiving the complete site report and other materials and information we request. If we have not delivered to you written notice of our acceptance of a proposed site within thirty (30) days after receiving the complete site report, that site will be deemed rejected. We will not unreasonably withhold our acceptance of a site that meets our then current criteria. We have the absolute right to reject any site that does not meet our criteria. (Franchise Agreement—Section 2.A) (Development Rights Agreement – Sections 5(a), 5(b)).

2. Accept or reject the BrewPub's proposed lease or sublease. You must send us the proposed lease or sublease for our written acceptance at least 30 days before you intend to sign it. The lease or sublease must either (i) include the lease rider attached as Exhibit C to the Franchise Agreement or (ii) include within its body the lease rider's terms and conditions. You may not sign any lease or sublease we have not accepted in writing. If we do not accept the lease or sublease in writing (if we did not negotiate it) within 30 days after we receive it, the lease or sublease is deemed rejected. You must sign a Lease that we have accepted, for a Site that we have accepted, within one hundred eighty (180) days after the Effective Date (which may be extended by thirty (30) days with our prior written approval at no cost to you). After you sign a Lease, we will define the Territory using our then current territory designation. (Franchise Agreement – Section 2.A, 2.B) (Development Rights Agreement – Sections 5(a), 5(b))

3. We will provide you construction guidelines and mandatory and/or suggested specifications and design layouts for a BrewDog BrewPub, including recommendations and/or requirements (as applicable) for dimensions, design, image, interior layout, décor, Operating Assets in accordance with the Design Standards, which might not reflect the requirements of any federal, state, or local laws, codes, ordinances, or regulations, including those arising under the ADA, federal and state alcohol regulatory laws or any lease requirements or restrictions. These guidelines will not include blueprints, "as-built" specifications, nor precise construction plans or floor

layouts for the BrewPub. You are solely responsible for complying with all laws and must inform us of any changes to the BrewPub's specifications that you believe are necessary to ensure such compliance. You must use an architect, construction consultant and general contractor we approve. (Franchise Agreement – Section 2.C)

You must make sure that your plans for the BrewPub comply with all laws and lease requirements and restrictions. You must send us the plans for our written approval before beginning the BrewPub's build-out and all revised or "as built" plans prepared during the BrewPub's construction and development. You may not begin the BrewPub's build-out until we approve the plans in writing; you then must develop the BrewPub in compliance with the plans. During the BrewPub's build-out, we may physically inspect the BrewPub or have you send us pictures and images (including recordings) of the BrewPub's interior and exterior so we can review your development of the BrewPub in compliance with our System Standards. (Franchise Agreement – Section 2.C)

4. Provide initial orientation and training to your Principal Owner, General Manager, your Head Brewer and your Kitchen Manager. We describe this training later in this Item. (Franchise Agreement – Section 4.A)

5. Identify the Operating Assets, BrewDog Products, inventory, supplies, and other products and services you must use to develop and operate the BrewPub, the minimum standards and specifications you must satisfy, and the designated and approved suppliers from which you must or may buy or lease items and services (which may include or be limited to us and/or our affiliates). Deliver to you the Initial Order of branded merchandise and glassware inventory for your BrewPub. Provide you with list of approved suppliers and vendors for all such required Operating Assets, equipment, signage, fixtures and the like and the specifications for such items. We will not deliver or help install any such Operating Assets. (Franchise Agreement – Sections 2.C(1), 4.C, 6.B, 6.G, 7.D, and 7.E)

6. Send an opening Training Team to the BrewPub for ten (10) days to help train your supervisory employees on System Standards (but not matters relating to labor relations and employment practices) and prepare the BrewPub for opening. There is no separate cost or fee for the Training Team, but you will be required to pay for our team's travel and food expenses for such trip, not to exceed \$500 per trainer per day. You must pay us travel and food costs and reimburse us for additional expenses we incur if you change travel schedules or ask us to provide additional on-site training or assistance. This opening Training Team will be sent for the first two BrewPubs that you may open and we will determine in our sole discretion whether an "opening team" will be sent for your third and any subsequent openings. (Franchise Agreement – Section 4.B).

7. Give you access to our operations manual and other technical manuals (collectively, the "Operations Manual"). The Operations Manual may consist of and is defined to include audio, video, computer software, other electronic and digital media, and/or written and other tangible materials. The Operations Manual contains System Standards and information on your other obligations under the Franchise Agreement. We may modify the Operations Manual periodically to reflect changes in System Standards, but those modifications will not alter your fundamental rights or status under the

Franchise Agreement. If there is a dispute over the Operations Manual's contents, our master copy controls. The Operations Manual currently contains the equivalent of approximately 142 total pages; its current table of contents is Exhibit D. (Franchise Agreement – Section 6.G)

8. Review your grand opening marketing program for the BrewPub. (Franchise Agreement – Section 13.A)

Ongoing Assistance

During your BrewPub's operation, we will:

1. Advise you or make recommendations regarding the BrewPub's operation with respect to standards, specifications, operating procedures, and methods that BrewDog BrewPubs use; purchasing required or recommended BrewDog products, Operating Assets and other products, services, supplies, and materials; supervisory employee training methods and procedures (although you are solely responsible for the employment terms and conditions of all BrewPub employees); advertising, and marketing. We may guide you through our Operations Manual, in bulletins or other written materials, by electronic media, by telephone, and/or at our office or the BrewPub. (Franchise Agreement – Section 4.E)

2. At our option, establish an Intranet for internal system-wide communications. The Intranet might be part of the System Website described later in this Item. The Intranet will provide the features, services, and functionality we periodically specify. You must comply with our requirements for connecting to and using the Intranet. We may discontinue the Intranet or any services offered through the Intranet at any time. (Franchise Agreement – Section 6.F)

3. Give you, at your request and expense (and our option), additional or special guidance, assistance, and training. We have no obligation to continue providing any specific ongoing training, conventions, advice, or assistance. (Franchise Agreement – Section 4.C)

4. Continue to give you access to our Operations Manual. (Franchise Agreement – Section 4.F)

5. Issue and modify System Standards. Changes in System Standards may require you to invest additional capital in the BrewPub and incur higher operating costs. You must comply with those obligations within the timeframe we specify. Our Franchise Agreement describes certain time limitations on when we may require you to implement certain capital modifications and certain related cost caps. System Standards may regulate (to the extent the law allows) maximum, minimum, or other pricing requirements for services and products the BrewPub sells, including requirements for promotions, special offers, and discounts in which some or all BrewDog BrewPubs must participate and price advertising policies. (Franchise Agreement – Sections 4.F)

6. Let you use our Marks. (Franchise Agreement – Section 10)

7. Let you use our confidential information, some of which constitutes trade secrets under applicable law (the “Confidential Information”) (Franchise Agreement – Sections 11.A, 11.B and 11.C)

8. If established, we will maintain a Marketing Fund for advertising, marketing, research and development, public relations, social media management, and customer relationship management programs and materials we deem appropriate to enhance, promote, and protect the BrewDog BrewPub brand and franchise system. We describe the Marketing Fund and other advertising activities below, however currently, there is no Marketing Fund established for the system. (Franchise Agreement – Section 7.B)

9. Maintain and administer one or more websites, mobile applications, social media accounts and other online presences to advertise, market and promote BrewDog Brewpubs and the products and services that they offer and sell (each a “System Website”). (Franchise Agreement – Section 7.D)

10. Periodically inspect and monitor the BrewPub’s operation. Periodically inspect and monitor the quality of beer brewed on site at your BrewPub. (Franchise Agreement – Section 9.A)

11. Periodically offer refresher training courses. (Franchise Agreement – Section 4.D)

12. Review advertising and promotional materials you want to use. (Franchise Agreement – Section 7.C)

Advertising and Marketing Programs

Marketing Fund

While we have not established a national marketing fund (“Marketing Fund”) for the purpose of advertising and marketing the BrewDog brand and System, we reserve the right to establish such a Marketing Fund in the future. If we establish a Marketing Fund, upon notice to you, you must contribute the amounts we periodically specify, not to exceed three percent (3%) of your BrewPub’s Total Monthly Receipts. Each operational company and affiliate-owned BrewDog BrewPub will contribute to the Marketing Fund each week on the same percentage basis as franchisees, if or when the Marketing Fund is established. There is no Marketing Fund established, but if one is formed by us, we would charge one percent (1%) of your BrewPub’s Total Monthly Receipts, and have the right to increase your contributions, in half percentage (0.5%) increases, not to exceed three percent (3%) of your BrewPub’s Total Monthly Receipts. If, after establishing the Marketing Fund, we decide, in our sole discretion, to increase the Marketing Fund contributions, such increase will be uniformly applied, and we will provide franchisees with six months advance notice before the increase is in effect.

Once established, we will direct all programs the Marketing Fund finances, with sole control over all creative and business aspects of the Fund’s activities. The Marketing Fund may pay for preparing, producing, and placing video, audio, and written materials, digital and

electronic media, and Social Media; developing, maintaining, and administering one or more System Websites; administering national, regional, and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; establishing regional and national promotions and partnerships and hiring spokespersons to promote the BrewDog brand; establishing toll-free call centers and on-line systems and other vehicles for centralized customer interaction; and supporting public relations, market research, and other advertising, promotion, marketing, and brand-related activities. The Marketing Fund may advertise locally, regionally, and/or nationally in printed materials, on radio or television, and/or on the Internet, as we think best. We and/or an outside regional or national advertising agency will produce all advertising and marketing. The Marketing Fund periodically may give you sample Marketing Materials at no cost. We may sell you multiple copies of Marketing Materials at our direct production costs, plus any related shipping, handling, and storage charges.

The Marketing Fund, if established, will be intended to maximize recognition of the Marks and patronage of BrewDog BrewPubs generally. Although we or our affiliates will try to use the Marketing Fund to develop advertising and marketing materials and programs and to place advertising and marketing that will benefit all franchisees, we need not ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to fund contributions by BrewPubs operating in that geographic area or that any franchisee benefits directly or in proportion to its fund contribution from the development of advertising and marketing materials or the placement of advertising. We will have the right, but not the obligation, to deposit into the funds any advertising, marketing, or similar allowances paid by suppliers. We assume no other direct or indirect liability or obligation to you for collecting amounts due to or maintaining, directing, or administering, any advertising account.

If established, we will account for the Marketing Fund separately from our other funds (although we need not keep Marketing Fund contributions in a separate bank account) and will not use the Marketing Fund for any of our general operating expenses. However, the Marketing Fund may reimburse us and our affiliates for the reasonable salaries and benefits of personnel who manage and administer, or otherwise provide assistance or services to, the Marketing Fund; the Marketing Fund's administrative costs; travel-related expenses of personnel while they are on Marketing Fund business; meeting costs; overhead relating to Marketing Fund business; and other expenses we and our affiliates incur administering or directing the Marketing Fund and its programs, including conducting market research, preparing Marketing Materials, collecting and accounting for Marketing Fund contributions, paying taxes due on Marketing Fund contributions we receive; and any other costs or expenses we incur operating or as a consequence of the Fund. We will not use the Marketing Fund specifically to develop materials and programs to solicit franchisees. However, media, materials, and programs prepared using Marketing Fund contributions may describe our franchise program, reference the availability of franchises and related information, and process franchise leads. Because the Marketing Fund has not yet been established, it has not received any contributions, and therefore it has no operating history and does not have any expenditures or expenses for which Marketing Funds were used.

The Marketing Fund will not be a trust, and we will not owe you fiduciary obligations if we maintain, direct, or administer the Marketing Fund or for any other reason. The Marketing

Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We may use new Marketing Fund contributions to pay Marketing Fund deficits incurred during previous years. We will use all interest earned on Marketing Fund contributions to pay costs before using the Marketing Fund's other assets. If established, we will prepare an annual, unaudited statement of Marketing Fund collections and expenses and post the statement on our internal databases within 60 days after our fiscal year end or otherwise give you a copy of the statement upon reasonable request. We may (but need not) have the Marketing Fund audited annually, at the Marketing Fund's expense, by a certified public accountant we designate. We may incorporate the Marketing Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified here.

If established, the Marketing Fund's principal purposes are to maximize recognition of the Marks, increase patronage of BrewDog BrewPubs, and enhance, promote, and protect the BrewDog BrewPub brand and franchise system. Although we will try to use the Marketing Fund (if established) in the aggregate to develop and implement Marketing Materials and programs benefiting all BrewDog BrewPubs, we need not ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to Marketing Fund contributions by BrewDog BrewPubs operating in that geographic area or that any BrewDog BrewPub benefits directly or in proportion to its Marketing Fund contribution from the development of Marketing Materials or the implementation of programs. (In other words, the Marketing Fund need not spend any specific amount in your market area or Territory.) We have the right, but no obligation, to use collection agents and institute legal proceedings at the Marketing Fund's expense to collect unpaid Marketing Fund contributions. We also may forgive, waive, settle, and compromise all claims by or against the Marketing Fund. We assume no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Marketing Fund.

Upon establishing the Marketing Fund, we may at any time defer or reduce the Marketing Fund contributions of any BrewDog BrewPub franchisee and, upon 30 days' prior written notice to you, reduce or suspend Marketing Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If we terminate the Marketing Fund after it has been formed, we will either (i) spend the remaining Fund balance on permitted programs and expenditures or (ii) distribute all unspent funds to our then-existing franchisees, and to us and our affiliates, in proportion to their and our respective Marketing Fund contributions during the preceding 12 months. (Franchise Agreement – Section 7.B)

Local Marketing

We feel that advertising and promotion of your BrewPub is important for the growth and success of your franchise, therefore you must spend a minimum of one and one-half percent (1.5%) of your BrewPub's annual Total Monthly Receipts on approved Marketing Materials and programs for the BrewPub. You must prepare, or collaborate with us to prepare, a written local marketing plan for the Local Marketing Spending Requirement. (Franchise Agreement – Section 7.C). We may determine which expenses count or do not count toward your Local Marketing Spending Requirement.

The marketing activities in which you engage will materially affect your BrewPub's success or lack of success. You may choose to spend more than the Local Marketing Spending Requirement, though you are not required to do so. The Local Marketing Spending Requirement might be insufficient for you to achieve your business objectives. Subject to the minimum above, you alone are responsible to determine how much to spend on Marketing Materials and other approved advertising, marketing, and promotional programs for the BrewPub in order to achieve your business objectives. If we require you to make contributions to the Marketing Fund, the amounts paid to the Marketing Fund can be deducted from your Local Marketing Spending Requirement. If we establish a marketing or advertising Cooperative, any amounts contributed to the Cooperative can be deducted from your Local Marketing Spending Requirement.

We are not required to spend any amount of money in your market area or Territory on advertising for your BrewPub or the BrewDog system in general.

Approval of Advertising

All Marketing Materials must be legal and not misleading and conform to our policies, and all state and federal alcohol regulations, To protect the goodwill that we and our affiliates have accumulated in the "BrewDog BrewPub" name and other Marks, at least 30 days before using them, you must send us samples or proofs of all Marketing Materials that we did not prepare or already approve or that we prepared or approved but you want to change in any way. If we do not approve those Marketing Materials in writing within 30 days after we receive them, they are deemed disapproved for use. You may not use any Marketing Materials we have not approved or have disapproved. We may upon 30 days' prior written notice require you to stop using any previously-approved Marketing Materials. (Franchise Agreement – Section 13.C)

Advertising Councils and Cooperatives

There currently are no franchisee advertising councils advising us on advertising and marketing policies and programs. However, we may form, change, dissolve, or merge any franchisee advertising council. We do not require you to participate in advertising cooperatives. We reserve the right to create an advisory council of franchisees to advise us on advertising policies. (Franchise Agreement 7.E)

We do not currently have an advertising or marketing cooperative and we do not have plans to create one. We may, however, designate a geographic area in which 2 or more BrewDog BrewPubs are located as an area for an advertising cooperative (a "Cooperative"). If we create a regional Cooperative, all franchisees within such geographic area will be required to participate. Such Cooperative's members will be the owners of all BrewDog BrewPubs operating in the defined area, including us and our affiliates, if applicable. We will determine how any Cooperative is organized and governed, but the Cooperative's members are responsible for its administration. The Cooperative's members determine contribution levels and all company-owned or affiliated owned BrewDog BrewPubs will contribute to the Cooperative as well at the same level as franchisee-owned units; provided no Cooperative may require contributions that exceed one percent (1%) of a franchisee's Total Monthly Receipts. There is no set minimum contribution amount that a franchisee may need to contribute to an Cooperative since each Cooperative (if formed) will determine its own level of contributions and the participating franchisees will vote on such amounts, but there is a maximum contribution level of one percent

(1%) of a Franchisee’s annual Total Monthly Receipts. Each Cooperative is responsible for collecting its own contributions and making its own expenditures. We will not be involved with collecting or administering any of the contributions of Cooperatives, even if we, or our affiliates operating a BrewPub, are members in cooperatives, unless such Cooperative elects for us to be involved with such administration. All material decisions of the Cooperative will require the affirmative vote of 51% of all BrewDog BrewPubs operating within the Cooperative’s area (including those that we and our affiliates operate, if applicable), with each BrewPub receiving one vote. Neither we, nor any of our affiliates operating a BrewPub, will have any more voting power than the participating franchisees in such Cooperative. Cooperatives must operate from written governing documents and prepare periodic financial statements which are available to the members. (See Section 7.E of the Franchise Agreement.) Currently, there are no Cooperatives.

System Website and Electronic Advertising

We or our designees may establish the System Website, as a website or series of websites and/or social media accounts for the BrewDog BrewPub network: (1) to advertise, market, identify, and promote BrewDog BrewPubs, the services and products they offer, and/or the BrewDog BrewPub franchise opportunity; (2) to function as the Intranet; and/or (3) for any other purposes we deem appropriate for BrewDog BrewPubs. The System Website need not give you a separate interior webpage or “micro-site” referencing your BrewPub. We will utilize a social media management system to operate and run social media accounts for your BrewDog BrewPub on your behalf and we will charge you an annual fee for such management. We reserve the right to modify or discontinue the social media management service at any time, in our discretion. We further reserve the right to increase the fee for such services. We will own all intellectual property and other rights in the System Website and social media accounts and all information they contain. We will control, and may use the Marketing Fund’s assets (if established) to develop, maintain, operate, update, and market, the System Website.

All Marketing Materials you develop for the BrewPub must contain notices of the System Website’s URL as we specify. You may not develop, maintain, or authorize another website, online presence, social media accounts or presence, or electronic medium mentioning or describing the BrewPub or displaying any Marks without our prior written approval. You may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet. We have the right to maintain websites and social media accounts other than the System Website and to offer and sell services and products under the Marks from the System Website, another website, or otherwise over the Internet without payment or other obligation to you. (Franchise Agreement – Section 7.D)

Computer System

You must obtain and use the computer hardware and software, point-of-sale system, dedicated telephone and power lines, modems, printers, tablets, smart phones, and other computer-related accessories and peripheral equipment we periodically specify (the “Computer System”). The point-of-sale system must be purchased from NCR. You must use the Computer System to access the Intranet and to input and access information about your revenue and operations. The Computer System must permit 24-hours-per-day, 7-days-per-week electronic communications between you and us, including access to the Internet and Intranet. (Franchise

Agreement–Section 11.B) There are no contractual limitations on our right to access the information on the Computer System (unrelated to your labor relations and employment practices).

The Computer System currently includes all computer terminals, printers, all connections and the “back of the house” computer. The computer system generates and stores various information, including revenue, transactions, consumer data, and marketing efforts and effectiveness. We estimate the computer and point-of-sale systems’ cost to range from \$25,000 to \$150,000.

The third parties whose computer-related products you buy have no contractual right or obligation to provide ongoing maintenance, repairs, upgrades, or updates unless you obtain a service contract or a warranty covers the product. The Computer System generates and maintains revenue and other financial information. You must upgrade the Computer System, and/or obtain service and support, as we require or when necessary because of technological developments, including complying with PCI Data Security Standards. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse your costs. You may not use any unapproved computer software or security access codes. We have independent, unlimited access to the information the Computer System generates (and to the content of any BrewDog BrewPub email accounts we provide you), although not to employee- or employment-related information for your BrewPub’s employees.

We and our affiliates may condition any license to you of required or recommended proprietary software, and/or your use of technology developed or maintained by or for us (including the Intranet), on your signing a software license agreement or similar document, or otherwise agreeing to the terms (for example, by acknowledging your consent in a click-through license agreement), that we and our affiliates require to regulate your use of the software or technology. You may not at any time substitute any other software for the software we require in the Computer System.

Despite your obligation to buy, use, and maintain the Computer System according to our standards and specifications, you have sole and complete responsibility for: (1) acquiring, operating, maintaining, and upgrading the Computer System; (2) the manner in which your Computer System interfaces with our and any third party’s computer system; (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded; and (4) independently determining what is required for you to comply (and then complying) at all times with the most-current version of the Payment Card Industry Data Security Standards, and with all laws governing the use, disclosure, and protection of Consumer Data and the Computer System, and validating compliance with those standards and laws as periodically required. “Consumer Data” means the names, addresses, telephone numbers, email addresses, dates of birth, demographic or related information, buying habits, preferences, credit-card information, and other personally-identifiable information of customers.

Site Selection and Opening

The BrewPub must be located at a location that we have accepted (the “Site”). If the BrewPub’s Site is unknown at the time we sign the Franchise Agreement, you must obtain our written acceptance of, and secure, a site within one hundred eighty (180) days afterward. You

must search for a suitable Site only in an exclusive Site Selection Area that we will identify at the time of execution of the Franchise Agreement. We may terminate the Franchise Agreement if we do not accept, and you do not secure, the BrewPub's Site within the first one hundred eighty (180) days from execution of the Franchise Agreement, provided, you may request (at no cost to you) a thirty (30) day extension to locate the Site, which request we will not unreasonably deny if the reasons for your request demonstrate your diligence in the site selection. We will use our reasonable efforts to review and either accept or reject a Site you propose within thirty (30) days after receiving the complete site report and other materials and information we request. We will not unreasonably withhold our acceptance of a site that meets our then current criteria. Any site must be conducive to brewing activities to obtain and maintain a non-retail brewing/brewpub license.

You must have a lease signed for your BrewDog BrewPub within one hundred eighty (180) days after signing the Franchise Agreement. We may terminate the Franchise Agreement if you have not signed a lease within such 180 day period, provided, however, if you cannot sign a lease by this deadline despite your diligent efforts to do so, you may request (at no cost to you) a thirty (30) day extension to sign the lease, which request we will not unreasonably deny if the reasons for your request demonstrate your diligence in the site selection and leasing process. Therefore, you have one hundred eighty days (180) from the execution of the Franchise Agreement to locate a site, have it approved by us, and enter into a lease agreement for the BrewPub.

You must open the BrewPub for business within twelve (12) months after the date you sign a lease, unless otherwise mutually agreed to by you and us. However if additional time is required for you to obtain a TTB Brewers Notice or for the build-out of the premises, we will extend the time within which you are required to open the BrewPub accordingly, at no cost to you. Your opening timetable depends on the BrewPub's condition and upgrading and remodeling requirements; the construction schedule; obtaining licenses; the delivery schedule for Operating Assets and supplies; attending and completing training; and complying with local laws and regulations. However, from our experience, it generally takes nine (9) to fifteen (15) months from the execution of the Franchise Agreement to open your BrewDog BrewPub.

Under the Development Rights Agreement, you are required to locate Sites for each BrewPub as you will develop them. You will propose site reports provide other materials such Sites and we must approve of such Site before you may begin developing the location for BrewPub. We will use our reasonable efforts to review and either accept or reject a site you propose within thirty (30) days after receiving the complete site report and other materials and information we request. If we have not delivered to you written notice of our acceptance of a proposed site within thirty (30) days after receiving the complete site report, that site will be deemed rejected. We will not unreasonably withhold our acceptance of a site that meets our then current criteria. Any Site under the Development Rights Agreement must be conducive to brewing activities to obtain and maintain a non-retail brewing/brewpub license. (Development Rights Agreement – Section 5).

You may not open the BrewPub for business until: (1) you have properly developed and equipped the BrewPub according to our standards and specifications and in compliance with all applicable laws and regulations; (2) the Principal Owner has completed our initial training

program to our satisfaction; (3) all amounts then due to us, our affiliates, and any principal suppliers have been paid; (4) you have satisfied all licensing and other legal requirements for the BrewPub’s operation; (5) you have given us copies of all insurance policies required under this Agreement, or any other evidence of insurance coverage and payment of premiums as we request; (6) you have given us a copy of your fully-signed Lease; (7) if we (at our sole option) require, we have conducted a pre-opening inspection and/or have certified the BrewPub for opening; and (8) you have met all other opening requirements as we have established in the Operations Manual. (Franchise Agreement—Section 2.E).

Training

Initial Orientation and Training Programs. Your Principal Owner, General Manager, Head Brewer and Kitchen Manager must complete the identified initial training program set forth below to our satisfaction before opening the BrewPub for business. We will conduct the initial training program at our designated training locations and/or through video and other electronic means. We expect training to occur after you sign the Franchise Agreement and while you develop the BrewPub. As a new franchisor, we plan to be flexible in scheduling training to accommodate our personnel and your managers and other personnel. There currently are no fixed (i.e., monthly or bi-monthly) training schedules. We use manuals, videos, and other training aids during the training program. Your training attendees must complete training before the BrewPub’s scheduled opening date. We provide the initial orientation and training programs for your Principal Owner, Brewer, Kitchen Manager and General Manager for no additional fee. We may charge \$500 for each person (after the required 4) you send to initial training. You must pay your employees’ wages, benefits, and travel, hotel, and food expenses while they attend training. Our training program may include a “train the trainer” module so your senior-level personnel can learn how to train your other employees in our System Standards.

The following chart describes our current initial training program, which we may modify for the particular trainees:

TRAINING PROGRAM

General Manager / Principal Owner

Subject	Hours of Training		Location
	Classroom/Office	On-the-job	
Introduction to BrewDog	6	2	Columbus
Beer	8	0	Columbus
Menu Training	4	2	Columbus
Guest Services	2	0	Columbus
Health and Safety	4	0	Columbus
Ordering Process/Beer Ordering	2	2	Columbus
Shadow	0	16	Columbus
Brand Marketing Requirements	2	0	Columbus

Subject	Hours of Training		Location
	Classroom/Office	On-the-job	
Opening and Closing Training	0	16	Columbus
Operations Management	0	8	Columbus
Expo & Time Management Training	2	4	Columbus
Total	30	50	

Kitchen Manager

Subject	Hours of Training		Location
	Classroom/Office	On-the-job	
Introduction to BrewDog	6	2	Columbus
Kitchen Safety	0	2	Columbus
Shadow	0	16	Columbus
Health & Safety	2	0	Columbus
Opening and Closing Training	0	4	Columbus
Food Service Operations Process	2	0	Columbus
Cooking Methods	0	2	Columbus
Menu Training	2	0	Columbus
Internal Organization	2	0	Columbus
Total	14	26	

Brewer

Subject	Hours of Training		Location
	Classroom/Office	On-the-job	
Culture	8	0	Columbus
Safety	2	0	Columbus
Raw Materials Ordering/Communication with HQ/ Quality control processes	2	0	Columbus
Shadow Brewing	0	4	Columbus
Shadow Lab	0	8	Columbus

Subject	Hours of Training		Location
	Classroom/Office	On-the-job	
Shadow Pilot Brewing	0	16	Columbus
Shadow Brewing and Cellar work	0	32	Columbus
Recipe development/time management	4	0	Columbus
Commissioning/install	4	0	Columbus
Total	20	60	

Graeme Marley, U.S. Head of BrewDog Retail Operations of BrewDog Brewing Company, LLC) will supervise franchisee training. Mr. Marley has been with the BrewDog system since June 2015. The rest of our training team and managers, who have worked at BrewDog BrewPubs for various lengths of time, also lead all hands-on and instructor-led training; all of them have adequate training and appropriate knowledge to facilitate training in the areas they will teach based on their involvement with our system and work at BrewDog BrewPubs.

For the opening of your first two BrewDog BrewPubs, we agree to send a training team (involving one or more people as we determine in our sole discretion) whom we specify (the “Training Team”) to provide local training for supervisory employees and grand opening marketing and other support for a 10-day period during the BrewPub’s pre-opening and immediate post-opening period. There is no separate cost or fee for the Training Team, but you will be required to pay for our team’s travel and food expenses for such trip, not to exceed \$500 per trainer per day. You must pay us travel and food costs and reimburse us for additional expenses we incur if you change travel schedules or ask us to provide additional on-site training or assistance. We will determine the individual(s) that form the Training Team and the duration of the Training Team’s stay at the BrewPub at our sole option considering those factors that we deem relevant, including the number of other BrewDog BrewPubs that you and your affiliates operate and the experience of the BrewPub’s supervisory employees.

Retraining

If your Principal Owner or General Manager fails to complete initial training to our satisfaction, or we determine after an inspection that retraining is necessary because the BrewPub is not operating according to System Standards, he or she may be required to attend a retraining session for which we may charge our then-current training fee, currently \$1,000, plus our expenses not to exceed \$300 per trainer per day. You must pay all employee compensation and expenses during retraining. We may terminate the Franchise Agreement if the BrewPub does not commence operation by the opening deadline with a fully-trained staff.

Training for BrewPub Employees

You must properly train all BrewPub employees to perform the tasks for their respective positions. We may develop and make available training tools and recommendations for you to use in training the BrewPub’s employees to comply with System Standards. We may update these training materials to reflect changes in our training methods and procedures and changes in System Standards.

Ongoing and Supplemental Training

We may require your BrewPub's managers to attend and complete satisfactorily various training courses and programs that we or third parties periodically offer during the franchise term at the times and locations we designate. You must pay their compensation and expenses during training. We may charge our then-current fee for continuing and advanced training. If you request training courses or programs to be provided locally, then subject to our training personnel's availability, you must pay our then-current training fee and our training personnel's travel, hotel, and living expenses.

Besides attending and/or participating in various training courses and programs, at least 1 of your representatives (an owner or another designated representative we approve) must at our request attend an annual meeting of all BrewDog BrewPub franchisees at a location we designate. You must pay all costs to attend. You must pay any meeting fee we charge even if your representative does not attend (whether or not we excuse that non-attendance).

Item 12 **TERRITORY**

FRANCHISE AGREEMENT

You will operate the BrewPub at a specific location we first must accept. If the BrewPub's address is unknown when the Franchise Agreement is signed, you must obtain our written acceptance of, and secure, a site within one hundred eight (180) days afterward. In that case, we will identify in the Franchise Agreement an exclusive Site Selection Area in which you must search for a suitable site. We may terminate the Franchise Agreement if we do not accept, and you do not secure, the BrewPub's site within the one hundred eighty (180) days (subject to any permitted extensions). You may operate the BrewPub only at that site and may not relocate without our prior written consent, which we may grant or deny as we deem best. Whether or not we will allow relocation depends on circumstances at the time and what is in the BrewPub's and our system's best interests. Factors include, for example, the new site's market area, its proximity to other BrewPubs in our system, whether you are in compliance with your Franchise Agreement, and how long it will take you to open at the new site.

Conditions for relocation approval are (1) the new site and its lease are acceptable to us, (2) you pay us a reasonable relocation fee (as set forth in the Operations Manual), (3) you reimburse any costs we incur during the relocation process, (4) you execute the then-current form of franchise agreement to govern the BrewPub's operation at the new site for a new franchise term and upon the other terms and conditions set forth therein, which may be materially different from the existing Franchise Agreement, (5) you sign a general release, in a form satisfactory to us (an example of which is attached as Exhibit F to this Disclosure Document), of any and all claims against us and our owners, affiliates, officers, directors, employees, and agents, (6) you continue operating the BrewPub at its original site until we authorize its closure, and (7) you de-brand and de-identify the BrewPub's former premises within the timeframe we specify and at your own expense so it no longer is associated in any manner (in our opinion) with our system and the Marks.

You will receive a Territory around your BrewPub, subject to applicable law, in which you will operate one BrewPub. We will identify and describe the Territory in the Franchise Agreement before you sign it unless you have not yet found and secured the BrewPub's site. In that case, we will define the Territory after you find and secure the site within the Site Selection Area identified in the Franchise Agreement. We expect the Territory to encompass a radius of approximately a one (1) mile radius from the BrewPub premises. This anticipated size is not a guarantee that your Territory will have a 1 mile radius, as the size of your Territory will vary based upon the population density of the area in which your BrewPub may be located. We may modify the Territory during the franchise term only if the BrewPub relocates.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control. However, provided you are in full compliance with your Franchise Agreement, during the term of the Franchise Agreement, we and our affiliates will not own or operate, or allow another franchisee or licensee to own or operate, another BrewDog BrewPub having its physical location within the Territory. Continuation of your franchise and exclusivity does not depend on your achieving a certain sales volume, market penetration, or other contingency.

Except for not permitting another BrewDog BrewPub in the Territory (i.e., no other BrewDog BrewPub may have its physical location within the Territory), we and our affiliates retain all rights with respect to BrewDog BrewPubs, the Marks, the sale of our proprietary beer, the sale of similar or dissimilar services and products, and any other activities we and they deem appropriate, whenever and wherever we and they desire, whether inside or outside the Territory. Those rights include the following:

(1) establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, BrewDog BrewPubs at any locations outside the Territory (including immediate proximity to the border of your Territory);

(2) establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, BrewPubs or any similar or dissimilar businesses that are not primarily identified by the Marks or do not use the Franchise System at any locations, whether within or outside the Territory;

(3) establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, hotels or any similar businesses that are primarily identified by the Marks, which may also brew our proprietary beer at the location of such businesses, at any locations, whether within or outside the Territory;

(4) establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, BrewDog BrewPubs at non-traditional locations including, without limitation, airports, casinos, concert venues, convention centers, cruise ships, hospitals, military bases, resorts, stadiums, and universities whether within or outside the Territory;

(5) all rights relating directly or indirectly to the Marks, and all products and services associated with any of the Marks, in connection with any methods of distribution of products and services associated with the Marks, such as our propriety beers, including through grocery or

convenience stores, other bars serving craft beer, other retail outlets, and any other distribution channels (including without limitation, through retail, wholesale, mail order, toll free numbers, or the Internet). This includes providing, and granting rights to others to provide, products and services that are similar or dissimilar to, or competitive with, any products and services provided at BrewDog BrewPubs, whether identified by the Marks or other trademarks or service marks, regardless of the method of distribution (including through the System Website or otherwise over the Internet or via mobile app), and at any locations; and

(6) acquiring the assets or Ownership Interests of, or being acquired (regardless of the form of transaction) by, one or more businesses providing products and services similar or dissimilar to those provided at BrewDog BrewPubs, and franchising, licensing or creating other arrangements (whether as BrewDog BrewPubs or not) with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating, whether within or outside the Territory.

We and our affiliates need not compensate you if we engage in these activities.

You have no options, rights of first refusal, or similar rights to acquire additional franchises. Although we have the right to do so (as described above), we and our affiliates have not established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark.

Your right to operate a BrewDog BrewPub is limited to services provided and products sold at the BrewPub's physical location including delivery of certain designated products in the manner authorized by us within a limited designated area; it does not include the right to distribute services and products over the Internet or to engage in other supply or distribution channels.

You may not develop, maintain, or authorize any website, online presence, or electronic medium mentioning or describing the BrewPub or displaying any Marks without our prior written approval. Except for our System Website, you may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet. You may use other distribution channels, such as telemarketing or other direct marketing, only if we approve the materials and programs.

DEVELOPMENT RIGHTS AGREEMENT

You may (if you qualify) develop and operate a number of BrewDog BrewPubs within a specific Development Territory. We and you will identify the Development Territory in the Development Rights Agreement before signing it. The Development Territory typically is defined by cities, counties, or other political subdivisions. We base the Development Territory's size primarily on the number of BrewDog BrewPubs you agree to develop, demographics, the number of distinct trade areas, and site availability. We will determine the number of BrewPubs you must develop, and the deadlines for signing their Franchise Agreements and leases and then opening them, to keep your development rights, within the Development Schedule. We and you then will complete the Development Schedule in the Development Rights Agreement before signing it. You may not develop or operate BrewDog BrewPubs outside the Development

Territory. We must approve the site location for each BrewPub to be developed and opened within the Development Territory and we shall apply the same criteria for determining a suitable site location for a single unit BrewPub under a Franchise Agreement. Each BrewPub developed under a Franchise Agreement will receive a Territory, subject to applicable law. We will identify and describe the Territory in the Franchise Agreements when we sign it. We expect the Territory to encompass a radius of approximately a one (1) mile radius from the BrewPub premises. This anticipated size is not a guarantee that your Territory will have a 1 mile radius, as the size of your Territory will vary based upon the population density of the area in which your BrewPub may be located. We may modify the Territory during the franchise term only if the BrewPub relocates.

Upon successful completion of the Development Rights Agreement by developing the required number of BrewPubs to be opened within the specified timeframe in the Development Schedule, and provided (i) there have been no defaults, and (ii) you (or your Affiliated Entities) are in compliance with each Franchise Agreement awarded under the Development Rights Agreement, you may, contingent upon our approval which may be withheld in our discretion, renew the Development Rights Agreement. If you choose to renew your Development Rights Agreement to open additional BrewPubs within the same Development Territory, you and we will determine a new Development Schedule including the number of BrewPubs and the required timeframe for development. In order to renew your Development Rights Agreement, you must notify us in writing no later than six (6) months prior to the opening date of the last BrewPub in your current Development Rights Agreement Schedule. If you renew, you must pay us a renewal fee equal to \$15,000 multiplied by the number of additional BrewPubs to be opened (the "Renewal Fee"). The Renewal Fee is due when you sign the Development Rights Agreement Renewal. If you renew, you must sign our then current form of Franchise Agreement for the first of the additional BrewPub in the Development Schedule to be opened at the time of the renewal. You will sign our then current form of Franchise Agreement for each additional BrewPub developed in accordance with the Development Schedule. We will apply \$15,000 of the Renewal Fee to each Initial Franchise Fee required for each new BrewPub, and you must pay the balance of the then-current Initial Franchise Fee at the time you sign a property lease for each BrewPub.

You will not receive an exclusive Development Territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control. However, provided you are in full compliance with your Development Rights Agreement, while the Development Rights Agreement is in effect, we (and our affiliates) will not establish and operate or grant others the right to establish and operate BrewDog BrewPubs operating under the Marks having their physical locations within the Development Territory. This is the only restriction on our (and our affiliates') activities within the Development Territory during the Development Term. Except for not permitting another BrewDog BrewPub to be established within the Development Territory, we and our affiliates retain all rights with respect to BrewDog BrewPubs, the Marks, the sale of our proprietary beer, the sale of similar or dissimilar services and products, and any other activities we and they deem appropriate, whenever and wherever we and they desire, whether inside or outside the Development Territory. Those rights include the following:

- (1) establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, BrewDog BrewPubs at any locations outside

the Development Territory (including immediate proximity to the border of your Development Territory);

(2) establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, BrewPubs or any similar or dissimilar businesses that are not primarily identified by the Marks or do not use the Franchise System at any locations, whether within or outside the Development Territory;

(3) establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, hotels or any similar businesses that are primarily identified by the Marks, which may also brew our proprietary beer at the location of such businesses, at any locations, whether within or outside the Development Territory;

(4) establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, BrewDog BrewPubs at non-traditional locations including, without limitation, airports, casinos, concert venues, convention centers, cruise ships, hospitals, military bases, resorts, stadiums, and universities whether within or outside the Development Territory;





(5) all rights relating directly or indirectly to the Marks, and all products and services associated with any of the Marks, in connection with any methods of distribution of products and services associated with the Marks, such as our propriety beers, including through grocery or convenience stores, other bars serving craft beer, other retail outlets, and any other distribution channels (including without limitation, through retail, wholesale, mail order, toll free numbers, or the Internet). This includes providing, and granting rights to others to provide, products and services that are similar or dissimilar to, or competitive with, any products and services provided at BrewDog BrewPubs, whether identified by the Marks or other trademarks or service marks, regardless of the method of distribution (including through the System Website or otherwise over the Internet or via mobile app), and at any locations; and

(6) acquiring the assets or Ownership Interests of, or being acquired (regardless of the form of transaction) by, one or more businesses providing products and services similar or dissimilar to those provided at BrewDog BrewPubs, and franchising, licensing or creating other arrangements (whether as BrewDog BrewPubs or not) with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating, whether within or outside the Development Territory.

We may terminate the Development Rights Agreement if you do not satisfy your development obligations or if you become insolvent. Otherwise, continuation of your territorial exclusivity of the Development Territory does not depend on your achieving a certain sales volume, market penetration, or other contingency. We will accept proposed locations for your additional BrewPubs under the Development Rights Agreement only if they meet our then-current standards for BrewDog BrewPub sites. We may not alter your Development Territory during the Development Rights Agreement's term.

Item 13
TRADEMARKS

You may use certain Marks in operating your BrewDog BrewPub. BrewDog PLC owns the following principal Marks on the Principal Register of the United States Patent and Trademark Office (the “USPTO”):

MARK	REGISTRATION NUMBER	REGISTRATION DATE
BREWD OG	3673652	AUGUST 25,2009
BREWD OG	4903504	FEBRUARY 23, 2016
BREWD OG (AND DESIGN) 	5080353	NOVEMBER 15, 2016
	5015893	AUGUST 9, 2016
	5073423	NOVEMBER 1, 2016
	6481151	SEPTEMBER 14, 2021

BrewDog PLC has filed, or will file when due, all required affidavits for its registered Marks. While no Marks are due for renewal, multiple are due for maintenance. BrewDog PLC intends to maintain or renew the Marks (as applicable) if they remain important to the BrewDog BrewPub brand. BrewDog PLC licenses us to use these Marks and related intellectual property, and to authorize franchisees to use them in operating BrewDog BrewPubs, under a Trademark License Agreement (the “License Agreement”). The License Agreement’s initial term is 20 years; we have the right to renew the License Agreement for successive 20-year terms. The parties to the License Agreement may agree to renew or extend the License Agreement at the end of the term. The License Agreement may be terminated by either party thereto upon written notice to the other party of the default of such other party under any of the provisions of the License Agreement or by written agreement signed by both parties thereto. However, any BrewDog BrewPub franchisee that has been authorized to use the Marks in its franchise may

continue using the Marks until that franchisee's franchise agreement, and any permitted successor franchise agreement, expire or are terminated, but only if the franchisee continues to comply with its obligations in the franchise agreement and any permitted successor franchise agreement during their remaining terms. No other agreement limits our right to use or sublicense any Mark (whether we own them or BrewDog PLC licenses them for use in operating BrewDog BrewPubs).

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the principal Marks. We do not actually know of either superior prior rights or infringing uses that could materially affect your use of the Marks in connection with the operation of the BrewDog BrewPub in any state. However, we are aware of a company currently operating in Texas under the name Brewdawgz Grille & Ale. We are currently investigating any potential infringement upon our Marks and will diligently defend the protection of our Marks. Brewdawgz Grille & Ale may have superior rights to such name in its operating territory, to the extent they have operated under such name prior to our usage and registration of our Marks.

You must follow our rules and other System Standards when using the Marks, including giving proper notices of trademark and service mark registration and obtaining required fictitious or assumed-name registrations. You may not use any Mark: as part of your corporate or legal business name; with modifying words, terms, designs, or symbols (other than logos we license to you); in selling any unauthorized products or services; as part of any domain name, homepage, electronic address, metatag, or otherwise in connection with a website or other online presence; or in any user name, screen name, or profile associated with any Social Media sites (except as otherwise prior approved by us in writing).

If we believe at any time that it is advisable for us and/or you to modify, discontinue using, and/or replace any Mark, and/or to use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable period of time after receiving notice. We need not reimburse your expenses to comply with those directions (such as your costs to change signs or replace supplies for the BrewPub), any loss of revenue due to any modified or discontinued Mark, or your expenses to promote a modified or substitute trademark or service mark.

You must notify us immediately of any actual, apparent, or threatened infringement or challenge to your use of any Mark, any person's claim of any rights in any Mark (or any identical or confusingly similar trademark), or unfair competition relating to any Mark. You may not communicate with any person other than us and BrewDog PLC (as we instruct), our respective attorneys, and your attorneys regarding any infringement, challenge, threat, or claim. We and BrewDog PLC may take the action we or it deems appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other proceeding arising from any infringement, challenge, threat, or claim or otherwise concerning any Mark. You must sign any documents and take any other reasonable actions that we and our, and BrewDog PLC's, attorneys deem necessary or advisable to protect and maintain our and BrewDog PLC's interests in any litigation or USPTO or other proceeding or otherwise to protect and maintain our and BrewDog PLC's interests in the Marks.

We will reimburse your reasonable damages and reasonable expenses incurred in any trademark infringement litigation or proceeding disputing your authorized use of any Mark, provided your use has been consistent with the Franchise Agreement, the Operations Manual, and System Standards and our trademark guidelines communicated to you and you have timely notified us of, and complied with our directions in responding to or within, the litigation or proceeding. At our option, we and/or our affiliates may defend and control the defense of any litigation or proceeding arising from or relating to your use of any Mark.

Item 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or patent applications are material to the franchise. We and our affiliates claim copyrights in the Operations Manual (containing our trade secrets and Confidential Information), BrewPub blueprints and other design features, signage, advertising and marketing materials, software, our System Website, and similar items used in operating BrewDog BrewPubs. We and our affiliates have not registered these copyrights with the United States Copyright Office but currently need not do so to protect them. You may use copyrighted items only as we specify while operating your BrewPub (and must stop using them at our direction). Our right to use many of the copyrighted materials described above and much of the Confidential Information described below arises from the same License Agreement described earlier.

There currently are no effective adverse material determinations of the USPTO, the United States Copyright Office, or any court regarding the copyrighted materials. Except for our agreement with BrewDog PLC, no agreement limits our right to use or allow others to use copyrighted materials.

We do not actually know of any infringing uses of our or BrewDog PLC's copyrights that could materially affect your using them in any state. We and BrewDog PLC need not protect or defend copyrights, although we intend to do so if in the system's best interests. We and BrewDog PLC may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We and BrewDog PLC need not participate in your defense of and/or indemnify you for damages or expenses incurred in a copyright proceeding.

Our Operations Manual and other materials contain our and our affiliates' Confidential Information (some of which are trade secrets under applicable law). Confidential Information includes our site selection criteria and methodologies; the Design Standards and any other information concerning the design, layout and construction of BrewDog BrewPubs, including any sample plans that we provide; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating BrewDog BrewPubs, as well as other information in the Operations Manual and System Standards; ingredients, recipes, including beer recipes, and methods of brewing, preparation and presentation of the BrewDog Products and any other authorized food or beverage products; marketing research and promotional, marketing, advertising, public relations, customer relationship management and other brand related materials and programs for BrewDog BrewPubs; knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets, BrewDog Products and other products that BrewDog BrewPubs use and/or sell; knowledge of the operating results and financial performance of BrewDog BrewPubs other than the BrewPub; any computer software or similar technology which is proprietary to us or the

Franchise System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, such software or similar technology; customer communication and retention programs, along with data used or generated in connection with those programs, including Customer Information, graphic designs and related intellectual property; and any other information we reasonably designate from time to time as confidential or proprietary. You must comply with all laws governing the use, protection, and disclosure of Consumer Data. If there is a data security incident at the BrewPub, you must notify us immediately, specify the extent to which Consumer Data was compromised or disclosed, and comply and cooperate with our instructions for addressing the data security incident in order to protect Consumer Data and the BrewDog BrewPub brand (including giving us or our designee access to your Computer System, whether remotely or at the BrewPub).

You may not use Confidential Information in an unauthorized manner. You must take reasonable steps to prevent its improper disclosure to others and use non-disclosure agreements with those having access to Confidential Information. We may pre-approve your non-disclosure agreements solely to ensure that you adequately protect Confidential Information and the competitiveness of BrewDog BrewPubs. Under no circumstances will we control the forms or terms of employment agreements you use with BrewPub employees or otherwise be responsible for your labor relations or employment practices.

You must promptly disclose to us all ideas, concepts, techniques, including but not limited to, new beer recipes or changes in brewing standards or modifications or improvements thereto, or materials relating to a BrewDog BrewPub (“Innovations”), whether or not protectable intellectual property and whether created by or for you or your owners, employees, or contractors. Innovations belong to and are works made-for-hire for us. If any Innovation does not qualify as a “work made-for-hire” for us, you assign ownership of and all related rights to that Innovation to us and must sign (and cause your owners, employees, and contractors to sign) whatever assignment or other documents we periodically request to evidence our ownership and to help us obtain intellectual property rights in the Innovation. For the avoidance of doubt, any and all beers brewed by you, your employees, agents or independent contractors at your BrewPub will be deemed to be Innovations and will be the intellectual property of BrewDog. You may not use any Innovation in operating the BrewPub without our prior written approval. You may not allow any third party, supplier or vendor to brew any beer onsite without our prior written consent.

Item 15
**OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION
OF THE FRANCHISE BUSINESS**

FRANCHISE AGREEMENT

System Standards may require adequate staffing levels for the BrewPub to operate in compliance with System Standards and address appearance of BrewPub personnel and courteous service to customers. However, you have sole responsibility and authority for your labor relations and employment practices, including, among other things, employee selection, promotion, termination, hours worked, rates of pay, benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. BrewPub employees are under your control at the BrewPub. You must communicate clearly with BrewPub employees in

your employment agreements, human resources manuals, written and electronic correspondence, paychecks, and other materials that you (and only you) are their employer and that we, as the franchisor of BrewDog BrewPubs, and our affiliates are not their employer and do not engage in any employer-type activities (including those described above) for which only franchisees are responsible. You must obtain an acknowledgment (in the form we specify or approve) from all BrewPub employees that you (and not we or our affiliates) are their employer.

You must be formed as a corporation, a limited liability company, a general, limited, or limited liability partnership, or another form of business entity (collectively, an “Entity”). The BrewPub and other BrewDog BrewPubs, if applicable, will be the only businesses the Entity will own or operate. You must designate one of your individual owners to serve as your “Principal Owner.” We must approve the proposed Principal Owner or any change in the Principal Owner. The Principal Owner is responsible for managing your business and must meet any requirements necessary to maintain compliance with state or federal alcohol licenses. The Principal Owner must devote substantially all of his or her business time and attention to the on-premises management and operation of the BrewPub unless you have appointed a General Manager to devote substantially all of his or her business time to the on-premises management and operation of the BrewPub. In such event, the General Manager must not have been disapproved by us and must successfully complete all initial training and be fully trained to our satisfaction prior to the opening of the BrewPub. The Principal Owner will communicate with us directly regarding BrewPub-related matters and must have sufficient authority to make decisions for you and the BrewPub. The Principal Owner’s decisions will be final and bind you. The Principal Owner also must complete our initial training to our satisfaction.

If you propose to change the Principal Owner, you must seek a new individual (the “Replacement Principal Owner”) for that role and appoint the Replacement Principal Owner within 30 days after the former Principal Owner’s last day. The Replacement Principal Owner must attend our initial orientation session within 30 days after we approve him or her.

Each person or entity having a direct or indirect ownership interest in you must personally guarantee all of your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. This “Guaranty and Assumption of Obligations” is Exhibit B of the Franchise Agreement.

DEVELOPMENT RIGHTS AGREEMENT

You are required to develop your Development Territory according to the Schedule. We do not require, but do recommend, that you (or your Principal Owner) personally supervise your development of the BrewDog BrewPubs. You are responsible for hiring employees to manage and supervise the development of your BrewDog BrewPubs. The employees need not have an equity interest in any BrewDog BrewPubs (or in you) and need not attend our training program. If you are a corporation, limited liability company, or other business entity, your owners must sign personal guarantees of your obligations under the Development Rights Agreement.

We will grant BrewDog BrewPubs franchises under the Development Rights Agreement only to you or your approved Controlled Affiliates. “Controlled Affiliates” means a corporation, limited liability company or other business entity of which you or one or more of your owners

own at least 51% of the total authorized ownership interests, but only if you or those owner(s) have the right to control the entity’s management and policies. Franchises that we grant to your Controlled Affiliates will count toward your Development Schedule.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The BrewPub must offer for sale all services and products that we periodically specify. The BrewPub may not offer, sell, or otherwise distribute at the BrewPub’s premises or another location any services or products that we have not authorized. You cannot distribute any BrewDog Products outside of the BrewPub premises. There are no limits on our right to modify the services and products that your BrewPub must or may offer and sell. System Standards may regulate (to the extent the law allows) maximum, minimum, or other pricing requirements for services and products the BrewPub sells, including requirements for national, regional, and local promotions, special offers, and discounts in which some or all BrewDog BrewPubs must participate and price advertising policies. There are no limits on the customers to whom your BrewPub may sell goods and services at its premises.

You agree that, subject to applicable law: (1) you will offer at the BrewPub all BrewDog Products and the BrewDog Products will make up no less than seventy percent (70%) of the beers offered for sale at the BrewPub at any time (to the extent allowed under applicable law), (2) you will not offer, sell, provide or otherwise distribute at the BrewPub, the Site or any other location any products or services we have not authorized; (3) you will use only the methods of preparation that we then specify or approve, and will offer the BrewDog Products only in the manner we periodically specify; (4) you will not offer, sell or otherwise provide any BrewDog Products or any other products either at wholesale or from locations or through channels other than the BrewPub, unless we authorize you in writing to do so; and (5) you will discontinue selling and offering any products or services that we at any time disapprove in writing.

Item 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	1.B of Franchise Agreement; 9 of the Development Rights Agreement	10 years from first day on which BrewPub opens to the public for business. Development Rights Agreement term depends on development obligations.

Provision	Section in franchise or other agreement	Summary
b. Renewal or extension of the term	14 of Franchise Agreement	If you are in good standing, you may acquire successor franchise for 10 years on our then-current terms.
c. Requirements for franchisee to renew or extend	14 of Franchise Agreement	You substantially complied with contractual obligations and operated BrewPub in substantial compliance with System Standards and all laws; remodel/upgrade BrewPub; sign then-current form of franchise agreement and releases (if applicable state law allows); and pay successor franchise fee. Terms of our new franchise agreement that you sign for successor franchise may differ materially from any and all terms contained in Franchise Agreement attached to this disclosure document (including higher fees).
d. Termination by franchisee	N/A	
e. Termination by franchisor without cause	15 of Franchise Agreement	We may not terminate your Franchise Agreement without cause. A termination of the Development Rights Agreement does not trigger our ability terminate your Franchise Agreement without cause to do so under the Franchise Agreement.
f. Termination by franchisor with cause	15.A of Franchise Agreement; 10 of the Development Rights Agreement	We may terminate your Franchise Agreement (and development rights) only if you or your owners commit one of several violations. A termination of the Development Rights Agreement does not alone trigger our rights to terminate a Franchise Agreement.
g. “Cause” defined — curable defaults	15.A of Franchise Agreement	You have 72 hours if operate BrewPub in unsafe manner; order appointing a receiver not vacated within 30 days; failure to report Total Monthly Receipts or pay us or affiliates after 10 days of receiving notice; 30 days for failure to otherwise comply with Franchise Agreement or System Standards. A termination of the Development Rights Agreement does not alone trigger our rights to terminate a Franchise Agreement.
h. “Cause” defined — non-curable defaults	15.A of Franchise Agreement ; 10 of the Development Rights Agreement	Non-curable defaults include: material misrepresentation or omission; failure to complete initial training to our satisfaction; failure to find and secure acceptable site by deadline; failure to develop and open BrewPub (with fully-trained staff) by deadline; abandonment or failure to operate for more than 2 or more consecutive days; other franchise agreement or other agreement between us or affiliates (other than a

Provision	Section in franchise or other agreement	Summary
		<p>Development Agreement) is terminated; unapproved transfer; felony conviction or guilty plea; dishonest, unethical, or immoral conduct adversely impacting our Marks; failure to maintain insurance; misuse of confidential information; violation of non-compete; failure to maintain alcohol regulatory licenses; material underreporting of Total Monthly Receipts; failure to pay taxes due; repeated defaults; assignment for benefit of creditors or admission of inability to pay debts when due; violation of anti-terrorism laws; losing rights to BrewPub premises.</p> <p>We may terminate Development Rights Agreement if you do not meet development schedule or other obligations; if Franchise Agreement or another franchise agreement between us and you (or your affiliated entity) is terminated by us for cause or by you for any or no reason; or we have delivered formal written notice of default to you (or your affiliated entity) under Franchise Agreement or another franchise agreement and that default is not cured within the required timeframe. However, a termination of the Development Rights Agreement does not alone trigger our rights to terminate a Franchise Agreement with you.</p>
i. Franchisee’s obligations on termination/nonrenewal	16 of Franchise Agreement	Obligations include paying outstanding amounts; complete de-identification; returning confidential information; returning or destroying (at our option and at your own cost) branded materials and proprietary items; assigning telephone and telecopy numbers and directory listings; and assigning or cancelling any website or other online presence or electronic media associating you with us or the Marks (also see (o) and (r) below); we may control de-identification process if you do not voluntarily take required action; we may assume the BrewPub’s management while deciding whether to buy BrewPub’s assets.
j. Assignment of contract by franchisor	13.A of Franchise Agreement	No restriction on our right to assign; we may assign without your approval.

Provision	Section in franchise or other agreement	Summary
k. “Transfer” by franchisee — defined	13.B of Franchise Agreement	Includes transfer of (i) Franchise Agreement; (ii) BrewPub or its profits, losses, or capital appreciation; (iii) all or substantially all Operating Assets; or (iv) ownership interest in you or controlling ownership interest in entity with ownership interest in you. Also includes pledge of Franchise Agreement or ownership interest.
l. Franchisor approval of transfer by franchisee	13.B of Franchise Agreement; 11 of the Development Rights Agreement	We must approve all transfers; no transfer without our prior written consent. Your development rights under Development Rights Agreement generally are not assignable.
m. Conditions for franchisor approval of transfer	13.C and 13.D of Franchise Agreement	We will approve transfer of non-controlling ownership interest in you if transferee (and each owner) qualifies and meets our then-applicable standards for non-controlling owners, is not (and has no affiliate) in a Competitive Business, signs our then-current form of Guaranty, and pays transfer fee. We will approve transfer of franchise rights or controlling ownership interest if transferee (and each owner) qualifies (including, if transferee is an existing franchisee, transferee is in substantial operational compliance under all other franchise agreements for BrewDog BrewPubs) and is not restricted by another agreement from moving forward with the transfer; you have paid us and our affiliates all amounts due, have submitted all reports, and are not then in breach; transferee and its owners and affiliates are not in a competitive business; training completed; transfer fee paid; transferee may occupy BrewPub’s site for expected franchise term; transferee (at our option) assumes your Franchise Agreement or signs our then-current form of franchise agreement and other documents for unexpired portion of your original franchise term (then-current form may have materially different terms); transferee agrees to repair and upgrade; you (and transferring owners) sign general release (if applicable state law allows).
n. Franchisor’s right of first refusal to acquire franchisee’s business	13.H of Franchise Agreement	We may match any offer for your BrewPub or ownership interest in you or entity that controls you.

Provision	Section in franchise or other agreement	Summary
o. Franchisor’s option to purchase franchisee’s business	16.E of Franchise Agreement	We may buy BrewPub’s assets at fair market value and take over site after Franchise Agreement is terminated or expires (without renewal).
p. Death or disability of franchisee	13.F of Franchise Agreement	Must transfer to approved party within 6 months; we may operate BrewPub in interim if it is not then managed properly.
q. Non-competition covenants during the term of the franchise	12 of Franchise Agreement	No owning interest in, performing services for, or loaning money or guaranteeing loan to competitive business, wherever located or operating; no diverting business to competitive business. “Competitive Business” means, other than a BrewDog BrewPub operated under a franchise agreement with us, any brewery, microbrewery or other retail or manufacturing business that makes beer or other malt liquor: (a) that derives at least thirty percent (30%) of its income from the sale of beer or other malt liquor it has brewed; or (b) that grants franchises or licenses or enters into similar arrangements for any of the types of businesses described in the foregoing clause (a).
r. Non-competition covenants after the franchise is terminated or expires	16.D of Franchise Agreement	For 2 years after franchise term, no owning interest in or performing services for Competitive Business located or operating at BrewPub’s site, within 10 miles of BrewPub’s site, or within 10 miles of another BrewDog BrewPub (same restrictions apply after transfer).
s. Modification of the agreement	18.A of Franchise Agreement	No modifications generally, but we may change Operations Manual and System Standards.
t. Integration/merger clause	20 of Franchise Agreement	Only terms of Franchise Agreement and other documents you sign with us are binding (subject to state and federal law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	18.F of Franchise Agreement	Subject to applicable law, we and you must arbitrate all disputes within city where we have our principal business address when the arbitration demand is filed (it currently is in Canal Winchester, Ohio).
v. Choice of forum	18.F of Franchise Agreement	Subject to arbitration requirements, litigation must be (with limited exception) in courts closest to where we, as franchisor, have our principal business address when the action is commenced (it currently is in Canal Winchester, Ohio) (subject to applicable state law).

Provision	Section in franchise or other agreement	Summary
w. Choice of law	18.G of Franchise Agreement	Federal law and Ohio law apply under Franchise Agreement (subject to applicable state law).

Item 18
PUBLIC FIGURES

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

Item 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

Section I
Total Monthly Receipts

We have included in Table A the 2021 monthly Total Monthly Receipts of five (5) affiliate-owned BrewDog BrewPubs which are similar in size and nature to the BrewPubs being offered under this Disclosure Document and have been open and operating in or prior to 2021, which are all located in Ohio. Table B reflects the monthly Total Monthly Receipts of these same five (5) locations from January 2022 through December 2022. As of December 31, 2022, there were eight (8) affiliate-owned BrewDog BrewPubs open and operational but only five (5) were of the type and nature similar to the BrewPubs offered hereunder and were opened in or prior to 2021. “Total Monthly Receipts” means all revenue that you receive or otherwise derive from operating the BrewPub, whether from cash, check, credit and debit card, barter, exchange, trade credit, or other credit transactions, excluding sales taxes, use taxes, and other similar taxes added to the sales price, collected from the customer and paid to the appropriate taxing authority; refunds; and discounts, credits and allowances to customers or to employees, staff, agents or contract workers provided through properly exercised discounted purchases.

Table A – 2021 Annual Total Monthly Receipts								
Month	DogTap	Franklin-ton	Cincinnati	Cleveland	New Albany	Average	# over Average	Median
January 2021	\$227,817	\$3,823	-	-	-	\$87,903	1	\$32,069

Table A – 2021 Annual Total Monthly Receipts

Month	DogTap	Franklin-ton	Cincinnati	Cleveland	New Albany	Average	# over Average	Median
February 2021	\$244,544	-	-	-	-	\$138,943	1	\$138,943
March 2021	\$376,725	\$105,107	\$26,745	-	-	\$125,697	1	\$75,653
April 2021	\$413,413	\$167,230	\$131,482	-	-	\$149,359	2	\$118,953
May 2021	\$522,272	\$214,299	\$160,827	-	-	\$190,998	2	\$148,707
June 2021	\$505,039	\$217,458	\$150,726	-	-	\$181,463	2	\$135,974
July 2021	\$559,997	\$225,765	\$179,973	-	-	\$201,946	2	\$161,623
August 2021	\$495,989	\$210,644	\$131,363	-	\$115,266	\$168,822	2	\$131,363
September 2021	\$448,817	\$181,753	\$143,282	-	\$335,719	\$189,673	2	\$143,282
October 2021	\$469,036	\$174,820	\$162,873	-	\$329,494	\$194,921	2	\$162,873
November 2021	\$382,263	\$124,855	\$150,224	\$8,374	\$240,002	\$135,106	3	\$110,454
December 2021	\$400,268	\$125,906	\$79,675	\$304,495	\$237,945	\$162,930	3	\$108,505

Table B – 2022 Annual Total Monthly Receipts

Month	DogTap	Franklin-ton	Cincinnati	Cleveland	New Albany	Average	# over Average	Median
January 2022	\$273,358	\$94,548	\$86,638	\$298,523	\$176,051	\$128,441	3	\$90,593
February 2022	\$322,989	\$105,982	\$104,725	\$267,313	\$174,934	\$138,207	3	\$105,353
March 2022	\$423,516	\$147,705	\$131,473	\$336,737	\$223,845	\$176,808	3	\$139,589
April 2022	\$459,577	\$186,994	\$145,340	\$416,322	\$292,932	\$205,310	3	\$166,167
May 2022	\$501,433	\$267,438	\$148,830	\$495,369	\$328,861	\$266,619	4	\$267,438
June 2022	\$518,124	\$230,920	\$143,308	\$556,379	\$312,256	\$269,227	3	\$230,920

Table B – 2022 Annual Total Monthly Receipts

Month	DogTap	Franklin- ton	Cincinnati	Cleveland	New Albany	Average	# over Average	Median
July 2022	\$508,918	\$218,516	\$148,031	\$557,905	\$277,900	\$260,940	3	\$218,516
August 2022	\$443,175	\$190,418	\$126,591	\$426,172	\$259,254	\$223,033	3	\$190,418
September 2022	\$414,120	\$161,812	\$110,769	\$350,332	\$238,632	\$197,565	3	\$161,812
October 2022	\$461,624	\$150,916	\$126,380	\$262,146	\$205,482	\$186,118	3	\$150,916
November 2022	\$383,167	\$102,120	\$75,624	\$213,110	\$150,791	\$146,418	3	\$102,120
December 2022	\$376,222	\$121,376	\$101,672	\$243,509	\$162,125	\$160,357	3	\$121,376

The numbers reported above do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the Total Monthly Receipts figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating a BrewDog BrewPub.

Section II Average Check Size

We have included the average and median check total of customers for all five (5) affiliate-owned BrewDog BrewPubs which were opened in or prior to 2021 and are of the size, type and nature of the BrewPubs franchised hereunder.

Category	DogTap	Franklin- ton	Cincinnati	Cleveland	New Albany
2021 <u>Average</u> Check Totals	\$36.36	\$29.44	\$29.35	\$37.36	\$40.89
2021 <u>Median</u> Check Total	\$24.65	\$221.75	\$21.00	\$27.50	\$30.49
2022 <u>Average</u> Check Totals	\$41.45	\$33.28	\$32.98	\$42.68	\$44.90
2022 <u>Median</u> Check Total	\$26.21	\$23.50	\$22.45	\$27.50	\$32.97

The DogTap location has been open and operational since February of 2017. It has approximately 11,000 square feet of space (which is larger than an average BrewDog BrewPub will be) and it is in a smaller city (Canal Winchester, Ohio) about 20 minutes east of Columbus, Ohio. The BrewPub is located at our main production facility. It has an outdoor patio and event

space. The Franklinton BrewPub has been open and operational since May, 2018. It has 6,000 square feet of space and is in a developing urban area in Columbus, Ohio. It also has a rooftop patio. The Cincinnati location has been open and operational since November of 2019 and has 8,500 square feet. It also has a rooftop bar and patio and is located in downtown Cincinnati, Ohio. The Cleveland location was opened November 2021. The site has 9,855 square feet indoors with an outdoor patio of another 6,346 square feet and is located downtown. The New Albany location has been open and operational since August of 2021. The site has 8,635 square feet including the outdoor patio and located in a suburb of downtown Columbus.

Section III

Gross Revenues and EBITDAR Results for Company-owned BrewPubs

In this Section, we have included statements of actual Gross Revenue and EBITDAR (Earnings Before Interest, Taxes, Depreciation, Amortization and Rent) during the 2022 fiscal year for all five (5) affiliate-owned BrewDog BrewPubs which were opened in or prior to 2021 and are of the size, type and nature of the BrewPubs franchised hereunder. These affiliate-owned BrewPub locations offer substantially the same services to the public as franchised Brewpubs.

The costs and expense information listed below is not audited and was incurred by the company-owned BrewPubs. These charts show the Gross Revenue and EBITDAR for the company-owned locations and actual on-going operating costs and expenses reflected as a percentage of Gross Sales during the 2022 fiscal year. On-going Royalty Fees payable to us under the Franchise Agreement (“Royalty Fees”) have been imputed to the statements below. Company-owned locations do not pay such Royalty Fees, but for purposes of this Item 19, we have supplemented the actual financial statements to include these costs to the EBITDAR to show reasonably expected material financial differences between our company affiliated-owned locations and your franchised locations. The net results of these items is EBITDAR which is calculated as gross revenue *less* all expenses related to operating a BrewPub, excluding interest, taxes, depreciation, amortization and rent.

	DOGTAP COLUMBUS	FRANKLINTON	CINCINNATI	NEW ALBANY	CLEVELAND	AVERAGE	# exceeded Average	MEDIAN
Drink Revenue	2,007,882	961,373	736,031	1,118,838	2,204,023	1,405,629	2 (40%)	1,118,838
Food Revenue	2,790,513	990,423	687,679	1,663,860	2,164,254	1,659,346	3 (60%)	1,663,860
Merchandise and Other Revenue	287,827	26,948	25,674	20,366	55,540	83,271	1 (20%)	26,948
Gross Revenue	5,086,222	1,978,745	1,449,383	2,803,063	4,423,816	3,148,246	2 (40%)	2,803,063
Payroll	1,787,427	673,503	608,253	1,031,056	1,648,070	1,149,661	2 (40%)	1,031,056
COGS	1,534,595	596,448	419,831	822,419	1,213,796	917,418	2 (40%)	822,419
Operating Expenses	757,274	360,169	319,571	403,347	657,177	499,507	2 (40%)	403,347
Utilities	70,013	47,731	43,405	64,076	132,416	71,528	1 (20%)	64,076
Royalty Fee	254,311	98,937	72,469	140,153	221,191	157,412	2 (40%)	140,153
Marketing	94,008	38,104	31,516	46,613	62,013	54,451	2 (40%)	46,613
Total Expenses	4,497,627	1,814,891	1,495,046	2,507,663	3,934,662	2,849,978	2 (40%)	2,507,663
EBITDAR	588,595	163,854	(45,663)	295,400	489,154	298,268	3 (60%)	295,400
EBITDAR %	11.6%	8.3%	-3.2%	10.5%	11.1%	9.5%	3 (60%)	9.50%
Square Footage	10,000	8,500	8,500	8,500	10,000	9,100		

Notes and Definitions for Section III

For purposes of Section III of this Item 19, the following terms have the following meanings:

“Gross Revenue” means the total sum of the amounts collected from Drink Revenue, Food Revenue, and Merchandise and Other Revenue. “Drink Revenue” means the annual Total Monthly Receipts received from the sale of alcoholic and non-alcoholic beverages from the BrewPub. “Food Revenue” means the annual Total Monthly Receipts from the sale of food items from the BrewPub, and “Merchandise and Other Revenue” means the Total Monthly Receipts received from the sale of merchandise, branded item, and other non-food and beverage items for sale at the BrewPub.

“Total Expenses” is the sum of the costs and expenses of operating a BrewPub of Payroll, COGS, Operating Expenses, Royalty Fees, Marketing, and Utilities. The items included in the expense category have the following meanings: “Payroll” means the amounts paid to employees of the BrewPub, including base salaries, bonuses, taxes and benefits. “COGS” means the total direct costs and expenses of the BrewPubs related to the cost of goods sold such as, producing food and drinks, such as purchasing edible food inventory and ingredients, beverage costs, beer costs, and amounts paid for beverage cans, bottles, production and brewing costs. “Operating Expenses” means costs and expenses relating to running and operating the BrewPub, such as purchasing consumables, food to-go containers, napkins, cutlery, cleaning supplies, pest control services and other repairs and maintenance costs for kitchen equipment to emergency repairs for equipment and furnishings. “Royalty Fees” means the on-going royalty fee of 5% of Total Monthly Receipts charged by us under your Franchise Agreement. “Utilities” means the costs

related to obtaining utilities such as water, gas, electricity to the BrewPub. “Marketing” means the costs and expenses incurred in marketing and advertising the BrewPub in the local market where the BrewPub is included.

“EBITDAR” is equal to Gross Revenues minus the Total Expenses. We have also shown the EBITDAR as a percentage of the Gross Revenue, which is the EBITDAR divided by the Gross Revenue.

See Section II of this Item 19 for a description of the company-owned BrewPubs. The information and data for the preceding financial performance was compiled from the internal unaudited financial statements of our affiliates.

Written substantiation of all financial performance information presented in this financial performance representation will be made available to you upon reasonable request.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Keith Bennet at 96 Gender Road, Canal Winchester, Ohio 43110, (614) 908-3050, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

All figures in the tables below are as of December 31 of each year. The “Company-Owned” outlets referenced in tables 1 and 4 below are owned by one or more of our affiliates.

Table No. 1

Systemwide Outlet Summary
For years 2020 to 2022

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	0	0

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Company-Owned	2020	5	6	+1
	2021	6	8	+2
	2022	8	8	0
Total Outlets	2020	5	6	+1
	2021	6	8	+2
	2022	8	8	0

Table No. 2

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2020 to 2022**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2020	0
	2021	0
	2022	0
Total	2020	0
	2021	0
	2022	0

Table No. 3

**Status of Franchised Outlets
For years 2020 to 2022**

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Termin- ations	Non- Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Colorado	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Totals	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

Table No. 4

**Status of Company-Owned Outlets
For years 2020 to 2022**

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Indiana	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	1	0	0
Georgia	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
Nevada	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1

Ohio	2020	4	0	0	0	0	4
	2021	4	2	0	0	0	6
	2022	6	0	0	0	0	6
Pennsylvania	2020	0	1	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	1	0	0
Totals	2020	5	1	0	0	0	6
	2021	6	2	0	0	0	8
	2022	8	2	0	2	0	8

Table No. 5

Projected Openings as of December 31, 2022

Column 1 State	Column 2 Franchise Agreements Signed But Outlets Not Opened	Column 3 Projected New Franchised Outlets In the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets In the Next Fiscal Year
Georgia	0	0	0
Colorado	1	1	0
Nevada	0	0	0
Ohio	0	0	0
Total	1	1	0

Exhibit H is a list of our franchisees as of December 31, 2022 and the addresses and telephone numbers of their BrewPubs. Exhibit H also contains a list of (i) the names, addresses and phone numbers of franchisees which have been terminated, cancelled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement, during the most recently completed fiscal year, (ii) those who have not communicated with us within 10 weeks of the issuance date of this Disclosure Document, and (iii) those franchisees that transferred an outlet. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three (3) fiscal years, no current or former franchisees have signed confidentiality clauses restricting them from discussing with you their experiences as a franchisee in our franchise system. There are no trademark-specific franchisee organizations associated with the BrewDog BrewPub franchise system.

Item 21
FINANCIAL STATEMENTS

Exhibit A contains our audited balances sheet of December 31, 2022, December 31, 2021 and December 31, 2020, and our audited statements of income, members' capital and cash flows for the fiscal years ended December 31, 2022, December 31, 2021 and December 31, 2020.

Item 22
CONTRACTS

The following contracts/documents are exhibits:

1. Franchise Agreement (Exhibit B)
 - Exhibit A: Basic Terms
 - Exhibit B: Franchisee and its Owners
 - Exhibit C: Guaranty and Assumption of Obligations
2. Development Rights Agreement (Exhibit C)
 - Exhibit A: Development Schedule
 - Exhibit B: Development Territory
 - Exhibit C: Above Bar Structure
 - Exhibit D: Franchisee and its Owners
 - Exhibit E: Guaranty and Assumption of Obligations
3. Form of General Release (Exhibit F)
4. State-Specific Agreement Riders (Exhibit G)

Item 23
RECEIPTS

Our and your copies of the Franchise Disclosure Document Receipt are located at the last 2 pages of this disclosure document.

EXHIBIT A
FINANCIAL STATEMENTS

BREWDOG FRANCHISING LLC

(an Ohio limited liability company)

Audited Financial Statements

For the calendar years ended December 31, 2022 and 2021



INDEPENDENT AUDITOR'S REPORT

March 28, 2023

To: Board of Directors, BREWDOG FRANCHISING LLC

Re: 2022 and 2021 Financial Statement Audit

We have audited the accompanying financial statements of BREWDOG FRANCHISING LLC (a limited liability company organized in Ohio) (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income, members' equity/deficit, and cash flows for the calendar year periods thus ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of the Company's financial statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations, members' equity/deficit and cash flows for the calendar year periods thus ended in accordance with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in the Notes to the financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in the Notes to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Sincerely,



IndigoSpire CPA Group

IndigoSpire CPA Group, LLC
Aurora, CO

March 28, 2023

BREWDOG FRANCHISING LLC
BALANCE SHEETS

As of December 31, 2022 and 2021

See accompanying Independent Auditor's Report and Notes to the Financial Statements

ASSETS	2022	2021
Current Assets		
Cash and cash equivalents	\$ 2,170	\$ 200,500
Prepaid expenses	8,595	4,100
Total current assets	10,765	204,600
Total Assets	\$ 10,765	\$ 204,600
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities		
Accruals and other current liabilities	\$ 86,770	\$ 15,000
Total Current Liabilities	86,770	15,000
Total Liabilities	86,770	15,000
MEMBER'S EQUITY		
Membership interest	377,578	397,367
Retained earnings/(deficit)	(453,583)	(207,767)
Total Owners' Equity	(76,005)	189,600
Total Liabilities and Member's Equity	\$ 10,765	\$ 204,600

BREWDOG FRANCHISING LLC
STATEMENT OF OPERATIONS

Calendar years ended December 31, 2022 and 2021

See accompanying Independent Auditor's Report and Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
Revenues, net	\$ 0	\$ 0
Operating Expenses:		
General and administrative	<u>245,816</u>	<u>207,767</u>
Total Operating Expenses	<u>245,816</u>	<u>207,767</u>
Net operating income (loss)	(245,816)	(207,767)
Net Loss	<u>\$ (245,816)</u>	<u>\$ (207,767)</u>

BREWDOG FRANCHISING LLC
STATEMENT OF MEMBERS' EQUITY/DEFICIT
Calendar years ended December 31, 2022 and 2021
See accompanying Independent Auditor's Report and Notes to the Financial Statements

	Membership Interests	Accumulated Deficit	Total Members' Capital (Deficit)
Balance as of January 1, 2021	\$ 204,600	\$ 0	\$ 204,600
Members contributions	192,767		192,767
Net Loss		(207,767)	(207,767)
Balance as of December 31, 2021	\$ 397,367	\$ (207,767)	\$ 189,600
Member distribution	(19,789)		
Net loss		(245,816)	
Balance as of December 31, 2022	\$ 377,578	\$ (453,583)	\$ (76,005)

BREWDOG FRANCHISING LLC
STATEMENT OF CASH FLOWS

Calendar years ended December 31, 2022 and 2021

See accompanying Independent Auditor's Report and Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Net Loss	\$ (245,816)	\$ (207,767)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in operating assets and liabilities:		
(Increase) decrease in other current assets	(4,495)	0
Increase (Decrease) in other current liabilities	71,770	15,000
Net Cash Used In Operating Activities	<u>(178,541)</u>	<u>(192,767)</u>
 Cash Flows From Investing Activities		
None	<u>0</u>	<u>0</u>
Net Cash Used In Investing Activities	<u>0</u>	<u>0</u>
 Cash Flows From Financing Activities		
Member distributions	<u>(19,789)</u>	192,767
Net Cash Provided By Financing Activities	<u>(19,789)</u>	<u>192,767</u>
 Net Change In Cash	(198,330)	0
 Cash at Beginning of Period	<u>200,500</u>	<u>200,500</u>
Cash at End of Period	<u>\$ 2,170</u>	<u>\$ 200,500</u>

BREWDOG FRANCHISING LLC
NOTES TO THE FINANCIAL STATEMENTS
Calendar years ended December 31, 2022 and 2021
See accompanying Independent Auditor's Report

NOTE 1 - NATURE OF OPERATIONS

BrewDog Franchising LLC (which may be referred to as the "Company", "we," "us," or "our") was organized in Ohio on August 9, 2019. The Company is in the business of providing franchising services in support of an affiliate's business.

Since Inception, the Company is a development stage and has relied on funding from an affiliate to cover costs and expenses. As of December 31, 2022, the Company has not yet produced cash from the operations of the business. These matters raise substantial concern about the Company's ability to continue as a going concern once funds raised from investors have been exhausted. These financial statements and related notes thereto do not include any adjustments that might result from these uncertainties.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America ("GAAP"). In the opinion of management, all adjustments considered necessary for the fair presentation of the financial statements for the years presented have been included.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the footnotes thereto. Actual results could differ from those estimates.

Risks and Uncertainties

The Company has a limited operating history. The Company's business and operations are sensitive to general business and economic conditions in the United States. A host of factors beyond the Company's control could cause fluctuations in these conditions. Adverse conditions may include: recession, downturn or otherwise, changes in regulations or restrictions in imports, competition or changes in consumer taste. These adverse conditions could affect the Company's financial condition and the results of its operations. As of December 31, 2022, the Company is operating as a going concern.

Cash and Cash Equivalents

The Company considers short-term, highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents. Cash consists of funds held in the Company's checking account. The Company maintains its cash with a major financial institution located in the United States of America, which it believes to be credit worthy. The Federal Deposit Insurance Corporation insures balances up to \$250,000. At times, the Company may maintain balances in excess of the federally insured limits. As of December 31, 2022 and 2021, the Company had \$2,170 and \$200,500 cash on hand, respectively.

Property and Equipment

Property and equipment are recorded at cost if the expenditure exceeds \$1,000. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are expensed as incurred. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the balance sheet accounts and the resultant gain or loss is reflected in income.

Depreciation is provided using the straight-line method, based on useful lives of the assets which range from three to fifteen years depending on the asset type.

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors.

Fair Value Measurements

The Company has determined the fair value of certain assets and liabilities in accordance with United States generally accepted accounting principles (“GAAP”), which provides a framework for measuring fair value.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs.

A fair value hierarchy has been established, which prioritizes the valuation inputs into three broad levels. Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

Income Taxes

The Company is taxed as a limited liability company – a passthrough entity type. The Company complies with FASB ASC 740 for accounting for uncertainty in income taxes recognized in a company’s financial statements, which prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. FASB ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Based on the Company’s evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company’s financial statements. The Company believes that its income tax positions would be sustained on audit and does not anticipate any adjustments that would result in a material change to its financial position.

The Company has incurred taxable losses since inception but is current in its tax filing obligations. The Company is not presently subject to any income tax audit in any taxing jurisdiction.

Revenue Recognition

The Company adopted ASC 606, Revenue from Contracts with Customers, as of January 1, 2019 (the “transition date”) using the full retrospective method. There was no transition adjustment recorded upon the adoption of ASC 606. Under ASC 606, revenue is recognized when a customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services.

To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the Company performs the following steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation. At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

Revenue from services are recognized as they are performed.

Sales and Marketing Expenses

The Company expenses advertising costs as they are incurred.

Recent Accounting Pronouncements

In February 2017, FASB issued ASU No. 2017-02, "Leases (Topic 842)," that requires organizations that lease assets, referred to as "lessees," to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with lease terms of more than 12 months. ASU 2017-02 will also require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases and will include qualitative and quantitative requirements. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and early application is permitted. The Company is currently evaluating the effect that the updated standard will have on its financial statements and related disclosures. The Company will adopt this standard after required to and when applicable to the Company.

In May 2018, FASB issued ASU 2018-09, "Compensation- Stock Compensation (Topic 718): Scope of Modification Accounting", clarifies such that an entity must apply modification accounting to changes in the terms or conditions of a share-based payment award unless all of the following criteria are met: (1) the fair value of the modified award is the same as the fair value of the original award immediately before the modification. The ASU indicates that if the modification does not affect any of the inputs to the valuation technique used to value the award, the entity is not required to estimate the value immediately before and after the modification; (2) the vesting conditions of the modified award are the same as the vesting conditions of the original award immediately before the modification; and (3) the classification of the modified award as an equity instrument or a liability instrument is the same as the classification of the original award immediately before the modification. The ASU is effective for all entities for fiscal years beginning after December 15, 2018, including interim periods within those years. Early adoption is permitted, including adoption in an interim period. The Company is currently evaluating the impact that this standard will have on our consolidated financial statements and will adopt this change when applicable to the Company.

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date, including those above, that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to the Company, or (iv) are not expected to have a material impact the Company's financial statements.

NOTE 3 – INCOME TAX PROVISION

As discussed above, the Company is a flowthrough entity for federal income tax purposes. The Company has incurred tax losses since inception, however valuation allowances has been established against the deferred tax assets associated with the carryforwards of those losses as there does not yet exist evidence that the deferred tax assets created by those losses will ever be utilized.

Tax returns once filed which will remain subject to examination by the Internal Revenue Service under the statute of limitations for a period of three years from the date it is filed.

NOTE 4 – MEMBERSHIP INTERESTS

The Company has a single class of membership interests.

NOTE 5 –DEBT

The Company has no long term debt.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

Litigation

The Company, from time to time, may be involved with lawsuits arising in the ordinary course of business. In the opinion of the Company's management, any liability resulting from such litigation would not be material in relation to the Company's consolidated financial position, results of operations and cash flows. There is no pending or threatened litigation.

NOTE 7 – GOING CONCERN

These financial statements are prepared on a going concern basis. The Company began operation in 2020. The Company has a limited operating history. The Company's ability to continue is dependent upon management's plan to grow profitable operations and raise additional funds. The financial statements do not include any adjustments that might be necessary if the Company is not able to continue as a going concern.

NOTE 8 – SUBSEQUENT EVENTS

Management's Evaluation

Management has evaluated subsequent events through March 28, 2023, the date the financial statements were available to be issued. Based on this evaluation, no additional material events were identified which require adjustment or disclosure in the financial statements.

BREWDOG FRANCHISING LLC

(an Ohio limited liability company)

Audited Financial Statements

For the calendar years ended December 31, 2021 and 2020



INDEPENDENT AUDITOR'S REPORT

April 15, 2022

To: Board of Directors, BREWDOG FRANCHISING LLC

Re: 2021-2020 Financial Statement Audit

We have audited the accompanying financial statements of BREWDOG FRANCHISING LLC (a limited liability company organized in Ohio) (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income, members' equity/deficit, and cash flows for the calendar year periods thus ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of the Company's financial statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations, members' equity/deficit and cash flows for the calendar year periods thus ended in accordance with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in the Notes to the financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in the Notes to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Sincerely,



IndigoSpire CPA Group

IndigoSpire CPA Group, LLC
Aurora, CO

April 11, 2022

BREWDOG FRANCHISING LLC**BALANCE SHEETS****As of December 31, 2021 and 2020****See accompanying Independent Auditor's Report and Notes to the Financial Statements**

ASSETS	2021	2020
Current Assets		
Cash and cash equivalents	\$ 200,500	\$ 200,500
Prepaid expenses	4,100	4,100
Total current assets	204,600	204,600
Total Assets	\$ 204,600	204,600
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities		
Accruals and other current liabilities	\$ 15,000	0
Total Current Liabilities	15,000	0
Total Liabilities	15,000	0
MEMBER'S EQUITY		
Membership interest	397,367	204,600
Retained earnings/(deficit)	(207,767)	0
Total Owners' Equity	189,600	204,600
Total Liabilities and Member's Equity	\$ 204,600	\$ 204,600

BREWDOG FRANCHISING LLC
STATEMENT OF OPERATIONS

Calendar years ended December 31, 2021 and 2020

See accompanying Independent Auditor's Report and Notes to the Financial Statements

	<u>2021</u>	<u>2020</u>
Revenues, net	\$ 0	\$ 0
Operating Expenses:		
General and administrative	<u>207,767</u>	<u>0</u>
Total Operating Expenses	<u>207,767</u>	<u>0</u>
Net operating income (loss)	(207,767)	0
Net Loss	<u>\$ (207,767)</u>	<u>\$ 0</u>

BREWDOG FRANCHISING LLC
STATEMENT OF MEMBERS' EQUITY/DEFICIT
Calendar years ended December 31, 2021 and 2020

See accompanying Independent Auditor's Report and Notes to the Financial Statements

	Membership Interests	Accumulated Deficit	Total Members' Capital (Deficit)
Balance as of January 1, 2020	\$ 0	\$ 0	\$ 0
Members contributions	204,600		204,600
Net Loss		0	0
Balance as of December 31, 2020	\$ 204,600	\$ 0	\$ 204,600
Members contributions	192,767		192,767
Net Loss		(207,767)	(207,767)
Balance as of December 31, 2021	\$ 397,367	\$ (207,767)	\$ 189,600

BREWDOG FRANCHISING LLC
STATEMENT OF CASH FLOWS

Calendar years ended December 31, 2021 and 2020

See accompanying Independent Auditor's Report and Notes to the Financial Statements

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Net Loss	\$ (207,767)	\$ 0
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in operating assets and liabilities:		
(Increase) decrease in other current assets	0	(4,100)
Increase (Decrease) in other current liabilities	<u>15,000</u>	<u>0</u>
Net Cash Used In Operating Activities	<u>(192,767)</u>	<u>(4,100)</u>
 Cash Flows From Investing Activities		
None	<u>0</u>	<u>0</u>
Net Cash Used In Investing Activities	<u>0</u>	<u>0</u>
 Cash Flows From Financing Activities		
Proceeds member contributions	<u>192,767</u>	<u>204,600</u>
Net Cash Provided By Financing Activities	<u>192,767</u>	<u>204,600</u>
 Net Change In Cash	0	200,500
 Cash at Beginning of Period	<u>200,500</u>	<u>0</u>
Cash at End of Period	<u>\$ 200,500</u>	<u>\$ 200,500</u>

BREWDOG FRANCHISING LLC
NOTES TO THE FINANCIAL STATEMENTS
Calendar years ended December 31, 2021 and 2020
See accompanying Independent Auditor's Report

NOTE 1 - NATURE OF OPERATIONS

BrewDog Franchising LLC (which may be referred to as the "Company", "we," "us," or "our") was organized in Ohio on August 9, 2019. The Company is intends to be in the business of providing franchising services in support of an affiliate's business.

Since Inception, the Company is a development stage and has relied on funding from an affiliate to cover costs and expenses. As of December 31, 2021, the Company has not yet produced cash from the operations of the business. These matters raise substantial concern about the Company's ability to continue as a going concern once funds raised from investors have been exhausted. These financial statements and related notes thereto do not include any adjustments that might result from these uncertainties.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America ("GAAP"). In the opinion of management, all adjustments considered necessary for the fair presentation of the financial statements for the years presented have been included.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the footnotes thereto. Actual results could differ from those estimates.

Risks and Uncertainties

The Company has a limited operating history. The Company's business and operations are sensitive to general business and economic conditions in the United States. A host of factors beyond the Company's control could cause fluctuations in these conditions. Adverse conditions may include: recession, downturn or otherwise, changes in regulations or restrictions in imports, competition or changes in consumer taste. These adverse conditions could affect the Company's financial condition and the results of its operations. As of December 31, 2021, the Company is operating as a going concern.

Cash and Cash Equivalents

The Company considers short-term, highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents. Cash consists of funds held in the Company's checking account. The Company maintains its cash with a major financial institution located in the United States of America, which it believes to be credit worthy. The Federal Deposit Insurance Corporation insures balances up to \$250,000. At times, the Company may maintain balances in excess of the federally insured limits. As of December 31, 2021 and 2020, the Company had \$200,500 and \$200,500 cash on hand, respectively.

Property and Equipment

Property and equipment are recorded at cost if the expenditure exceeds \$1,000. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are expensed as incurred. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the balance sheet accounts and the resultant gain or loss is reflected in income.

Depreciation is provided using the straight-line method, based on useful lives of the assets which range from three to fifteen years depending on the asset type.

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors.

Fair Value Measurements

The Company has determined the fair value of certain assets and liabilities in accordance with United States generally accepted accounting principles (“GAAP”), which provides a framework for measuring fair value.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs.

A fair value hierarchy has been established, which prioritizes the valuation inputs into three broad levels. Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

Income Taxes

The Company is taxed as a limited liability company – a passthrough entity type. The Company complies with FASB ASC 740 for accounting for uncertainty in income taxes recognized in a company’s financial statements, which prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. FASB ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Based on the Company’s evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company’s financial statements. The Company believes that its income tax positions would be sustained on audit and does not anticipate any adjustments that would result in a material change to its financial position.

The Company has incurred taxable losses since inception but is current in its tax filing obligations. The Company is not presently subject to any income tax audit in any taxing jurisdiction.

Revenue Recognition

The Company adopted ASC 606, Revenue from Contracts with Customers, as of January 1, 2019 (the “transition date”) using the full retrospective method. There was no transition adjustment recorded upon the adoption of ASC 606. Under ASC 606, revenue is recognized when a customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services.

To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the Company performs the following steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation. At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

Revenue from services are recognized as they are performed.

Sales and Marketing Expenses

The Company expenses advertising costs as they are incurred.

Recent Accounting Pronouncements

In February 2017, FASB issued ASU No. 2017-02, "Leases (Topic 842)," that requires organizations that lease assets, referred to as "lessees," to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with lease terms of more than 12 months. ASU 2017-02 will also require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases and will include qualitative and quantitative requirements. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and early application is permitted. The Company is currently evaluating the effect that the updated standard will have on its financial statements and related disclosures. The Company will adopt this standard after required to and when applicable to the Company.

In May 2018, FASB issued ASU 2018-09, "Compensation- Stock Compensation (Topic 718): Scope of Modification Accounting", clarifies such that an entity must apply modification accounting to changes in the terms or conditions of a share-based payment award unless all of the following criteria are met: (1) the fair value of the modified award is the same as the fair value of the original award immediately before the modification. The ASU indicates that if the modification does not affect any of the inputs to the valuation technique used to value the award, the entity is not required to estimate the value immediately before and after the modification; (2) the vesting conditions of the modified award are the same as the vesting conditions of the original award immediately before the modification; and (3) the classification of the modified award as an equity instrument or a liability instrument is the same as the classification of the original award immediately before the modification. The ASU is effective for all entities for fiscal years beginning after December 15, 2018, including interim periods within those years. Early adoption is permitted, including adoption in an interim period. The Company is currently evaluating the impact that this standard will have on our consolidated financial statements and will adopt this change when applicable to the Company.

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date, including those above, that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to the Company, or (iv) are not expected to have a material impact the Company's financial statements.

NOTE 3 – INCOME TAX PROVISION

As discussed above, the Company is a flowthrough entity for federal income tax purposes. The Company has incurred tax losses since inception, however valuation allowances has been established against the deferred tax assets associated with the carryforwards of those losses as there does not yet exist evidence that the deferred tax assets created by those losses will ever be utilized.

Tax returns once filed which will remain subject to examination by the Internal Revenue Service under the statute of limitations for a period of three years from the date it is filed.

NOTE 4 – MEMBERSHIP INTERESTS

The Company has a single class of membership interests.

NOTE 5 –DEBT

The Company has no long term debt.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

Litigation

The Company, from time to time, may be involved with lawsuits arising in the ordinary course of business. In the opinion of the Company's management, any liability resulting from such litigation would not be material in relation to the Company's consolidated financial position, results of operations and cash flows. There is no pending or threatened litigation.

NOTE 7 – GOING CONCERN

These financial statements are prepared on a going concern basis. The Company began operation in 2020. The Company has a limited operating history. The Company's ability to continue is dependent upon management's plan to grow profitable operations and raise additional funds. The financial statements do not include any adjustments that might be necessary if the Company is not able to continue as a going concern.

NOTE 8 – SUBSEQUENT EVENTS

COVID-19 Related Actions

On March 10, 2020, the World Health Organization declared the coronavirus outbreak (“COVID-19”) to be a pandemic. The outbreak is negatively impacting businesses across a range of industries. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Company's customers, employees and vendors, all of which are uncertain and cannot be predicted. Therefore, the extent to which COVID-19 may impact the Company's financial condition or results of operations in the future is uncertain.

Material new partnership

In January 2022, BrewDog Franchising LLC reached an agreement with Hop Dragon Holdings LLC for 3 sites in Denver Colorado.

Management's Evaluation

Management has evaluated subsequent events through April 15, 2022, the date the financial statements were available to be issued. Based on this evaluation, no additional material events were identified which require adjustment or disclosure in the financial statements.

EXHIBIT B

FRANCHISE AGREEMENT



BREWDOG®
FRANCHISE AGREEMENT

Franchisee Name

Address of BrewPub

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
1. Preambles and Grant of Franchise Rights	1
1.A. Preambles.....	1
1.B. Grant of Franchise and Term	1
1.C. Best Efforts	2
1.D. Participation for Individual or Business Entity Franchisee	2
2. Site Selection, Development and Opening of the BrewPub	3
2.A. Site Selection	3
2.B. Lease and Designation of Territory	4
2.C. Developing and Equipping the BrewPub.....	4
2.D. Computer System.....	6
2.E. BrewPub Opening.....	7
3. Your Rights in Territory and Rights We Maintain	7
3.A. No BrewDog BrewPubs in Territory	7
3.B. Rights We Maintain.....	7
4. Training, Guidance and Assistance	8
4.A. Initial Training Program.	8
4.B. On-Site Assistance and Opening Support.....	9
4.C. Ongoing Training and Conventions.....	9
4.D. Retraining.....	9
4.E. General Guidance.....	9
4.F. Operations Manual and System Standards.	10
4.G. Delegation of Performance.	10
5. Fees	11
5.A. Initial Franchise Fee.....	11
5.B. Royalty.....	11
5.C. Software Access Fees.	11
5.D. Automatic Debit.....	12
5.E. Interest on Late Payments.....	12
5.F. Taxes on Your Payments.	13
6. Business Operation and System Standards	13
6.A. Condition and Appearance of BrewPub.	13
6.B. Products and Services Your BrewPub Offers.....	14
6.C. Approved Products, Distributors and Suppliers.....	14
6.D. Compliance with Laws and Good Business Practices.....	15
6.E. Insurance.....	16
6.F. Intranet.....	16
6.G. Compliance With System Standards.....	16
6.H. Variance.....	19
7. Marketing	19
7.A. Grand Opening Marketing Program.....	19

SECTION**PAGE**

7.B.	Marketing Fund.....	19
7.C.	Local Marketing.....	21
7.D.	System Websites.....	21
7.E.	Advertising Cooperatives.....	22
8.	Records, Reports and Financial Statements.....	22
9.	Inspections, Evaluations and Audits.....	23
9.A.	Inspections and Evaluations.....	23
9.B.	Audits.....	24
10.	Marks.....	24
10.A.	Ownership and Goodwill of Marks.....	24
10.B.	Limitations on Your Use of Marks.....	25
10.C.	Notification of Infringements and Claims.....	25
10.D.	Discontinuance of Use of Marks.....	25
11.	Confidential Information, Customer Information and Innovations.....	26
11.A.	Confidential Information.....	26
11.B.	Customer Information.....	27
11.C.	Innovations.....	28
12.	Exclusive Relationship.....	28
13.	Transfer.....	29
13.A.	Transfer by Us.....	29
13.B.	Transfer by You – Defined.....	29
13.C.	Conditions for Approval of Non-Control Transfer.....	31
13.D.	Conditions for Approval of Control Transfer.....	31
13.E.	Transfer to a Wholly-Owned Entity.....	33
13.F.	Death or Disability.....	33
13.G.	Effect of Consent to Transfer.....	34
13.H.	Our Right of First Refusal.....	34
14.	Successor Franchise Rights.....	35
15.	Termination of Agreement.....	35
15.A.	Termination by Us.....	35
15.B.	Our Remedies Upon Default.....	38
16.	Rights and Obligations Upon Termination or Expiration.....	39
16.A.	Payment of Amounts Owed.....	39
16.B.	De-Identification.....	39
16.C.	Confidential Information.....	40
16.D.	Covenant Not To Compete.....	40
16.E.	Our Right to Purchase Business Assets.....	41
16.F.	Continuing Obligations.....	43
17.	Relationship of the Parties/Indemnification.....	43
17.A.	Independent Contractors.....	43
17.B.	No Liability for Acts of Other Party.....	43
17.C.	Taxes.....	43

SECTION

PAGE

17.D. Indemnification and Defense of Claims. 43

18. Enforcement. 44

18.A. Severability and Substitution of Valid Provisions. 44

18.B. Waiver of Obligations and Force Majeure..... 45

18.C. Costs and Attorneys’ Fees. 46

18.D. Applying and Withholding Payments. 46

18.E. Rights of Parties are Cumulative 46

18.F. Arbitration. 46

18.G. Governing Law. 48

18.H. Consent to Jurisdiction..... 48

18.I. Waiver of Punitive Damages and Jury Trial. 48

18.J. Binding Effect. 48

18.K. Limitations of Claims. 49

18.L. Construction. 49

18.M. The Exercise of Our Judgment. 49

19. Notices and Payments. 50

20. Representations, Warranties and Acknowledgments..... 50

EXHIBITS

- EXHIBIT A: BASIC TERMS
- EXHIBIT B: FRANCHISEE AND ITS OWNERS
- EXHIBIT C: LEASE RIDER
- EXHIBIT D: GUARANTY AND ASSUMPTION OF OBLIGATIONS
- EXHIBIT E: INSURANCE REQUIREMENTS

BREWDOG®
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “**Agreement**”) is made and entered into as of _____, 20__ (the “**Effective Date**”), between BrewDog Franchising, LLC, an Ohio limited liability company with its principal business address is 96 Gender Road, Canal Winchester, Ohio 43110 (“**we,**” “**us**” or “**our**”), and _____ whose principal business address is _____ (“**you**” or “**your**”).

1. Preambles and Grant of Franchise Rights.

1.A. Preambles.

(1) We and our affiliates have developed and accumulated extensive knowledge of, and experience in the business of brewing and selling craft beer and operating brewpubs, which are primarily identified by the Marks (defined below) and use the Franchise System (defined below), that currently offer our proprietary craft beer which may or may not be brewed on site, and a menu featuring pizza, burgers, sandwiches and other assorted food and alcoholic and non-alcoholic beverage items, all of which we and our affiliates may modify from time to time (collectively, “**BrewDog BrewPubs**”).

(2) We and our affiliates have developed, and we use, promote and sublicense, certain trademarks, service marks and other commercial symbols in operating BrewDog BrewPubs, including “**BREWDOG®**,” and we may periodically create, use and license or sublicense other trademarks, service marks and commercial symbols for use in operating BrewDog BrewPubs, all of which we may modify from time to time (collectively, the “**Marks**”).

(3) We offer franchises to own and operate a BrewDog BrewPub offering the products and services we authorize (and only the products and services we authorize) and using our business system, business formats, methods, procedures, signs, designs, layouts, trade dress, standards, specifications and Marks, all of which we may improve, further develop and otherwise modify from time to time (collectively, the “**Franchise System**”).

(4) You have applied for a franchise to own and operate a BrewDog BrewPub, and we have approved your application relying on all of your representations, warranties and acknowledgments contained in your franchise application and this Agreement.

1.B. Grant of Franchise and Term. You have applied for a franchise to own and operate a BrewDog BrewPub at the location specified on Exhibit A (the “**Site**”), which is located within the territory also described on Exhibit A (the “**Territory**”). Subject to the terms of this Agreement, we grant you a franchise to develop and operate a BrewDog BrewPub at the Site (the “**BrewPub**”), and to use the Franchise System in its operation, for a term beginning on the Effective Date and ending ten (10) years from the date on which the BrewPub opens to the public for business under the Marks, unless sooner terminated (the “**Term**”).

1.C. Best Efforts. Only you are authorized to operate the BrewPub. You must at all times faithfully, honestly and diligently perform your obligations and fully exploit the rights granted under this Agreement. You must at all times have a Principal Owner (defined below) whom we approve meeting the requirements in Section 1.D.

1.D. Participation for Individual or Business Entity Franchisee. You must be at all times either corporation, a limited liability company, a general, limited, or limited liability partnership, or another form of business entity (collectively, an “**Entity**”). Your Entity may not be formed for any other business purpose other than for the ownership and operation of the franchised BrewPub hereunder, or other BrewPubs franchised by us. Your Entity may not have other business activities nor own assets unrelated to the BrewPub. You may not use the assets of the Entity to secure other debts and liabilities which are unrelated to the BrewPub. Regarding your Entity, you agree and represent that:

(a) Your organizational documents, operating agreement, and/or partnership agreement (as applicable) will recite that this Agreement restricts the issuance and transfer of any Ownership Interests (defined below) in you, and all certificates and other documents representing Ownership Interests in you will bear a legend referring to this Agreement’s restrictions. In this Agreement, “**Ownership Interests**” means (i) in relation to a corporation, shares of capital stock (whether common stock, preferred stock or any other designation) or other equity interests; (ii) in relation to a limited liability company, membership interests or other equity interests; (iii) in relation to a partnership, a general or limited partnership interest; (iv) in relation to a trust, a beneficial interest in the trust; and (v) in relation to any Entity (including those described in (i) through (iv) above), any other interest in that Entity or its business that allows the holder of that interest (whether directly or indirectly) to direct or control the direction of the management of the Entity or its business (including a managing partner interest in a partnership, a manager or managing member interest in a limited liability company, and a trustee of a trust), or to share in the revenue, profits or losses of, or any capital appreciation relating to, the BrewPub, that Entity or its business.

(b) Exhibit B to this Agreement completely and accurately describes all of your Owners (defined below) and their Ownership Interests in you. In this Agreement, “**Owner**” means any individual or Entity holding a direct or indirect Ownership Interest (whether of record, beneficially, or otherwise) in you. Your Principal Owner and each Owner which owns a 10% or more interest in the Entity, must sign an agreement in the form we designate undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us (a “**Guaranty**”), the current version of which is Exhibit D to this Agreement.

(c) The individual listed on Exhibit B is your Principal Owner as of the Effective Date. For an Entity, the “**Principal Owner**” is an individual who: (i) owns, directly or indirectly, or has the option to acquire, ten percent (10%) or more of your Ownership Interests; (ii) unless you have identified a General Manager who will devote substantially all of his or her business time and attention to the on-premises management and operation of the BrewPub; the Principal Owner must devote substantially all of his or her business time and attention to the on-premises management and operation of the

BrewPub; and (iii) is vested by you with sufficient decision-making authority to make the decisions that are essential to the effective and efficient operation of the franchise business and to make such decisions on your behalf. The Principal Owner must communicate directly with us regarding any matters that relate to the BrewPub. If the Principal Owner dies or becomes disabled, or if the Principal Owner's relationship with you or the BrewPub ends or changes such that he or she no longer satisfies the requirements of this subsection (c), then you must promptly appoint another Owner whom we approve to be the Principal Owner under this Agreement.

(d) Subject to our rights and your obligations under Section 13, you and your Owners agree to sign and deliver to us revised Exhibits B to reflect any changes in the information that Exhibit B now contains.

(e) The BrewPub and other BrewDog BrewPubs, if applicable, will be the only businesses you own or operate (although your Owners and affiliates may have other business interests, subject to Section 12).

(f) If your Principal Owner will not be the general manager of the BrewPub, you must appoint a General Manager who has not been disapproved by us and must successfully complete all initial training and is fully trained to our satisfaction prior to the opening of the BrewPub.

2. Site Selection, Development and Opening of the BrewPub.

2.A. Site Selection. The BrewPub must be located at a Site that we have accepted. If the BrewPub's Site is unknown at the Effective Date, you must obtain our written acceptance of, and secure, a site within one hundred eighty (180) days afterward. You must search for a suitable Site only in the exclusive Site Selection Area identified on Exhibit A. We may terminate this Agreement if we do not accept, and you do not secure, the BrewPub's site within the one hundred eighty (180) days. We will use our reasonable efforts to review and either accept or reject a Site you propose within thirty (30) days after receiving the complete site report and other materials and information we request. If we have not delivered to you written notice of our acceptance of a proposed site within thirty (30) days after receiving the complete site report, that site will be deemed rejected. We will not unreasonably withhold our acceptance of a site that meets our then current criteria. Any site must be conducive to brewing activities to obtain and maintain a non-retail brewing/brewpub license. We have the absolute right to reject any site that does not meet our criteria.

Despite any assistance, information or recommendations that we provided or will provide (whether before or after the Effective Date) with respect to the Site, we have made and will make no representations or warranties of any kind, express or implied, of the suitability of the Site for a BrewDog BrewPub or any other purpose. Our recommendation indicates only that we believe that the Site meets or has the potential to meet, or that we have waived, the general criteria of Site acceptability that we have established as of that time. Applying criteria that have appeared effective for other sites might not accurately reflect the potential for all sites, and, after we recommend or accept a Site, demographic and/or other factors included in or excluded from our site criteria could change, thereby altering a site's potential. The uncertainty and instability of

these criteria are beyond our control, and we are not responsible if the Site fails to meet our or your expectations. Your acceptance of the rights under this Agreement is based on your own independent investigation of, or agreement in the future to investigate, the Site's suitability.

2.B. Lease and Designation of Territory. You must present to us for our written acceptance any lease or sublease (and any renewals and amendments of the lease or sublease) (the "**Lease**") that will govern your occupancy and lawful possession of the BrewPub at least thirty (30) days before you intend to sign it. The Lease must either (1) include the lease rider attached hereto as Exhibit C and made a part hereof, or (2) provide in the body of the Lease the terms and conditions found in the lease rider (although we will not directly negotiate your Lease). If we have not accepted the lease or sublease in writing within thirty (30) days after we receive a complete copy of the lease or sublease, then the lease or sublease will be deemed rejected. You may not sign any lease or sublease (or any renewal or amendment of the lease or sublease) that we have not accepted in writing. You shall not assign, surrender, grant any rights of possession, part with possession of or sell or transfer any interest in the Site, vary or otherwise deal with the Lease or Site without our prior written approval. You acknowledge that our acceptance of the Lease is not a guarantee or warranty, express or implied, of the success or profitability of a BrewDog BrewPub operated at the Site. Our acceptance of the Lease indicates only that we believe that the Lease's terms meet, or that we have waived, our then acceptable criteria. You must give us a copy of the fully-signed Lease within five (5) days after you and the landlord have signed it. You may not sign any renewal or amendment of the Lease that we have not accepted.

You must sign a Lease that we have accepted, for a Site that we have accepted, within one hundred eighty (180) days after the Effective Date (which may be extended by thirty (30) days with our prior written approval). After you sign a Lease, we will define the Territory using our then current territory designation criteria. We will determine the Territory based on the factors that we deem relevant, which might include demographics, population density, and/or the characteristics of the Site. We will insert the Site's address and the Territory's description on Exhibit A. You hereby authorize us to deliver to you replacements for Exhibit A identifying the Site and/or Territory once they are determined in accordance with Section 2.A and this Section 2.B, and upon our delivery to you of a revised Exhibit A, that Exhibit A shall be binding upon us and you as if we and you had signed that Exhibit A.

2.C. Developing and Equipping the BrewPub.

(1) You are responsible for developing and constructing the BrewPub at your expense, including preparing a site survey and all required construction plans and specifications to suit the Site. You are required to hire a construction consultant in connection with the construction process of your BrewDog BrewPub. Notwithstanding the foregoing, any construction consultant hired by you must be prior approved in writing by us. We will provide you construction guidelines and mandatory and/or suggested specifications and design layouts for a BrewDog BrewPub, including recommendations and/or requirements (as applicable) for dimensions, design, image, interior layout, décor, Operating Assets in accordance with the BrewDog Retail Design Standards ("**Design Standards**"). For the avoidance of doubt, these guidelines will not include blueprints, "as-built" specifications, nor precise construction plans or floor layouts for the BrewPub. "**Operating Assets**" means all required equipment, fixtures, furniture, brewing equipment

and supplies, branded merchandise and glassware and other smallwares, Computer System (defined below) components, and other equipment, furnishings and signs that we periodically require for the BrewPub. The BrewPub must contain and utilize all of the Operating Assets, and only the Operating Assets, that we periodically specify.

(2) You must prepare all required construction plans and specifications to suit the Site and to make sure that they comply with the Americans with Disabilities Act (the “ADA”) and similar rules governing public accommodations for persons with disabilities, applicable state and federal alcohol regulatory laws, other applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions. We must approve the general contractor that you use in the construction and development of the BrewPub. You agree to send us one (1) set of construction plans and specifications for review and acceptance before you begin constructing the BrewPub, as well as all revised or “as built” plans and specifications during construction. You may not begin build-out for the BrewPub until we have approved the plans and specifications in writing. Our review is limited to ensuring your compliance with the Design Standards. Our review is not designed to assess compliance with federal, state, or local laws and regulations, including the ADA, as compliance with those laws and regulations is your responsibility. You must remedy, at your expense, any noncompliance or alleged noncompliance with those laws and regulations. You must construct, install trade dress and furnish all Operating Assets in the BrewPub, and otherwise develop the BrewPub, in accordance with the Design Standards and with the plans and specifications that we have approved in writing. We may periodically inspect the Site while you are developing the BrewPub or require you to send us pictures and images (including video recordings) of the interior and/or exterior of the BrewPub to review your development of the BrewPub in accordance with our System Standards (defined in Section 4.F) pursuant to Section 6.H and the Operations Manual.

(3) At your expense, you must obtain all financing required to develop and operate the BrewPub; obtain all required building, utility, sign, health, sanitation, alcoholic beverage, business and all other permits and licenses as required by all applicable governmental authorities; construct, install trade dress and furnish all Operating Assets in, and otherwise develop the BrewPub at the Site according to our Design Standards and all other standards, specifications and directions; and purchase an opening inventory of authorized and approved products, materials and supplies to operate the BrewPub. If we require, you must purchase or lease only approved brands, types and/or models of Operating Assets and/or purchase or lease them only from suppliers we designate or approve (which may include or be limited to us or our affiliates).

(4) You shall not make any change to the appearance of the Site or any alterations or install any new equipment inconsistent with the Operating Assets or Design Standards without our prior approval. In the event you install any furniture, fixtures or equipment, interior and exterior signs or any other items, which are not in line with the Operating Assets or Design Standards, we may, in addition to any other rights contained herein, issue a written notice of nonconformity. If you fail to cure the nonconformity within thirty (30) days after the date of the notice, we may, in addition to any other remedies under this Agreement, require that your BrewPub be closed until the nonconformity is corrected.

(5) You may not relocate the BrewPub to a new site without our prior written consent, which we may grant or deny as we deem best. We may condition relocation approval on (1) the new site and its lease being acceptable to us, (2) your paying us a reasonable relocation fee (as set forth in the Operations Manual), (3) your reimbursing any costs we incur during the relocation process, (4) your execution of the then-current form of franchise agreement to govern the BrewPub's operation at the new site for a new franchise term and upon the other terms and conditions set forth therein, which may be materially different from the existing Franchise Agreement (5) your signing a general release, in a form satisfactory to us, of any and all claims against us and our owners, affiliates, officers, directors, employees, and agents, (6) your continuing to operate the BrewPub at its original site until we authorize its closure, and (7) your taking, within the timeframe we specify and at your own expense, all action we require to de-brand and de-identify the BrewPub's former premises so it no longer is associated in any manner (in our opinion) with the Franchise System and the Marks.

2.D. Computer System.

(1) You agree to obtain and use the computer hardware and software, point of sale system, dedicated telephone and power lines, modems, printers, tablets, smart phones, and other computer-related accessories and peripheral equipment that we periodically specify (collectively, the "**Computer System**"), in connection with the operation of the BrewPub. You must maintain the continuous operation of the Computer System. We may periodically modify specifications for and components of the Computer System. Our modification of specifications for and components of the Computer System, and/or other technological developments or events, may require you to purchase, lease and/or license new or modified computer hardware, software and other components and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, you agree to incur the costs of obtaining the computer hardware, software and other components comprising the Computer System (and additions and modifications) and required service or support. Within sixty (60) days after we deliver notice to you, you agree to obtain the Computer System components that we designate and ensure that your Computer System, as modified, is functioning properly.

(2) We shall have the right, but not the obligation, to develop or have developed for us, or to designate: (a) computer software programs and accounting system software that you must use in connection with the Computer System ("**Required Software**"), which you shall install; (b) updates, supplements, modifications, or enhancements to the Required Software, which you shall install; (c) the tangible media upon which such you shall record or receive data; and (d) the database file structure of your Computer System. You shall install and use the Computer System and Required Software in the manner required by us.

(3) Notwithstanding your obligation to buy, use, and maintain the Computer System according to our standards and specifications, you have sole and complete responsibility for: (a) the acquisition, operation, maintenance, and upgrading of the Computer System; (b) the manner in which your Computer System interfaces with our and any third party's computer system; (c) complying with all applicable laws, regulations, industry standards (including Payment Card Industry Data Security Standards) and other

procedures to safeguard the confidentiality and security of information concerning the BrewPub's customers and employees; and (d) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. The Computer System shall permit twenty-four (24) hours per day, seven (7) days per week electronic communications between you and us.

2.E. BrewPub Opening. You must open the BrewPub for business on or before the date which is twelve (12) months after you sign the Lease for the BrewPub Site. You agree not to open the BrewPub for business until: (1) you have properly developed and equipped the BrewPub according to our standards and specifications and in compliance with all applicable laws and regulations; (2) the Principal Owner has completed our initial training program to our satisfaction; (3) all amounts then due to us, our affiliates, and any principal suppliers have been paid; (4) you have satisfied all licensing and other legal requirements for the BrewPub's operation, including but not limited to, obtaining a non-retail brewing/brew pub license and all necessary Alcohol and Tobacco Tax and Trade Bureau ("TTB") licenses and all other applicable state approvals, permits and licenses; (5) you have given us copies of all insurance policies required under this Agreement, or any other evidence of insurance coverage and payment of premiums as we request; (6) you have given us a copy of your fully-signed Lease; (7) if we (at our sole option) require, we have conducted a pre-opening inspection and/or have certified the BrewPub for opening; and (8) you have met all other opening requirements as we have established in the Operations Manual. Our determination that you have met all of our pre-opening requirements will not constitute a waiver of your non-compliance or of our right to demand full compliance with those requirements.

3. Your Rights in Territory and Rights We Maintain

3.A. No BrewDog BrewPubs in Territory. If you are complying with this Agreement and subject to applicable law, neither we nor our affiliates will operate, or authorize any other party to operate, a BrewDog BrewPub the physical premises of which would be located within the Territory, during the period beginning once you locate an accepted Site and we designate the Territory (or on the Effective Date, if you have located an accepted Site as of the Effective Date) and continuing for the remainder of the Term.

3.B. Rights We Maintain. We (and any affiliates that we might have from time to time) shall at all times have the right to engage in any activities we or they deem appropriate that are not expressly prohibited by this Agreement, whenever and wherever we or they desire, including:

(1) establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, BrewDog BrewPubs at any locations outside the Territory;

(2) establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, BrewPubs or any similar or dissimilar businesses that are not primarily identified by the Marks or do not use the Franchise System at any locations, whether within or outside the Territory;

(3) maintain and administer one or more websites, mobile applications, social media accounts, and other online presences to advertise, market and promote BrewDog BrewPubs and the products and services that they offer and sell;

(4) establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, hotels or any similar businesses that are primarily identified by the Marks, which may also brew our proprietary beer and BrewDog Products at the location of such businesses, at any locations, whether within or outside the Territory;

(5) establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, BrewDog BrewPubs at non-traditional locations including, without limitation, airports, casinos, concert venues, convention centers, cruise ships, hospitals, military bases, resorts, stadiums, and universities whether within or outside the Territory;

(6) all rights relating directly or indirectly to the Marks, and all products and services associated with any of the Marks, in connection with any methods of distribution, including through grocery or convenience stores, and other retail outlets, and any other distribution channels (including without limitation, through retail, wholesale, mail order, toll free numbers, or the Internet) except as specifically set forth in Section 3.A. This includes providing, and granting rights to others to provide (except as specifically set forth in Section 3.A), products and services that are similar or dissimilar to, or competitive with, any products and services provided at BrewDog BrewPubs, whether identified by the Marks or other trademarks or service marks, regardless of the method of distribution (including through the System Website or otherwise over the Internet or via mobile app), and at any locations; and

(7) acquiring the assets or Ownership Interests of, or being acquired (regardless of the form of transaction) by, one or more businesses providing products and services similar or dissimilar to those provided at BrewDog BrewPubs, and franchising, licensing or creating other arrangements (whether as BrewDog BrewPubs or not) with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating, whether within or outside the Territory.

4. Training, Guidance and Assistance.

4.A. **Initial Training Program.** Before opening the BrewPub, your Principal Owner, General Manager, Head Brewer and Kitchen Manager must attend and complete to our satisfaction our initial training program on the operation of a BrewDog BrewPub. The initial training program may include classroom training, instruction at one of our corporate locations or designated facilities, hands-on training at an operating BrewDog BrewPub, remote training (including via Internet access) and/or self-study programs. You will be responsible for the compensation, travel and living expenses for your Principal Owner, General Manager, Head Brewer and Kitchen Manager during training. We may charge our then-current training fee for each additional person you desire to send to initial training. If we determine that your Principal Owner, General Manager, Head Brewer and/or Kitchen Manager cannot complete the initial training program to our

satisfaction, then we may, at our option and without limiting our other rights or remedies, require your Principal Owner, General Manager, Head Brewer and/or Kitchen Manager to attend additional training programs at your expense (for which we may charge reasonable fees) or we will have the right to terminate this Agreement pursuant to Section 15.A.(2).

4.B. On-Site Assistance and Opening Support. For the first two BrewPubs you develop, we agree to send a training team (involving one or more people as we determine in our sole discretion) whom we specify (the “**Training Team**”) to provide local training for ten days for supervisory employees and grand opening marketing and other support during the BrewPub’s pre-opening and immediate post-opening period. We will determine the individual(s) that form the Training Team and the duration of the Training Team’s stay at the BrewPub at our sole option considering those factors that we deem relevant, including the number of other BrewDog BrewPubs that you and your affiliates operate and the experience of the BrewPub’s supervisory employees. There is no separate cost or fee for the Training Team, but you will be required to pay for our team’s travel and food expenses for such trip, not to exceed \$500 per trainer per day. You must also reimburse us for additional expenses we incur if you change travel schedules or ask us to provide additional on-site training or assistance. You must pay us such costs and expenses after your BrewPub is open for business.

4.C. Ongoing Training and Conventions. During the Term, we may require your Principal Owner, General Manager, newly-hired managers and previously-trained and experienced employees at the BrewPub to attend and satisfactorily complete refresher training and certification courses and programs that we choose to provide periodically at the times and locations we designate. We may charge reasonable fees for these refresher training courses and programs. We also may, at our option, hold meetings or conventions for some or all BrewDog franchisees at a location we periodically designate. We may require the Principal Owner, General Manager and/or other BrewPub personnel to attend these meetings or conventions and may charge you reasonable registration fees. You will be responsible for the compensation, travel and living expenses for your Principal Owner, General Manager and your other personnel attending refresher training, meetings and/or conventions.

4.D. Retraining. We may periodically and without prior notice review the BrewPub’s performance to determine if the BrewPub meets our System Standards. If we determine that the BrewPub is not operating according to System Standards, in addition to the other rights provided in this Agreement, we may require that your Principal Owner, General Manager, Head Brewer and/or Kitchen Manager and other BrewPub personnel whom we designate undergo additional training. This training program may differ from our initial training program. You must pay our then applicable charges, including our personnel’s per diem charges and any travel and living expenses. You also will be responsible for travel and living expenses for your personnel attending training.

4.E. General Guidance. We will advise you from time to time regarding the BrewPub’s operation based on your reports or our inspections, including with respect to:

- (1) standards, specifications, operating procedures and methods that BrewDog BrewPubs use;

- (2) purchasing required or recommended Operating Assets, BrewDog Products and other products, supplies and materials;
- (3) advertising, marketing and promotional materials and programs;
- (4) supervisory employee training methods and procedures (although you are solely responsible for the terms and conditions of employment of all BrewPub employees); and
- (5) administrative, bookkeeping and accounting procedures, though we are not required to provide actual bookkeeping or accounting services to you.

We will guide you in our operating manual and/or other manuals (collectively, the “**Operations Manual**”); in bulletins or other written materials; by electronic media; by telephone consultation; and/or at our office or the BrewPub. If you request and we agree to provide additional or special guidance, assistance or training, you must pay our then applicable charges, including our personnel’s per diem charges and any travel and living expenses. Any specific ongoing training, conventions, advice or assistance that we provide does not create an obligation to continue providing that specific training, convention, advice or assistance, all of which we may discontinue and modify at any time.

4.F. Operations Manual and System Standards. We will provide you access to, for use in operating the BrewPub during the Term, one (1) copy of our Operations Manual, which might include written or intangible materials and which may be made available to you by various means. The Operations Manual contains mandatory and suggested specifications, standards, ingredients, recipes, including beer recipes, and methods of brewing, preparation and presentation of the BrewDog Products and any other authorized food or beverage products, operating procedures and rules that we periodically specify for developing and/or operating a BrewDog BrewPub (“**System Standards**”) and information on your other obligations under this Agreement. We may modify the Operations Manual periodically to reflect changes in System Standards. You agree to keep your copy of the Operations Manual current and communicate all updates to your employees in a timely manner. In addition, you agree to keep any paper copy of the Operations Manual you maintain in a secure location at the BrewPub. If there is a dispute over its contents, our master copy of the Operations Manual controls. You agree that the contents of the Operations Manual are confidential and that you will not disclose the Operations Manual to any person other than BrewPub employees who need to know its contents. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Operations Manual, except as we periodically authorize for training and operating purposes.

At our option, we may post the Operations Manual on the Intranet or another restricted website to which you will have access. If we do so, you must periodically monitor the website for any updates to the Operations Manual or System Standards. Any passwords or other digital identifications necessary to access the Operations Manual on such a website will be deemed to be part of Confidential Information (defined in Section 11.A).

4.G. Delegation of Performance. You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to our affiliates or other

third party designees, whether these designees are our agents or independent contractors with whom we contract to perform these obligations.

5. Fees.

5.A. Initial Franchise Fee. You agree to pay us an initial franchise fee in the amount listed on Exhibit A when you sign this Agreement. This fee is fully earned by us when you sign this Agreement and is not refundable under any circumstances. Notwithstanding the foregoing, in the event we terminate this Agreement pursuant to Section 15.A(11) and you have used commercially reasonable efforts to obtain the necessary alcohol regulatory licenses, we will refund the initial franchise fee paid to us within fifteen (15) days of such termination.

5.B. Royalty. You agree to pay us, on or before the day of each month that we periodically specify (the “**Payment Day**”), a royalty (“**Royalty**”) equal to five percent (5%) of the Total Monthly Receipts of the BrewPub generated during the previous month. In this Agreement, “**Total Monthly Receipts**” means the sums receivable by you in each month of the Term from carrying on the BrewPub including all cash and credit transactions of whatever nature and all sums received whether or not invoiced, but excluding all sales taxes and customer refunds and the cost of any free offers or discounts offered or given as part of a special promotion that we have required or authorized (but not otherwise) and without deducting any sales rebates or discounts. If you receive any proceeds from any business interruption insurance applicable to loss of revenue at the BrewPub, there shall be added to Total Monthly Receipts an amount equal to the imputed Total Monthly Receipts that the insurer used to calculate those proceeds. Each charge or sale upon credit shall be treated as a sale for the full price on the day during which that charge or sale is made, regardless of when you receive payment (whether full, partial or at all) on that sale. Amounts paid by gift card or similar program are included in Total Monthly Receipts when the instrument or credit is redeemed. Your BrewPub may not issue or redeem any gift certificates, coupons, or gift, loyalty, or similar cards unless we first have approved in writing their form and content and your proposed issuing and honoring/redemption procedures, which approval we may grant or withhold as we deem best.

5.C. Software Access Fees. You agree to pay us each year an amount equal to \$1,850 to cover our costs and expenses in sublicensing to you third party software for food safety audits for your BrewPub. This fee is subject to increase from the third party licensor, and upon such increases, your fee will proportionately increase. Additionally, we may charge you reasonable fees if we develop or have developed (and, once developed, for supporting, modifying and enhancing) software or other technology that we or our affiliates periodically license to you and for other Computer System maintenance and support services that we or our affiliates periodically provide to you, including help desk services, data management services, polling and network administration, and software support; however, any such Computer System-related fees that we or our affiliates periodically charge you will be at the rate that we uniformly charge to all other BrewDog BrewPubs, including our company-owned or affiliated-owned locations, for the same or similar products and services. We also may charge you for the BrewPub’s share of certain fees and charges periodically imposed by one or more vendors for software or other products or services relating to the Computer System and the computer systems of other BrewDog BrewPubs. If we charge you for these fees, you shall pay the amount of such fees on the Payment Day in the same

manner as the payment of the Royalty. The first annual payment shall be due on the first Payment Day after your BrewPub has opened for business.

Further, you agree to pay to us, in the amount we periodically specify, a Social Media management fee (“Social Media Management Fees”) to operate and maintain the Social Media accounts for your BrewDog BrewPub location on your behalf. Currently, the Social Media Management Fee is an annual fee of \$250. You understand and agree we utilize a third party operating entity to operate and maintain the Social Media accounts for your BrewDog BrewPub location on your behalf, including any website, mobile application, or other online presence used to advertise, market, and promote BrewDog BrewPubs and other related products and services. You shall pay the amount of such fees on the Payment Day in the same manner as the payment of the Royalty. The first annual payment shall be due on the first Payment Day after your BrewPub has opened for business.

5.D. Automatic Debit. You must sign and deliver to us the documents we periodically require to authorize us to debit your bank account automatically for the Royalty Fee and Marketing Fund (defined in Section 7.B) contribution (if established and applicable), and other amounts due under this Agreement or any related agreement between us (or our affiliates) and you. You agree to make the funds available for withdrawal by electronic transfer before each due date. If you fail to report the BrewPub’s Total Monthly Receipts, we may debit your account for one hundred twenty-five percent (125%) of the last Royalty Fee and Marketing Fund contribution (if applicable) that we debited. If the amounts that we debit from your account are less than the amounts you actually owe us (once we have determined the BrewPub’s actual Total Monthly Receipts), we will debit your account for the balance, plus interest due under Section 5.F, on the day we specify. If the amounts that we debit from your account are greater than the amounts you actually owe us (once we have determined the BrewPub’s actual Total Monthly Receipts), we will credit the excess (without interest) against the amounts we otherwise would debit from your account during the following month(s). We may periodically change the mechanism for your payments of Royalties and Marketing Fund contributions (if applicable) and other amounts you owe to us and our affiliates under this Agreement or any related agreement, including collecting these amounts from your billing services provider. You agree to reimburse us for any “insufficient funds” charges and related expenses that we incur in connection with your failure to maintain sufficient funds in your automatic debit account.

5.E. Interest on Late Payments. All amounts which you owe us, if not paid (or made available for withdrawal from your bank account if we are then collecting those amounts by automatic debit) by the due date, will bear interest beginning on their due date at one-half percent (.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. In addition, you shall pay us a One Hundred Dollar (\$100) administrative fee for each payment which you do not make to us when due (or for each dishonored payment) to cover the increased costs and expenses we will incur as a result of your failure to pay the amounts when due. We may debit your account automatically for these amounts. You acknowledge that this Section 5.E is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the BrewPub. Your failure to pay all amounts that you owe us when due constitutes grounds for our terminating this Agreement under Section 15, notwithstanding this Section 5.E.

5.F. Taxes on Your Payments. In addition to any sales, use, excise, privilege or other transaction taxes that applicable law requires or permits us to collect from you for the sale, lease or other provision of goods or services under this Agreement, you shall pay us an amount equal to all federal, state, local or foreign (1) sales, use, excise, privilege, occupation or any other transactional taxes, and (2) other taxes or similar exactions, no matter how designated, that are imposed on us or that we are required to withhold in connection with the receipt or accrual of Royalties or any other amounts payable by you to us under this Agreement, excluding only taxes imposed on us for the privilege of conducting business and calculated with respect to our net income, capital, net worth, gross receipts, or some other basis or combination thereof, but not excluding any gross receipts taxes imposed on us or our affiliates for your payments intended to reimburse us or our affiliates for expenditures incurred for your benefit and on your behalf. You shall make any additional required payment pursuant to this Section in an amount necessary to provide us with after-tax receipts (taking into account any additional payments required hereunder) equal to the same amounts that we would have received under this Agreement if such additional tax liability or withholding had not been imposed or required.

6. Business Operation and System Standards.

6.A. Condition and Appearance of BrewPub. You agree that you will not use the BrewPub or any part of the Site (including any parking area and any adjacent location with a common entrance) for any purpose other than operating a BrewDog BrewPub in compliance with this Agreement and offering the products and services that we periodically specify. You must place or display at the Site (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos and display and advertising materials that we periodically require or authorize during the Term. You further agree to maintain the condition and appearance of your BrewPub, its Operating Assets and the Site (including any parking area) in accordance with our System Standards. Without limiting that obligation, you agree to take, without limitation, the following actions during the Term at your expense: (1) thorough cleaning, repainting and redecorating of the interior and exterior of the Site at intervals that we may periodically designate and at our direction; (2) interior and exterior repair of the Site as needed; and (3) repair or replacement, at our direction, of damaged, worn-out or obsolete Operating Assets at intervals that we may periodically specify (or, if we do not specify an interval for replacing any Operating Asset, as that Operating Asset needs to be repaired or replaced).

In addition to your obligations described above, we may from time to time, but not more than once every five (5) years during the Term (after the BrewPub's opening), require you to substantially alter the BrewPub's and the Site's appearance, branding, layout and/or design, and/or replace a material portion of your Operating Assets, in order to meet our then current requirements, standards and branding which are being used or implemented at the corporate-owned and/or managed BrewDog BrewPubs. You acknowledge that this obligation could result in your making extensive structural changes to, and significantly remodeling and renovating, the BrewPub, and/or in your spending substantial amounts for new Operating Assets, and you agree to incur, without limitation, any capital expenditures required in order to comply with this obligation and our requirements (even if those expenditures cannot be amortized over the remaining Term). Within sixty (60) days after receiving written notice from us, you must have plans prepared according to the standards and specifications we prescribe and, if we require, using architects and contractors we designate or approve, and you must submit those plans to us for our approval. You must

complete all work according to the plans we approve within the time period that we reasonably specify. However, nothing in this paragraph in any way limits your obligation to comply with all mandatory System Standards we periodically specify.

6.B. Products and Services Your BrewPub Offers. You agree that: (1) you will offer at the BrewPub all proprietary craft beers that we identify from time to time, as well as all other food and beverage products and services that we periodically specify as being mandatory, including the craft beer you brew on site (“**BrewDog Products**”) and the BrewDog Products will make up no less than seventy percent (70%) of the beer offered for sale at the BrewPub at any time (to the extent allowed under applicable law), (2) you will manufacture and offer for sale at the BrewPub such BrewDog Products according to the specifications, quality and consistency standards, and in such quantities as we authorize from time to time and as needed to maintain a brewery/brew pub license; (3) you will not offer, sell, provide or otherwise distribute at the BrewPub, the Site or any other location any products or services we have not authorized; (4) you will use only the methods of preparation that we then specify or approve, and will offer the BrewDog Products only in the manner we periodically specify; (5) you will offer, only within your Territory, off-premises delivery of products authorized by us by either using your own delivery vehicles or authorized third-party delivery services prescribed by us; (6) you will offer branded merchandise for resale at your BrewPub that you purchase from us and we will fulfill orders for such inventory of branded merchandise; (7) you will not offer, sell or otherwise provide any BrewDog Products or any other products either at wholesale or from locations or through channels other than the BrewPub, unless we authorize you in writing to do so; and (8) you will discontinue selling and offering any products or services that we at any time disapprove in writing, or which we notify you are not to our standards or specifications.

6.C. Approved Products, Distributors and Suppliers. We reserve the right to periodically designate and approve standards, specifications, suppliers and/or distributors of the Operating Assets, the BrewDog Products and other products and services that we periodically authorize for use at or sale by the BrewPub. During the Term you must purchase or lease all Operating Assets, the BrewDog Products and other products and services for the BrewPub only according to our System Standards and, if we require, only from suppliers or distributors that we designate or approve (which may include or be limited to us or our affiliates). You must offer at the BrewPub all proprietary craft beers that we identify from time to time, as well as all other food and beverage products and services that we periodically specify as being mandatory and the BrewDog Products will make up no less than seventy percent (70%) of the beers offered for sale at the BrewPub at any time (to the extent allowed under applicable law). All remaining craft beers offered or sold by the BrewDog BrewPub must be independent craft brands. If required by applicable law, you must purchase all beer and alcohol products (including BrewDog Products) from one or more distributors, rather than directly from the producer of such products. You will also be required to brew your own beer in such quantity as required by state and local law and in accordance with our System Standards and other written specifications and standards. We and/or our affiliates may derive revenue based on your purchases and leases, including from charging you for products and services we or our affiliates provide to you and from promotional allowances, volume discounts and other payments made to us by suppliers and/or distributors that we designate or approve for some or all of our franchisees. We and our affiliates may use all amounts received from suppliers and/or distributors, whether or not based on your or other franchisees’ actual or prospective dealings with them, without restriction for any purposes we or our affiliates deem appropriate.

If you want to use any Operating Assets, BrewDog Products or other products or services for or at the BrewPub that we have not yet evaluated, or purchase or lease any Operating Assets or other products or services from a supplier or distributor that we have not yet approved (for Operating Assets or other products and services that we require you to purchase only from designated or approved suppliers or distributors), you first must submit sufficient information, specifications and samples for us to determine whether the product or service complies with our standards and specifications and/or the supplier or distributor meets our criteria. We shall have the right to test all BrewDog Products brewed by you in advance of your sale of any such BrewDog Products. We may condition our approval of the sale of any BrewDog Products brewed by you or our approval of any supplier or distributor on requirements relating to product quality, prices, consistency, warranty, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) and/or other criteria. We have the right to inspect the proposed supplier's or distributor's facilities and to require the proposed supplier or distributor to deliver product or other samples, at our option, either directly to us or to any independent laboratory that we designate for testing. When testing the BrewDog Products produced by you, we may require you to deliver product or other samples directly to us or to any independent laboratory that we designate for testing. Either you or the proposed supplier or distributor must pay us a fee (not to exceed the reasonable cost of the inspection and the actual cost of the test) to make the evaluation. We reserve the right periodically to re-inspect the facilities, products and services of any approved supplier or distributor and to revoke our approval of any supplier, distributor, product or service that does not continue to meet our criteria. Notwithstanding the foregoing, you agree that we may limit the number of approved suppliers with whom you may deal, designate sources that you must use, and/or refuse any of your requests for any reason, including if we have already designated an exclusive source (which might be our affiliate) for the applicable product or service or if we believe that doing so is in the best interests of the BrewDog BrewPub network.

6.D. Compliance with Laws and Good Business Practices. You must secure and maintain in force throughout the Term all required licenses (including all applicable, appropriate liquor licenses), permits and certificates relating to the BrewPub's operation and otherwise operate the BrewPub in full compliance with all applicable laws, ordinances and regulations, including all present and future laws, regulations, policies, lists and other requirements of any governmental authority addressing or relating to terrorism, terrorist acts or acts of war. You must operate as a brewpub with some element of brewing on-site and as prescribed by applicable law. Neither you nor any of your Owners may hold a retail alcohol license. You also must comply with all laws, regulations and industry standards concerning data privacy and/or collection, use and storage of Customer Information. The BrewPub must in all dealings with its customers, prospective customers, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which might injure our business or reputation or the goodwill associated with the Marks or other BrewDog BrewPubs. You must notify us in writing within five (5) days of: (1) the commencement of any action, suit or proceeding relating to the BrewPub; (2) the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality which might adversely affect your operation or financial condition or that of the BrewPub; (3) any notice of violation or alleged violation of any law, ordinance or regulation relating to the BrewPub; (4) any complaint or any notice of intention to revoke or oppose a renewal of any required license or permit required for the operation of the BrewPub; and (5) any happening of event or existence

of circumstances that may affect or put at risk from withdrawal, refusal, suspension or restriction, any of the licenses or permits required for operation of the BrewPub.

6.E. Insurance. During the Term you must maintain in force at your sole expense the insurance coverage for the BrewPub in the amounts, covering the risks, and containing only the exceptions and exclusions that we periodically specify. The current insurance requirements are attached as Exhibit E. All of your insurance carriers must be rated A or higher by A.M. Best and Company, Inc. (or such similar criteria as we periodically specify). These insurance policies must be in effect on or before the deadlines we specify. All coverage must be on an “occurrence” basis, except for the employment practices liability insurance coverage, which is on a “claims made” basis. All policies shall apply on a primary and non-contributory basis to any other insurance or self-insurance that we or our affiliates maintain. All coverage must provide for waiver of subrogation in favor of us and our affiliates. We may, upon at least sixty (60) days’ notice to you, periodically increase the amounts of coverage required and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. All insurance policies must name us and any affiliates we designate as an additional insured and provide for thirty (30) days’ prior written notice to us of a policy’s material modification or cancellation. You agree periodically to send us a valid certificate of insurance or duplicate insurance policy evidencing that you have maintained the required coverage and paid the applicable premiums. If you fail to obtain or maintain (or to prove that you have obtained or maintained) the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and the BrewPub on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance.

6.F. Intranet. We may establish a restricted website providing communications among us, our affiliates, you, other BrewDog BrewPub franchisees, and other persons and entities to whom we (in our judgment) periodically determine to give access (the “**Intranet**”). The Intranet may be part of the System Website and will provide the features, services and functionality that we periodically specify, which may include, at our option, online party scheduling. We may implement and periodically modify System Standards relating to the Intranet and, at our option, may discontinue the Intranet, or any services offered through the Intranet, at any time.

You agree to comply with the requirements that we periodically specify (whether set forth in the Operations Manual or otherwise) concerning connecting to the Intranet and using the Intranet in the operation of the BrewPub. We will own all intellectual property and other rights in the Intranet and all information it contains, including its domain name or URL, the log of “hits” by visitors, all Customer Information, whether that information is contained on your Computer System or our (or our designee’s) computer system.

6.G. Compliance With System Standards. You acknowledge and agree that operating and maintaining the BrewPub according to System Standards, as we may periodically modify and supplement them, are essential to preserve the goodwill of the Marks and all BrewDog BrewPubs. Therefore, you agree at all times to operate and maintain the BrewPub according to each and every System Standard, as we periodically modify and supplement them. System Standards may (except

as specifically set forth below) regulate any aspect of the BrewPub's development, operation and maintenance, including any one or more of the following:

(1) adequate staffing levels for the BrewPub to operate the BrewPub in compliance with System Standards, dress and appearance of BrewPub personnel, and practices and procedures for competent and courteous service to customers. However, you have sole responsibility and authority for your labor relations and employment practices, including, among other things, employee selection, promotion, termination, hours worked, rates of pay, benefits, work assigned, discipline, adjustments of grievances and complaints, and working conditions. BrewPub employees are under your control at the BrewPub. You must communicate clearly with BrewPub employees in your employment agreements, human resource manuals, written and electronic correspondence, paychecks, and other materials that you (and only you) are their employer and that we, as the franchisor of BrewDog BrewPubs, are not their employer and do not engage in any employer-type activities (including those described above) for which only franchisees are responsible;

(2) operation as a brewpub with some element of brewing on-site as prescribed by applicable law;

(3) collection and use of Customer Information;

(4) participation in and requirements for sales, promotional, public relations, advertising and/or marketing programs and materials and media used in these programs;

(5) the Design Standards and design and appearance of the BrewPub and its Operating Assets, including the BrewPub's branding and cleanliness and the placement, maintenance, repair and replacement of equipment;

(6) minimum and required standards and specifications for the BrewDog Products and products, equipment, materials, supplies and services that your BrewPub uses and/or sells;

(7) minimum and required standards and specifications for the BrewDog craft beer brewed on Site at your BrewPub;

(8) participation in and requirements for group purchasing programs for certain Operating Assets and/or the BrewDog Products and other products and services that BrewDog BrewPubs use or sell;

(9) issuing and honoring all Equity for Punks ("EFP") discounts, gift certificates, gift cards, coupons and similar items and participating in other promotions, including any customer loyalty programs and similar programs for customers of BrewDog BrewPubs, as permitted by applicable law;

(10) standards, requirements and procedures for training your BrewPub's supervisory personnel;

(11) standards and procedures for the Intranet;

(12) maximum, minimum or other pricing requirements for BrewDog Products, and other products and services that the BrewPub offers, including requirements for promotions, special offers and discounts in which some or all BrewDog BrewPubs participate, in each case to the maximum extent the law allows;

(13) days and hours of operation (which may vary among BrewDog BrewPubs);

(14) participation in market research and test programs that we periodically require or approve concerning various aspects of the Franchise System, including new or updated procedures, systems, equipment, signs, trade dress, supplies, marketing materials and strategies, merchandising strategies, products, and services;

(15) standards and procedures for your and your employees' and other representatives' authorization to use, and use of, blogs, common social networks like Facebook, professional networks like Linked-In, live-blogging tools like Twitter, virtual worlds, Tik Tok, file, audio and video sharing sites like Pinterest and Instagram, and other similar social networking or media sites or tools (collectively, "**Social Media**"), including our Social Media policies as may be modified from time to time that in any way reference the Marks or involve your BrewPub;

(16) use and display of the Marks and required signage and postings at the BrewPub, including notices of independent ownership on signs, employee handbooks and other materials;

(17) accepting credit and debit cards, other payment systems and check verification services;

(18) bookkeeping, accounting, data processing and recordkeeping systems and forms, including document retention requirements;

(19) any other aspects of developing, operating and maintaining the BrewPub that we determine to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and BrewDog BrewPubs; and

(20) restrictions on your ability to offer BrewDog products outside of the BrewPub premises and restrictions on your ability to offer delivery of food and beverage products, including BrewDog Products, including using third party delivery services or through the use of aggregated platforms, without our prior written consent.

You acknowledge that our periodic modification of our System Standards (including to accommodate changes to the Marks), which may accommodate regional and/or local variations, may obligate you to invest additional capital in the BrewPub and incur higher operating costs, and you agree to comply with those obligations within the time period we specify. Although we retain the right to establish and periodically modify the Franchise System and System Standards that you have agreed to follow, you retain the responsibility for the day-to-day management and operation of the BrewPub and implementing and maintaining System Standards at the BrewPub.

We and you agree that any materials, guidance or assistance that we provide with respect to the terms and conditions of employment for your employees, employee hiring, firing and discipline, and similar employment-related policies or procedures, whether in the Operations Manual or otherwise, are solely for your optional use. Those materials, guidance and assistance do not form part of the mandatory System Standards. You will determine to what extent, if any, these materials, guidance or assistance should apply to the BrewPub's employees. You acknowledge that we do not dictate or control labor or employment matters for franchisees and their employees and will not be responsible for the safety and security of BrewPub employees or customers. You are solely responsible for determining the terms and conditions of employment for all BrewPub employees, for all decisions concerning the hiring, firing and discipline of BrewPub employees, and for all other aspects of the BrewPub's labor relations and employment practices.

6.H. Variance. We reserve the right to vary the Franchise System and/or System Standards for any BrewDog BrewPub or group of BrewDog BrewPubs based upon the peculiarities of any conditions or factors that we consider important to its operations. You have no right to require us to grant you a similar variation or accommodation.

7. Marketing.

7.A. Grand Opening Marketing Program. You agree, at your expense, to implement a grand opening marketing program for the BrewPub in accordance with the requirements in the Operations Manual and other System Standards that contemplates your spending a minimum of Ten Thousand Dollars (\$10,000) on the initial promotion of the BrewPub. We expect this program to begin approximately six (6) to eight (8) weeks before and to continue for approximately two (2) weeks after the BrewPub opens. We will consult with you about the type of grand opening program we believe is most suitable for your BrewPub. You must make the changes to the program that we specify and execute the program as we have approved it.

7.B. Marketing Fund. We do not currently have an established fund for advertising, marketing, research and development, public relations, Social Media management, and customer relationship management programs and materials, the purpose of which would be to enhance, promote, and protect the BREWDOG brand and Franchise System ("**Marketing Fund**"), but we reserve the right to establish a Marketing Fund in the future. If we establish such a Marketing Fund, you agree to contribute to the Marketing Fund the amounts we periodically specify, not to exceed three percent (3%) of the BrewPub's Total Monthly Receipts. Once established, you agree to contribute to the Marketing Fund each month in the required contribution amounts that we periodically specify, via electronic funds transfer or another payment method we specify and together with each payment of the Royalty. BrewDog BrewPubs that we or our affiliates own will contribute to the Marketing Fund on the same basis as franchisees if it is established.

If established, we will designate and direct all programs that the Marketing Fund finances, with sole control over the creative and business concepts, materials and endorsements used and their geographic, market and media placement and allocation. The Marketing Fund may pay for any advertising, promotion, marketing and brand-related activities, including preparing, producing and placing video, audio and written materials, electronic media and Social Media; developing, maintaining and administering one or more System Websites and/or the Intranet, including online

sales and scheduling capabilities, mobile applications, lead management and customer retention programs; administering national, regional, multi-regional and local marketing, advertising, promotional, social responsibility and customer relationship management programs, including purchasing trade journal, direct mail, Internet and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public and customer relations, market research, and other advertising, promotion, marketing and brand-related activities. The Marketing Fund also may reimburse BrewDog BrewPub operators (including us and/or our affiliates) for expenditures consistent with the Marketing Fund's purposes that we periodically specify.

If established, we will account for the Marketing Fund separately from our other funds and not use the Marketing Fund to pay any of our general operating expenses, except to compensate us and our affiliates for the reasonable salaries, administrative costs, travel expenses, overhead and other costs we and they incur in connection with activities performed for the Marketing Fund and its programs, including conducting market research, preparing advertising, promotion and marketing materials, implementing social responsibility initiatives, maintaining and administering the System Website, on-line costs associated with the Marketing Fund, costs associated with collecting and accounting for Marketing Fund contributions, and paying taxes on contributions. The Marketing Fund will not be a trust, and we will not owe you fiduciary obligations because we may maintain, direct or administer the Marketing Fund or for any other reason. If established, the Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Marketing Fund contributions to pay costs before using the Marketing Fund's other assets. We will prepare an annual, unaudited statement of Marketing Fund collections and expenses and give you the statement upon written request. We may incorporate the Marketing Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section 7.B.

If established, our intent would be for the Marketing Fund to maximize recognition of the Marks and patronage of BrewDog BrewPubs. Although we will try to use the Marketing Fund to develop and/or implement advertising and marketing materials and programs and for other uses (consistent with this Section 7.B) that will benefit all contributing BrewDog BrewPubs, we need not ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Marketing Fund contributions from BrewDog BrewPubs operating in that geographic area, or that any BrewDog BrewPub benefits directly or in proportion to the Marketing Fund contributions that it makes. We have the right, but no obligation, to use collection agents and institute legal proceedings at the Marketing Fund's expense to collect Marketing Fund contributions. We also may forgive, waive, settle and compromise all claims by or against the Marketing Fund. Except as expressly provided in this Section 7.B, we assume no direct or indirect liability or obligation to you for maintaining, directing or administering the Marketing Fund, we so establish such Marketing Fund.

If established, we may at any time defer or reduce a BrewDog BrewPub operator's contributions to the Marketing Fund and, upon at least thirty (30) days' written notice to you, reduce or suspend Marketing Fund contributions and/or operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If we terminate the

Marketing Fund after it has been established, we will (at our option) either spend the remaining Marketing Fund assets in accordance with this Section 7.B or distribute the unspent assets to BrewDog BrewPub operators (including us and our affiliates, if applicable) then contributing to the Marketing Fund in proportion to their contributions during the preceding twelve (12)-month period.

7.C. Local Marketing. You agree to spend no less than one and one-half percent (1.5%) of annual Total Monthly Receipts of the BrewPub on approved marketing materials and advertising, marketing and promotional programs for the BrewPub (collectively, “**Local Marketing**”). You must ensure that all Local Marketing is completely clear, factual and not misleading, complies with all applicable laws and regulations, and conforms to the highest ethical standards and the advertising and marketing policies that we periodically specify and conform to all federal and state alcohol regulations. Before using them, you agree to send to us, for our approval, descriptions and samples of all proposed Local Marketing that we have not prepared or previously approved. If you do not receive written notice of approval from us within thirty (30) days after we receive the materials, they are deemed disapproved. We will not unreasonably withhold our approval. You may not conduct or use any Local Marketing that we have not approved or have disapproved. At our option, you must contract with one or more suppliers that we designate or approve to develop and/or implement Local Marketing. We reserve the right upon fifteen (15) days’ written notice to require you to discontinue the use of any previously-approved Local Marketing. We assume no liability to you or any other party due to our specifying any programs or our approval or disapproval of any Local Marketing. If we require you to make contributions to the Marketing Fund, the amounts paid to the Marketing Fund can be deducted from your Local Marketing requirements.

7.D. System Websites. We or one or more of our designees may establish a website or series of websites or similar technologies, including mobile applications and other technological advances that perform functions similar to those performed on traditional websites, for the BrewDog BrewPub network to advertise, market and promote BrewDog BrewPubs and the products and services they offer, and the BrewDog BrewPub franchise opportunity; to function as the Intranet and/or otherwise facilitate the operations of BrewDog BrewPubs (including, at our option, online party scheduling); and/or for any other purposes that we determine are appropriate for BrewDog BrewPubs (those websites, applications other technological advances are collectively called the “**System Website**”). You may not operate any Social Media on behalf of your BrewDog BrewPub. You understand and agree we utilize a third party to operate and maintain the Social Media accounts for your BrewDog BrewPub location on your behalf, including any website, mobile application, or other online presence used to advertise, market, and promote BrewDog BrewPubs and other related products and services. If we include information about the BrewPub on the System Website, then you agree to give us the information and materials that we periodically request concerning the BrewPub and its customers, and otherwise participate in the System Website in the manner that we periodically specify. We have the final decision concerning all information and functionality that appears on the System Website and will update or modify the System Website according to a schedule that we periodically determine. By posting or submitting to us information or materials for the System Website, you are representing to us that the information and materials are accurate and not misleading and do not infringe any third party’s rights. You must notify us whenever any information about you or your BrewPub on the System Website changes or is not accurate.

We own all intellectual property and other rights in the System Website and all information it contains, including the domain name or URL for the System Website and all subsidiary websites, the log of “hits” by visitors, and any personal or business data that visitors (including you, your personnel and your customers) supply. We may, if established, use the Marketing Fund’s assets and your Marketing Fund contributions to develop, maintain, support and update the System Website. We may implement and periodically modify System Standards relating to the System Website and, at our option, may discontinue all or any part of the System Website, or any services offered through the System Website, at any time.

All Local Marketing that you develop for the BrewPub must contain notices of the System Website in the manner that we periodically designate. Except for using Social Media according to our System Standards and Social Media policies, you may not develop, maintain or authorize any other website, other online presence or other electronic medium (such as mobile applications, kiosks and other interactive properties or technology-based programs) that mentions or describes you or the BrewPub or displays any of the Marks without our prior written approval. Except for the System Website and using Social Media according to our System Standards, you may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet or using any other technology-based program without our approval.

Nothing in this Section 7.D shall limit our right to maintain websites and technologies other than the System Website or to offer and sell products or services under the Marks from the System Website, another website or technology, or otherwise over the Internet (including to your BrewPub’s customers and prospective customers) without payment or obligation of any kind to you.

7.E. Advertising Cooperatives. We have the right to designate local advertising markets and if designated, you must participate in and contribute to the cooperative advertising and marketing programs in your designated local advertising market. If established, you must contribute to the advertising cooperative the amount designated by the cooperative, but such contribution amount shall not exceed one percent (1%) of your Total Monthly Receipts. If established, each BrewDog BrewPub, including those operated by us or our affiliates within a designated local advertising area, will be a member of the local advertising cooperative and each business has one vote on all matters requiring a vote. Each advertising cooperative will be required to adopt governing documents that meet our approval. You must obtain our written approval of all promotional and advertising materials, creative execution and media schedules prior to their implementation. We have the right to require advertising cooperatives to be formed, changed, dissolved or merged.

8. Records, Reports and Financial Statements.

You agree to establish and maintain at your own expense a bookkeeping, accounting and recordkeeping system conforming to the requirements and formats that we periodically specify. We may require you to maintain certain sales and expense data, financial statements, Customer Information and other information, in the formats that we periodically specify, and to transmit that data and information (other than employee-related information) to us on a schedule that we periodically specify.

You also agree to give us in the manner and format that we periodically specify:

- (a) weekly reports of the BrewPub's Total Monthly Receipts, discounts, and transaction counts;
- (b) within five (5) days after the end of each month, the BrewPub's operating statements and financial statements (including a balance sheet and cash flow and profit and loss statements) as of the end of that month);
- (c) within ninety (90) days after the end of each of your fiscal years, annual profit and loss and source and use of funds statements and a balance sheet for the BrewPub as of the end of the previous fiscal year; and
- (d) within thirty (30) days after our request, exact copies of federal and state income and other tax returns and any other forms, records, books, reports and other information that we periodically require relating to the BrewPub or you.

You agree to certify or validate each report and financial statement in the manner that we periodically specify. We may disclose data derived from these reports, including by creating and circulating reports on the financial results of the BrewPub and/or some or all other BrewDog BrewPubs to other BrewDog BrewPub owners and prospective franchisees. You agree that we may, as often as we deem appropriate (including on a daily basis), access the Computer System and retrieve all information relating to the BrewPub's sales and operation.

You agree to preserve and maintain all records, in the manner we periodically specify, in a safe location at the BrewPub or at such other location that we have approved in writing for at least seven (7) years after the end of the fiscal year to which such records relate, or for such time as required by applicable law. If we determine that you have failed to comply with your reporting or payment obligations under this Agreement, including by submitting any false or materially inaccurate reports, we may require you to have audited financial statements prepared annually by a certified public accountant at your expense during the remaining Term, in addition to our other remedies and rights under the Agreement and applicable law.

9. Inspections, Evaluations and Audits.

9.A. Inspections and Evaluations. To determine whether you and the BrewPub are complying with this Agreement and all System Standards, we and our designated agents and representatives may at all times, and without prior notice to you: (1) inspect the BrewPub; (2) examine and copy the BrewPub's business, bookkeeping and accounting records, tax records and returns, and other records and documents; (3) observe, photograph, videotape or otherwise monitor and/or evaluate (or have you or a third party observe, photograph, videotape or otherwise monitor and/or evaluate), whether on-premises or remotely, the BrewPub's operation, including both disclosed and undisclosed or so-called "mystery shopping" evaluations, for consecutive or intermittent periods we deem necessary; (4) insure that the BrewPub is in full compliance with all food and beverage safety and operational standards; (5) inspect, audit and insure that the beer brewed on site at your BrewPub is in full compliance with our Systems Standards and standards of quality; and (6) discuss matters with the BrewPub's personnel, customers and prospective customers. You agree to cooperate with us and our designated agents and representatives fully. If

we exercise any of these rights, we will use commercially reasonable efforts not to interfere unreasonably with the BrewPub's operation. You agree that your failure to satisfy our System Standards in any quality assurance inspection or evaluation we conduct with respect to the BrewPub is a default under this Agreement. Without limiting our other rights and remedies under this Agreement, you agree promptly to correct at your own expense all failures to comply with this Agreement (including any System Standards) that our inspectors note within the time period we specify following your receipt of our notice, which might include your personnel's completing additional training at your expense. We then may conduct one or more follow-up inspections to confirm that you have corrected these deficiencies and otherwise are complying with this Agreement and all System Standards. We may charge you an inspection fee to compensate us for our costs and expenses during any such follow-up inspection or evaluation, or any inspection or evaluation you request. You also agree to present to your customers the evaluation forms and similar materials that we periodically specify and to participate and/or request that your customers participate in any surveys performed by or for us. In the event beer brewed on site at your BrewPub fails our quality inspections, as determined in our sole discretion, and conveyed to you in writing, you acknowledge and agree that all quantities of such subpar quality beer shall be disposed of and shall not be served at your BrewPub, without any compensation to you for such loss of beer inventory.

9.B. Audits. We may at any time during your business hours, and without prior notice to you, examine the BrewPub's business, bookkeeping and accounting records, tax records and returns, and other records. You agree to fully cooperate with our representatives and/or any independent accountants we hire to conduct any such inspection or audit. If any inspection or audit discloses an understatement of the BrewPub's Total Monthly Receipts, you must pay us, within fifteen (15) days after receiving the inspection or audit report, the Royalties, Marketing Fund contributions (if applicable) and any other amounts due on the amount of the understatement, plus interest and administrative fees (in the amount described in Section 5.D) from the date originally due until the date of payment. We will conduct at least one audit of the BrewPub's business, bookkeeping and accounting records, tax records and returns, and other records per year and you agree to reimburse us for the cost of our examination, including legal fees and independent accountants' fees, plus the travel expenses, room and board, and compensation of our employees and representatives. In addition, if we reasonably determine that an inspection or audit is necessary due to your failure to furnish reports, supporting records or other information as required, or to furnish these items on a timely basis, or if our examination reveals a Royalty or Marketing Fund contribution (if applicable) understatement exceeding two percent (2%) of the amount that you actually reported to us for the period examined, you agree to reimburse us for the cost of our examination, including legal fees and independent accountants' fees, plus the travel expenses, room and board, and compensation of our employees and representatives. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

10. Marks.

10.A. Ownership and Goodwill of Marks. Your right to use the Marks is derived only from this Agreement and is limited to your operating the BrewPub according to this Agreement and all System Standards we implement during the Term. Your unauthorized use of the Marks is a breach of this Agreement and infringes our and our licensor's rights in the Marks. Your use of the Marks and any goodwill established by that use are for our and our licensor's exclusive benefit,

and this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the BrewPub under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional and substitute trademarks and service marks that we periodically authorize you to use. You may not at any time during or after the Term contest or assist any other person or Entity in contesting the validity, or our and our licensor's ownership, of the Marks.

10.B. Limitations on Your Use of Marks. You agree to use the Marks as the BrewPub's sole identification, subject to the notices of independent ownership that we periodically designate. You may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any domain name, electronic address, metatag or otherwise in connection with any website or other electronic medium without our consent, or (5) in any other manner we have not expressly authorized in writing. Neither you nor your Owners may use any Mark in advertising the transfer, sale or other disposition of the BrewPub or any direct or indirect Ownership Interest in you without our prior written consent, which we will not unreasonably withhold. You may not manufacture, use, sell, or distribute, or contract with any party other than our or our affiliate's authorized licensees to manufacture, use, sell, or distribute, any products, merchandise, or equipment bearing any of the Marks or otherwise incorporating any of our intellectual property rights. You agree to display the Marks prominently as we periodically specify at the BrewPub and on forms, advertising, supplies, vehicles, employee uniforms and other materials we designate. You agree to give the notices of trademark and service mark registrations that we periodically specify and to obtain any fictitious or assumed name registrations required under applicable law.

10.C. Notification of Infringements and Claims. You agree to notify us immediately of any actual or apparent infringement of or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us, our licensor, and our and our licensor's attorneys, and your attorneys, regarding any infringement, challenge or claim. We or our licensor may take the action that we or it deems appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding or other proceeding arising from any infringement, challenge or claim or otherwise concerning any Mark. You agree to sign any documents and take any reasonable actions that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our and our licensor's interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our and our licensor's interests in the Marks. At our option, we or our licensor may defend and control the defense of any litigation or proceeding relating to any Mark.

10.D. Discontinuance of Use of Marks. If we believe at any time that it is advisable for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your expenses in complying with these directions (such as costs you incur in changing the BrewPub's signs or replacing supplies), for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark. Our rights in this Section apply

to any and all of the Marks (and any portion of any Mark) that this Agreement authorizes you to use.

11. Confidential Information, Customer Information and Innovations.

11.A. Confidential Information. We and our affiliates possess (and will continue to develop and acquire) certain confidential information relating to the development and operation of BrewDog BrewPubs, some of which constitutes trade secrets under applicable law (the “**Confidential Information**”), including:

- (1) site selection criteria and methodologies;
- (2) the Design Standards and any other information concerning the design, layout and construction of BrewDog BrewPubs, including any sample plans that we provide;
- (3) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating BrewDog BrewPubs, as well as other information in the Operations Manual and System Standards;
- (4) ingredients, recipes, and methods of brewing, preparation and presentation of the BrewDog Products and any other authorized food or beverage products, including but not limited to, beer recipes, brewing standards or new beer recipes and changes in brewing standards or modifications or improvements thereto;
- (5) marketing research and promotional, marketing, advertising, public relations, customer relationship management and other brand-related materials and programs for BrewDog BrewPubs;
- (6) knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets, BrewDog Products and other products that BrewDog BrewPubs use and/or sell;
- (7) knowledge of the operating results and financial performance of BrewDog BrewPubs other than the BrewPub;
- (8) any computer software or similar technology which is proprietary to us or the Franchise System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, such software or similar e;
- (9) customer communication and retention programs, along with data used or generated in connection with those programs, including Customer Information;
- (10) graphic designs and related intellectual property; and
- (11) any other information we reasonably designate from time to time as confidential or proprietary.

You acknowledge and agree that by entering into this Agreement and/or acquiring the BrewPub you will not acquire any interest in Confidential Information, other than the right to use certain Confidential Information that we periodically designate in operating the BrewPub during the Term and according to the System Standards and this Agreement's other terms and conditions, and that your use of any Confidential Information in any other business would constitute an unfair method of competition with us and our franchisees. We and our affiliates own all right, title and interest in and to the Confidential Information. You further acknowledge and agree that the Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you and your Owners agree, and you and they do agree, that you and your Owners:

- (a) will not use any Confidential Information in any other business or capacity, whether during or after the Term;
- (b) will keep the Confidential Information absolutely confidential, both during the Term and thereafter for as long as the information is not in the public domain;
- (c) will not make unauthorized copies of any Confidential Information disclosed in written or other tangible or intangible form;
- (d) will adopt and implement all reasonable procedures that we periodically designate to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure to BrewPub personnel and others needing to know such Confidential Information to operate the BrewPub, and using confidentiality and non-competition agreements with those having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third party beneficiary of that agreement with independent enforcement rights; and
- (e) will not sell, trade or otherwise profit in any way from the Confidential Information, except during the Term using methods we approve.

“Confidential Information” does not include information, knowledge or know-how that is or becomes generally known in the food service industry (without violating an obligation to us or our affiliates) or that you knew from previous business experience before we provided it to you (directly or indirectly) or before you began training or operating the BrewPub. If we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that the exclusion in this paragraph is fulfilled.

11.B. Customer Information. You must comply with our System Standards, other directions from us, prevailing industry standards, all contracts to which you are a party or otherwise bound, and all applicable laws and regulations regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of Customer Information on your Computer System or otherwise in your possession or control and, in any event, employ reasonable means to safeguard the confidentiality and security of Customer Information. “**Customer Information**” means names, ages, contact information, financial information, and other personal information of or relating to the BrewPub's customers and prospective customers. If there is a suspected or actual breach of security or unauthorized

access involving your Customer Information, you must notify us immediately after becoming aware of such actual or suspected occurrence and specify the extent to which Customer Information was compromised or disclosed.

We and our affiliates may, through the Computer System or otherwise, have access to Customer Information. During and after the Term, we and our affiliates may make any and all disclosures and use the Customer Information in our and their business activities and in any manner that we or they deem necessary or appropriate. You must secure from your vendors, customers, prospective customers and others all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit the Customer Information to us and our affiliates and for us and our affiliates to use that Customer Information in the manner that this Agreement contemplates.

11.C. Innovations. You must promptly disclose to us all ideas, concepts, techniques, including but not limited to, new beer recipes or changes in brewing standards or modifications or improvements thereto, or materials relating to a BrewDog BrewPub (collectively, “**Innovations**”), whether or not protectable intellectual property and whether created by or for you or your Owners, employees or contractors. For the avoidance of doubt, you acknowledge and agree that any and all beers brewed by you, your employees, agents and/or independent contractors at your BrewDog BrewPub shall be Innovations and will be the intellectual property of ours. All such Innovations will be deemed to be our sole and exclusive property, part of the Franchise System, and works made-for-hire for us. To the extent any Innovation does not qualify as a work made-for-hire for us, by this paragraph you assign ownership of that Innovation, and all related rights to that Innovation, to us and agree to sign (and to cause your Owners, employees and contractors to sign) whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation. We and our affiliates have no obligation to make any payments to you or any other person with respect to any Innovations. You may not use any Innovation in operating the BrewPub or otherwise without our prior approval. All new, modified or improved beer recipes created by you shall inure to our benefit and we shall own all intellectual property rights in and to such beer recipes.

12. Exclusive Relationship.

You acknowledge that we have granted you the rights under this Agreement in consideration of and reliance upon your and your Owners’ agreement to deal exclusively with us in connection with operation of a BrewPub. You therefore agree that, during the Term, neither you nor any of your Owners, directors or officers, nor any members of your or their Immediate Families (defined below), will:

- (a) have any direct or indirect, controlling or non-controlling Ownership Interest – whether of record, beneficial or otherwise – in a Competitive Business (defined below), wherever located or operating, provided that this restriction will not apply to the ownership of shares of a class of securities which are publicly traded on a United States stock exchange representing less than one percent (1%) of the number of shares of that class of securities issued and outstanding;

(b) perform services as a director, officer, manager, employee, consultant, representative or agent for a Competitive Business, wherever located or operating;

(c) directly or indirectly loan any money or other thing of value to, or guarantee any other person's loan to, or lease any real or personal property to, any Competitive Business (whether directly or indirectly through any owner, director, officer, manager, employee or agent of any Competitive Business), wherever located or operating;

(d) divert or attempt to divert any actual or potential business or customer of the BrewPub to another Competitive Business;

(e) have any direct or indirect, controlling or non-controlling Ownership Interest in another alcohol beverage license issued by a governmental authority, whether within or outside the Territory, which would prevent you from operating the BrewPub or otherwise put your ability to operate the BrewPub in jeopardy; or

(e) engage in any other activity which might injure the goodwill associated with the Marks or the Franchise System.

The term “**Competitive Business**” means, other than a BrewDog BrewPub operated under a franchise agreement with us, any brewery, microbrewery or other retail or manufacturing business that makes beer or other malt liquor: (a) that derives at least thirty percent (30%) of its income from the sale of beer or other malt liquor it has brewed; or (b) that grants franchises or licenses or enters into similar arrangements for any of the types of businesses described in the foregoing clause (a). The term “**Immediate Family**” includes the named individual and his or her spouse. You agree to obtain similar covenants from the personnel we specify, including officers, directors, managers and other employees attending our training program or having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third party beneficiary of that agreement with independent enforcement rights.

13. Transfer.

13.A. Transfer by Us. You represent that you have not signed this Agreement in reliance on any direct or indirect owner's, officer's or employee's remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement between us and you (or any of your Owners or affiliates) without restriction. This Agreement and any other agreement will inure to the benefit of any transferee or other legal successor to our interest in it. After our assignment of this Agreement to a third party who expressly assumes our obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement. Such an assignment shall constitute a release of us and novation with respect to this Agreement, and the assignee shall be liable to you as if it had been an original party to this Agreement.

13.B. Transfer by You – Defined. You understand and acknowledge that the rights and duties this Agreement creates are personal to you (or, if you are an Entity, to your Owners) and that we have granted you the rights under this Agreement in reliance upon our perceptions of your (or your Owners') individual or collective character, skill, aptitude, attitude, business ability and financial capacity. Accordingly, neither a Control Transfer (defined below) nor a Non-Control

Transfer (defined below) may be consummated without our prior written approval and satisfying the applicable conditions of this Section 13, subject to our right of first refusal under Section 13.H. A transfer of the ownership, possession or control of the BrewPub or the Operating Assets may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect.

In this Agreement, a “**Control Transfer**” means any transfer (as defined below) of (a) this Agreement or any interest in this Agreement; (b) the BrewPub or all or substantially all of the Operating Assets; (c) any Controlling Ownership Interest (defined below) in you (if you are an Entity), whether directly or indirectly through a transfer of Ownership Interests in any Owner that is an Entity, and whether in one transaction or a series of related transactions, regardless of the time period over which these transactions take place; or (d) if you are a group of individuals, any transfer or other transaction the result of which is that the Principal Owner no longer continues to meet the requirements of Section 1.D(1). A “**Non-Control Transfer**” means any transfer (as defined below) of any non-Controlling Ownership Interest in you (if you are an Entity), whether directly or indirectly through a transfer of Ownership Interests in any Owner that is an Entity. References to a “**Controlling Ownership Interest**” in you mean any of the following: (i) twenty percent (20%) of your direct or indirect Ownership Interests; (ii) any transfer or other transaction the result of which is that a different Owner (or a different group of Owners) owning fifty percent (50%) or more of your direct or indirect Ownership Interest; (iii) an interest the acquisition of which grants the power (whether directly or indirectly) to direct or cause the direction of management and policies of you or the BrewPub to any individual or Entity, or group of individuals or Entities, that did not have that power before that acquisition; or (iv) any transfer or other transaction the result of which is that the Principal Owner no longer continues to meet the requirements of Section 1.D(2).

In this Agreement, the term “**transfer**,” whether or not capitalized, includes any voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition and includes the following events, whether they impact you (or your Owners) directly or indirectly:

- (1) transfer of record or beneficial ownership of any Ownership Interest or the right to receive all or a portion of your profits or losses or any capital appreciation relating to you or the BrewPub (whether directly or indirectly);
- (2) a merger, consolidation or exchange of Ownership Interests, or issuance of additional Ownership Interests or securities representing or potentially representing Ownership Interests, or a redemption of Ownership Interests;
- (3) any sale or exchange of voting interests or securities convertible to voting interests, or any management agreement or other arrangement granting the right to exercise or control the exercise of the voting rights of any Owner or to control your or the BrewPub’s operations or affairs or the rights or responsibilities of the Principal Owner;
- (4) transfer of a direct or indirect Ownership Interest or other interest in you, this Agreement, the Operating Assets, or the BrewPub in a divorce, insolvency or entity dissolution proceeding, or otherwise by operation of law;

(5) if you or one of your Owners dies, transfer of a direct or indirect Ownership Interest or other interest in you, this Agreement, the Operating Assets, or the BrewPub by will, declaration of or transfer in trust, or under the laws of intestate succession; or

(6) the grant of a mortgage, charge, pledge, collateral assignment, lien or security interest in any Ownership Interest or other interest in you, this Agreement, the BrewPub or the Operating Assets; foreclosure upon or attachment or seizure of the BrewPub or any of its Operating Assets; or your transfer, surrender or loss of the possession, control or management of all or any material portion of the BrewPub (or its operation) or you.

13.C. Conditions for Approval of Non-Control Transfer. Subject to Section 13.H, we will not unreasonably withhold our approval of a Non-Control Transfer if:

(1) you (or your affiliates) are then in full compliance with all of your obligations under this Agreement and all other agreements with us (or our affiliates);

(2) you provide us written notice of the proposed transfer and all information we reasonably request concerning the proposed transferee, its direct and indirect owners (if the proposed transferee is an Entity) and the transfer at least fifteen (15) days before its effective date;

(3) the proposed transferee and its direct and indirect owners (if the proposed transferee is an Entity) have no Ownership Interest in and do not perform services for a Competitive Business and meet our then applicable standards for non-controlling owners of BrewDog BrewPub franchisees;

(4) you and your Owners sign the form of agreement and related documents (including personal guarantees) that we then specify to reflect your new ownership structure and a general release, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective owners, officers, directors, employees, representatives, agents, successors and assigns;

(5) you pay us a transfer fee equal to Two Thousand Five Hundred Dollars (\$2,500); and

(6) beginning when the transfer closes, your transferring Owners agree to comply with Sections 16.B(2), 16.C and 16.D.

13.D. Conditions for Approval of Control Transfer. Subject to Section 13.H, we will not unreasonably withhold our approval of a Control Transfer if:

(1) you (or your affiliates) are then in full compliance with all of your obligations under this Agreement and all other agreements with us (or our affiliates);

(2) you provide us written notice of the proposed transfer and all information we reasonably request concerning the proposed transferee, its direct and indirect owners

(if the proposed transferee is an Entity) and the transfer at least forty-five (45) days before its effective date;

(3) the proposed transferee and its direct and indirect owners (if the proposed transferee is an Entity) have no Ownership Interest in and do not perform services for a Competitive Business, have sufficient business experience, aptitude and financial resources to operate the BrewPub, and otherwise meet our then applicable standards for BrewDog BrewPub franchisees;

(4) the transferee (or its direct or indirect owners) and its management personnel, if they are different from your management personnel, including any new Principal Owner, satisfactorily complete our then current initial training program and pay our then current training fees for any training we provide;

(5) you and your Owners (if the transfer is of a direct or indirect Controlling Ownership Interest), or the transferee and its direct and indirect owners (if the transfer is of this Agreement), sign our then current form of franchise agreement and related documents (including personal guaranties), any or all of the provisions of which may differ materially from any and all of those contained in this Agreement, and a general release, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective owners, officers, directors, employees, representatives, agents, successors and assigns;

(6) you or the transferee pays us a transfer fee to partially cover some of our costs and expenses incurred in evaluating the transferee and the transfer in an amount equal to fifty percent (50%) of the then-current Initial Franchise Fee;

(7) your landlord allows you to transfer the Lease or sublease the Site to the transferee or otherwise provides its consent to the Control Transfer, if required under the Lease;

(8) we have determined that the purchase price and payment terms will not adversely affect the operation of the BrewPub, and if you or your Owners finance any part of the purchase price, you and they agree that all obligations under promissory notes, agreements or security interests reserved in the BrewPub are subordinate to the transferee's obligation to pay all amounts due to us and our affiliates and otherwise to comply with this Agreement; and

(9) the transferee agrees to repair and/or replace the Operating Assets and upgrade the BrewPub in accordance with our then current requirements and specifications for new BrewDog BrewPubs within the time period that we specify following the effective date of the transfer;

(10) you and your transferring Owners (and members of your or your Owners' Immediate Families) will not for two (2) years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 16.D below; and

(11) beginning when the transfer closes, you (if the transfer is of this Agreement) and/or your transferring Owners agree to comply with Sections 16.B(2) and 16.C.

At our sole option, we may review all information regarding the BrewPub that you give the transferee and give the transferee copies of any reports that you have given us or we have made regarding the BrewPub. You acknowledge that we have legitimate reasons to evaluate the qualifications of potential transferees (and their direct and indirect owners) and the terms of the proposed transfer, and that our contact with potential transferees (and their direct and indirect owners) to protect our business interests will not constitute tortious, improper or unlawful conduct.

You acknowledge our current requirement that franchisees and their affiliates must continue to own and operate all of the BrewDog BrewPubs that they own in those BrewPub's market areas throughout the entire terms of their franchise agreements. We believe these requirements are important in order to (among other reasons) establish continuity and cooperation among the BrewDog BrewPubs in the market and protect the BrewDog® brand. Therefore, you and your Owners agree that if you, any of your Owners, or any affiliate seeks to enter into any transfer that would (if consummated) require our approval pursuant to this Section 13.D, regardless of the form of transaction, then we may condition our approval of that transfer (in addition to any other conditions set forth in this Agreement) on the simultaneous transfer to that transferee of other rights, interests, obligations, assets, and/or Ownership Interests such that, following such transfer, you (or your affiliate) or the transferee (or its affiliate) owns and operates all of the BrewDog BrewPubs that you or your affiliates owned and operated in the BrewPub's market area before the transfer.

13.E. Transfer to a Wholly-Owned Entity. Despite Section 13.D, if you are in full compliance with this Agreement, then upon at least fifteen (15) days' prior written notice to us, you may transfer this Agreement, together with the Operating Assets and all other assets associated with the BrewPub, to an Entity which conducts no business other than the BrewPub and, if applicable, other BrewDog BrewPubs and of which you own and control one hundred percent (100%) of the equity and voting power of all Ownership Interests, provided that all of the BrewPub's assets are owned, and the BrewPub's business is conducted, only by that single Entity. Transfers of Ownership Interests in that Entity are subject to all of the restrictions in this Section 13. You (including, if you are a group of individuals, any individual who will not have an Ownership Interest in the transferee Entity), your Owners, and the transferee Entity must sign the form of agreement and related documents (including personal guarantees) that we then specify to reflect the assignment of this Agreement to the transferee Entity and a general release, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective owners, officers, directors, employees, representatives, agents, successors and assigns.

13.F. Death or Disability. Upon your or your Owner's death or disability, your or the Owner's executor, administrator, conservator, guardian or other personal representative must transfer your interest in this Agreement, the Operating Assets and the BrewPub, or direct or indirect Ownership Interest in you, to a third party whom we approve. That transfer (including transfer by bequest or inheritance) must occur, subject to our rights under this Section 13.F, within a reasonable time, not to exceed twelve (12) months from the date of death or disability, and is subject to all of the terms and conditions in this Section 13. A failure to transfer such interest within this time period is a breach of this Agreement. If at any time following your or an Owner's

death or disability, we determine that the BrewPub is not being managed properly according to our System Standards, then we have the right (but no obligation) to assume the management of the BrewPub ourselves or appoint a third party (who may be our affiliate) to manage the BrewPub pursuant to the terms of Section 15.B(5). The term “**disability**” means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or the Owner from supervising your or the BrewPub’s management and operation for sixty (60) or more consecutive days.

13.G. Effect of Consent to Transfer. Our consent to any transfer is not a representation of the fairness of the terms of any contract between you and the transferee, an agreement that we will consent to or a waiver of our rights with respect to any future transfers, a guarantee of the BrewPub’s or transferee’s prospects of success, or a waiver of any claims we have against you (or your Owners) or of our right to demand the transferee’s full compliance with this Agreement’s terms or conditions.

13.H. Our Right of First Refusal. If you or any of your Owners at any time determines to engage in a Control Transfer or Non-Control Transfer, you agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which may be in the form of a letter of intent) relating exclusively to an interest in this Agreement and the BrewPub (and its assets) or a direct or indirect Ownership Interest in you. To be a valid, bona fide offer, the offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price, the proposed purchase price must be in a fixed dollar amount and without any contingent payments of purchase price (such as earn-out payments), and the proposed transaction must relate exclusively to an interest in this Agreement and the BrewPub (and its assets) or a direct or indirect Ownership Interest in you and not to any other interests or assets.

We may, by delivering written notice to you within thirty (30) days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest for the price and on the terms and conditions contained in the offer, provided that: (1) we may substitute cash for any form of consideration proposed in the offer; (2) our credit will be deemed equal to the credit of any proposed buyer; (3) the closing will be not less than sixty (60) days after notifying you of our election to purchase or, if later, the closing date proposed in the offer; (4) you and your Owners sign a general release, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective owners, officers, directors, employees, representatives, agents, successors, and assigns; and (5) we must receive, and you and your Owners agree to make, all customary representations, warranties and indemnities given by the seller of the assets of a business or Ownership Interests in an Entity, as applicable, including representations and warranties regarding ownership and condition of, and title to, assets and (if applicable) Ownership Interests, liens and encumbrances on assets, validity of contracts and agreements, and the liabilities, contingent or otherwise, relating to the assets or Ownership Interests being purchased, and indemnities for all actions, events and conditions that existed or occurred in connection with the BrewPub or your business prior to the closing of our purchase. If we exercise our right of first refusal, you and your selling Owner(s) agree that, for two (2) years beginning on the closing date, you and they (and members of your or their Immediate Families) will be bound by the covenants contained in Section 16.D. If we do not exercise our right of first refusal, you or your Owners may complete the sale to the proposed buyer on the original offer’s terms, but only

if we approve the transfer as provided in this Section 13. If you do not complete the sale to the proposed buyer (with our approval) within ninety (90) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the offer (which you must tell us promptly), we will have an additional right of first refusal during the thirty (30)-day period following either the expiration of the ninety (90)-day period or our receipt of notice of the material change in the offer's terms, either on the terms originally offered or the modified terms, at our option.

We may assign our right of first refusal under this Section 13.H to any Entity (who may be our affiliate), and that Entity will have all of the rights and obligations under this Section 13.H.

14. Successor Franchise Rights.

When this Agreement expires (unless it is terminated sooner), you will have the right to acquire a successor franchise and continue operating the BrewPub as a BrewDog BrewPub for one successor franchise term of ten (10) years, under our then current form of franchise agreement. However, your right to a successor franchise shall only apply if, as of the end of the Term: (i) you have complied with all of your obligations under this Agreement and all other agreements with us and our affiliates throughout the Term; (ii) you and the BrewDog BrewPub are and have been in compliance with all laws, including but not limited to, those related to alcohol regulatory matters; and (iii) you have given us written notice of your election to acquire a successor franchise at least six (6) months, but not more than nine (9) months, before the end of the Term. To acquire a successor franchise, you and your Owners agree to:

(a) sign our then current form of franchise agreement and related documents, the provisions of which (including the fees and the rights in, and geographic area comprising, the Territory) may differ materially from any or all of those contained in this Agreement, modified to reflect the fact it is for a successor franchise, except that the term shall be ten (10) years and the successor franchise agreement will not grant any rights to a renewal or successor franchise;

(b) remodel, renovate and/or upgrade the BrewPub in compliance with the then current standards for new BrewDog BrewPubs within the time period we reasonably specify;

(c) pay us, instead of the initial franchise fee under such successor franchise agreement, a successor franchise fee in an amount equal to fifty percent (50%) of our then current initial franchise fee for a BrewDog BrewPub franchise; and

(d) sign a general release in the form that we specify as to any and all claims against us, our affiliates and our and their respective owners, officers, directors, employees, agents, representatives, successors and assigns.

15. Termination of Agreement.

15.A. Termination by Us. We may, at our option, terminate this Agreement, effective upon delivery of written notice of termination to you, if:

- (1) you or any of your Owners has made or makes a material misrepresentation or omission in acquiring any of the rights under this Agreement or operating the BrewPub;
- (2) your Principal Owner, General Manager, Head Brewer, Kitchen Manager or other BrewPub personnel that we require to attend our initial training program do not satisfactorily complete that training;
- (3) you fail to secure a Site location within the Site Selection Area within one-hundred eighty (180) days of the Effective Date (unless we have permitted an extension in writing), you fail to sign a Lease that we have accepted, for a Site that we have accepted, within one hundred eighty (180) days after the Effective Date, or you fail to open the BrewPub in compliance with this Agreement within twelve (12) months after the execution of the Lease;
- (4) you abandon or fail actively to operate the BrewPub during the required hours of operation for two (2) or more consecutive calendar days, or for three (3) or more calendar days during any month, unless you close the BrewPub for a purpose we approve or because of casualty;
- (5) you surrender or transfer control of your or the BrewPub's management operation without our prior written consent;
- (6) you or any of your Owners is convicted by a trial court of, or pleads no contest to, a felony;
- (7) you or any of your Owners engages in any dishonest, unethical or illegal conduct which, in our opinion, adversely affects the BrewPub's reputation, the reputation of other BrewDog BrewPubs or the goodwill associated with the Marks;
- (8) you fail to maintain the insurance we require from time to time and/or you fail to provide us with proof of such insurance as this Agreement requires;
- (9) you interfere with our right to inspect the BrewPub or observe its operation;
- (10) you or any of your Owners makes an unauthorized transfer in breach of this Agreement;
- (11) you fail to initially obtain the necessary alcohol regulatory licenses for operation of the BrewPub within a year of the Effective Date after using commercially reasonable efforts, or the mere existence of this Agreement as of the Effective Date would result in any tied house or other alcohol regulatory violations for you or us;
- (12) you fail to maintain the necessary alcohol regulatory licenses, or you or any of your Owners engage in any act or omission that would result in any tied house or other alcohol regulatory requirement violations for you or us;
- (13) any other franchise agreement or other agreement between us (or any of our affiliates) and you (or any of your Owners or affiliates), other than a development rights

agreement for the development of multiple BrewDog BrewPubs, is terminated before its term expires, regardless of the reason;

(14) you or any of your Owners, directors or officers (or any members of your or their Immediate Families) breaches Section 12 or knowingly makes any unauthorized use or disclosure of any part of the Operations Manual or any other Confidential Information;

(15) you violate any law, ordinance or regulation relating to the ownership or operation of the BrewPub (including any law or license pertaining to obtaining a non-retail brewing/brew pub license and obtaining necessary TTB and all applicable state approvals, licenses and permits, and all health, safety, sanitation or licensing), or operate the BrewPub in an unsafe manner, and (if the violation can be corrected) you do not begin to correct the violation immediately, and correct the violation fully within seventy-two (72) hours, after you receive notice of the violation from us or any other party;

(16) you fail to pay when due any federal, state or local income, service, sales or other taxes due on the BrewPub's operation, or repeatedly fail to make or delay making payments to your suppliers or lenders, unless you are in good faith contesting your liability for these taxes or payments;

(17) you or any of your Owners fails on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with any one or more obligations under this Agreement, whether or not any of these failures are corrected after we deliver written notice to you and whether these failures involve the same or different obligations under this Agreement;

(18) you or any of your Owners fails on two (2) or more separate occasions within any six (6) consecutive month period, or on three (3) or more separate occasions within any thirty-six (36) consecutive month period, to comply with the same obligation under this Agreement, whether or not any of these failures are corrected after we deliver written notice to you;

(19) you or any of your Owner's assets, property or interests are blocked under any law, ordinance or regulation relating to terrorist activities or you or any of your Owners violate any law, ordinance or regulation relating to terrorist activities;

(20) you or any Owner makes an assignment for the benefit of creditors or admits in writing your or its insolvency or inability to pay your or its debts generally as they become due; you or any Owner consents to the appointment of a receiver, trustee or liquidator of all or the substantial part of your or its property; the BrewPub or any of the Operating Assets is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee or liquidator of you, any Owner or the BrewPub is not vacated within thirty (30) days following the order's entry;

(21) you fail to report the BrewPub's Total Monthly Receipts or fail to pay us (or our affiliates) any amounts due, whether arising under this Agreement or any other

agreement, and do not correct the failure within ten (10) days after we deliver written notice of that failure to you; or

(22) you fail to comply with any other provision of this Agreement or any mandatory System Standard and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you.

15.B. Our Remedies Upon Default. In addition to and without limiting our other rights and remedies under this Agreement, any other agreement and applicable law, upon the occurrence of any of the events that give rise to our right to terminate this Agreement under Section 15.A, we may, at our sole option and upon delivery of written notice to you, elect to take any or all of the following actions without terminating this Agreement:

(1) refuse to provide any operational support that this Agreement requires or we have elected to provide or suspend any other services that we or our affiliates provide to you under this Agreement or any other agreement;

(2) temporarily remove information concerning the BrewPub from the System Website and/or stop your or the BrewPub's participation in any other programs or benefits offered on or through the Intranet or System Website;

(3) suspend or terminate any temporary or permanent fee reductions to which we might have agreed (whether as a policy, in an amendment to this Agreement or otherwise); and/or

(4) enter the BrewPub's premises and assume the management of the BrewPub ourselves or appoint a third party (who may be our affiliate) to manage the BrewPub. You agree that we need not post a bond or other security to exercise our rights under this Section 15.B(4). We or the third party we appoint will not exercise direct or indirect control over the working conditions of the BrewPub's employees, except to the extent that such indirect control is related to our legitimate interest in protecting the quality of our services or brand. If we or a third party we appoint assumes the BrewPub's management, all funds from the operation of the BrewPub while we or our appointee assumes its management will be kept in a separate account, and all of the expenses of the BrewPub will be charged to that account. We or our appointee may charge you (in addition to the amounts due under this Agreement) a management fee equal to five percent (5%) of the BrewPub's Total Monthly Receipts during the period of management, plus any direct out-of-pocket costs and expenses, including the salaries and benefits of the personnel managing the BrewPub. We or our appointee has a duty to utilize only reasonable efforts and will not be liable to you for any debts, losses or obligations the BrewPub incurs, or to any of your creditors for any products or services the BrewPub purchases, while managing it. You shall not take any action or fail to take any action that would interfere with our or our appointee's exclusive right to manage the BrewPub. Our (or our appointee's) management of the BrewPub will continue for intervals lasting up to ninety (90) days each (and, in any event, for no more than a total of one (1) year), and we will during each interval periodically evaluate whether you are capable of resuming the BrewPub's operation and periodically discuss the BrewPub's status with you.

Our exercise of our rights under this Section 15.B will not be a defense for you to our enforcement of any other provision of this Agreement or waive or release you from any of your other obligations under this Agreement. Our exercise of these rights will not constitute an actual or constructive termination of this Agreement nor be our sole or exclusive remedy for your default. You must continue to pay all fees and otherwise comply with all of your obligations under this Agreement (except as set forth in Section 15.B(4) following our exercise of any of these rights. If we exercise any of our rights under this Section 15.B, we may thereafter terminate this Agreement without providing you any additional corrective or cure period, unless the default giving rise to our right to terminate this Agreement has been cured to our reasonable satisfaction. If we rescind any suspension of your rights, you will not be entitled to any compensation (including repayment, reimbursement, refunds, or offsets) for any fees, charges, expenses, or losses you might have incurred due to our exercise of any rights provided above.

16. Rights and Obligations Upon Termination or Expiration.

16.A. Payment of Amounts Owed. You agree to pay within fifteen (15) days after this Agreement expires or is terminated, or on any later date we determine the amounts due to us, the Royalties, Marketing Fund contributions (if applicable), late fees, interest, and all other amounts owed to us (and our affiliates) which then are unpaid.

16.B. De-Identification. When this Agreement expires or is terminated for any reason:

(1) you must take any actions that are required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any of the Marks and, at our option, to assign to us (or our designee) or cancel any electronic address, domain name or website, or rights maintained in connection with any search engine, that directly or indirectly associates you or the BrewDog BrewPub with us, the Marks, the Franchise System or the network of BrewDog BrewPubs;

(2) beginning on the De-identification Date (defined below) or the closing of the acquisition of the Purchased Assets (defined in Section 16.E) under Section 16.E, you and your Owners shall not directly or indirectly at any time thereafter or in any manner (except in connection with other BrewDog BrewPubs you or they own and operate): (a) identify yourself or themselves or any business as a current or former BrewDog BrewPub or as one of our current or former franchisees; (b) use any Mark, any colorable imitation of a Mark, any trademark, service mark or commercial symbol that is confusingly similar to any Mark, or other indicia of a BrewDog BrewPub in any manner or for any purpose, including in or on any advertising or marketing materials, forms, or any website, Social Media or other electronic media; or (c) use for any purpose any trade dress, trade name, trademark, service mark or other commercial symbol that indicates or suggests a connection or association with us or the network of BrewDog BrewPubs;

(3) within five (5) days after the De-identification Date, you must remove and deliver to us (or, at our option, destroy) all exterior and interior signs, advertising, marketing and promotional materials, forms and other documents containing any of the Marks or otherwise identifying or relating to a BrewDog BrewPub; and

(4) within fifteen (15) days after the De-identification Date, you must make such alterations as we reasonably specify to distinguish the BrewPub and its assets clearly from their former appearance as a BrewDog BrewPub and from other BrewDog BrewPubs so as to prevent a likelihood of confusion by the public and otherwise take the steps that we specify to de-identify the BrewPub, including permanently removing all Marks and trade dress from the BrewPub's walls and Operating Assets and altering the BrewPub's color scheme, layout and other aspects of the trade dress associated with the Franchise System.

You must provide us written evidence (including pictures, as applicable) of your compliance with this Section 16.B upon our request. If you fail to comply with any of your obligations under this Section 16.B, then, without limiting our other rights and remedies under this Agreement or applicable law, we or our designee may take any action that this Section 16.B requires on your behalf and at your expense, including by entering the BrewPub and adjacent areas, without prior notice or liability, to remove the items and/or make the alterations that this Section 16.B requires. The "**De-identification Date**" means: (i) the closing date of our (or our assignee's) purchase of the Purchased Assets pursuant to Section 16.E; or (ii) if that closing does not occur, the date upon which the option under Section 16.E expires or the date upon which we provide you written notice of our decision not to exercise that option, whichever occurs first. If we or our assignee acquires the Purchased Assets under Section 16.E, then your obligations under Sections 16.B(3) and (4) will be void and of no force or effect.

16.C. Confidential Information. You agree that, when this Agreement expires or is terminated, you and your Owners will immediately cease using any Confidential Information, whether directly or indirectly, in any business or otherwise and return to us all copies of the Operations Manual and any other confidential materials that we have loaned you. You and your Owners may not directly or indirectly sell, trade or otherwise profit in any way from any Confidential Information at any location or any time following the expiration or termination of this Agreement.

16.D. Covenant Not To Compete. Upon expiration (without the grant of a successor franchise) or termination of this Agreement for any reason, and except with respect to other franchise agreements with us then in effect, you and your Owners agree that, two (2) years beginning on the effective date of termination or expiration (subject to extension as provided below), neither you nor any of your Owners, nor any member of your or their Immediate Families, will:

(1) have any direct or indirect, controlling or non-controlling ownership interest in any Competitive Business which is located or operating: (a) at the Site; (b) within a ten (10)-mile radius of the Site; or (c) within a ten (10)-mile radius of any other BrewDog BrewPub then operating or under construction on the effective date of the termination or expiration, provided that this restriction will not apply to the ownership of shares of a class of securities which are publicly traded on a United States stock exchange representing less than one percent (1%) of the number of shares of that class of securities issued and outstanding; or

(2) perform services as a director, officer, manager, employee, consultant, representative or agent for a Competitive Business which is located or operating: (a) at the Site; (b) within a ten (10)-mile radius of the Site; or (c) within a ten (10)-mile radius of any other BrewDog BrewPub then operating or under construction on the effective date of the termination or expiration.

The time period during which these restrictions apply will be automatically extended, with respect to all persons covered by this Section 16.D, for each day during which any person covered by this Section 16.D is not complying fully with this Section 16.D. These restrictions also apply after transfers and other events, as provided in Section 13. You acknowledge that you and your Owners (and members of your or their Immediate Families possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section 16.D will not deprive you or your Owners (and members of your or their Immediate Families) of personal goodwill or the ability to earn a living.

16.E. Our Right to Purchase Business Assets.

(1) **Exercise of Option.** Upon termination of this Agreement for any reason or expiration of this Agreement without our and your signing a successor franchise agreement, we have the option, exercisable by giving you written notice within fifteen (15) days after the date of termination or expiration (the “**Exercise Notice**”), to purchase those Operating Assets and other assets used in the operation of the BrewPub that we designate (the “**Purchased Assets**”). We have the unrestricted right to exclude any assets we specify relating to the BrewPub from the Purchased Assets and not acquire them. You agree to provide us the financial statements and other information we reasonably require, and to allow us to inspect the BrewPub and its assets, to determine whether to exercise our option under this Section 16.E. If you or one of your affiliates owns the Site, we may elect to include a fee simple interest in the Site as part of the Purchased Assets or, at our option, lease the Site from you or that affiliate for an initial five (5)-year term with two (2) renewal terms of five (5) years each (at our option) on commercially reasonable terms. You (and your Owners) agree to cause your affiliate to comply with these requirements. If you lease the Site from an unaffiliated lessor, you agree (at our option) to assign the Lease to us or to enter into a sublease for the remainder of the Lease term on the same terms (including renewal options) as the Lease.

(2) **Operations Pending Purchase.** While we are deciding whether to exercise our option under this Section 16.E, and, if we do exercise that option, during the period beginning with our delivery of the Exercise Notice and continuing through the closing of our purchase, you must continue to operate the BrewPub according to this Agreement and all System Standards. However, we may, at any time during that period, enter the BrewPub’s premises and assume the management of the BrewPub ourselves or appoint a third party (who may be our affiliate) to manage the BrewPub pursuant to the terms of Section 15.B(5).

(3) **Purchase Price.** The purchase price for the Purchased Assets, other than a fee simple interest in the Site, will be the lesser of: their depreciated book value or their fair market value for use in the operation of another business (but not a BrewDog BrewPub

at a location other than the Site). The purchase price will not include any value for any rights granted by this Agreement, goodwill attributable to the Marks, our brand image, any Confidential Information or our other intellectual property rights, or participation in the network of BrewDog BrewPubs. If we elect to acquire a fee simple interest in the Site, the purchase price for the Site will be its fair market value.

(4) **Appraisal.** If we and you cannot agree on fair market value for the Purchased Assets, fair market value will be determined by one (1) independent appraiser upon whom we and you agree, who, in conducting the appraisal, will be bound by the criteria specified in Section 16.E(3). You and we agree to select the appraiser within ten (10) days after we deliver our Exercise Notice (if we and you do not agree on fair market value before then). If we and you cannot agree on a mutually acceptable appraiser within ten (10) days after we deliver our Exercise Notice, then we will provide you with a list of three (3) independent appraisers and you must select one (1) of those choices to act as the designated appraiser that will determine the purchase price. If you fail to select one (1) of the independent appraisers on the list we provide to you, we may, at our sole option, choose one (1) of the three (3) appraisers to act as the designated appraiser. We and you will share equally the costs of the appraiser's fees and expenses. Within ten (10) days after the designated appraiser is determined, each party shall submit its respective calculation of fair market value to the appraiser in such detail as the appraiser requests and according to the criteria specified in subparagraph (3). Within fifteen (15) days after receiving both calculations, the appraiser shall determine and notify you and us which of the calculations is the most correct. The appraiser must choose either your or our calculation, and may not develop his or her own fair market value calculation. The appraiser's choice shall be the fair market value of the Purchased Assets.

(5) **Closing.** We will pay the purchase price at the closing, which will take place within sixty (60) days after the purchase price is determined. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you owe us or our affiliates. We are entitled to all customary representations, warranties and indemnities in our asset purchase, including representations and warranties as to ownership and condition of, and title to, assets, liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise, and indemnities for all actions, events and conditions that existed or occurred in connection with the BrewPub or your business prior to the closing of our purchase. At the closing, you agree to deliver instruments transferring to us: (a) good and merchantable title to the Purchased Assets, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and transfer taxes paid by you; and (b) all of the BrewPub's licenses and permits which may be assigned or transferred. If you cannot deliver clear title to all of the Purchased Assets, or if there are other unresolved issues, the sale will be closed through an escrow. You and your Owners further agree to sign general releases, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective owners, officers, directors, employees, agents, representatives, successors and assigns.

(6) **Assignment.** We may assign our rights under this Section 16.E to any Entity (who may be our affiliate), and that Entity will have all of the rights and obligations under this Section 16.E.

16.F. **Continuing Obligations.** All of our and your (and your Owners') obligations under this Agreement which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until these obligations are satisfied in full or by their nature expire.

17. **Relationship of the Parties/Indemnification.**

17.A. **Independent Contractors.** You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us. You have no authority, express or implied, to act as the agent of us or any of our affiliates for any purpose. You are, and shall remain, an independent contractor responsible for all obligations and liabilities of, and for all loss or damage to, the BrewPub and its business, including any personal property, equipment, fixtures or real property and for all claims or demands based on damage or destruction of property or based on injury, illness or death of any person or persons, directly or indirectly, resulting from the operation of the BrewPub. Further, we and you are not and do not intend to be partners, associates, or joint employers in any way, and we shall not be construed to be jointly liable for any of your acts or omissions under any circumstances. We have no relationship with your employees and you have no relationship with our employees. You agree to identify yourself conspicuously in all dealings with customers, prospective customers, employees, suppliers, public officials and others as the BrewPub's owner under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationary, employment materials, advertising and other materials we require from time to time.

17.B. **No Liability for Acts of Other Party.** We and you agree not to make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchisee. We will not be obligated for any damages to any person or property directly or indirectly arising out of the BrewPub's operation or the business you conduct under this Agreement.

17.C. **Taxes.** We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property or other taxes, whether levied upon you or the BrewPub, due to the business you conduct (except any taxes we are required by law to collect from you for purchases from us and our income taxes). You are responsible for paying these taxes.

17.D. **Indemnification and Defense of Claims.**

(1) You agree to indemnify and hold harmless us, our affiliates, and our and their respective owners, directors, officers, employees, agents, representatives, successors and assignees (the "**Indemnified Parties**") against, and to reimburse any one or more of the Indemnified Parties for, all Losses (defined below) directly or indirectly arising out of or relating to: (a) the BrewPub's operation; (b) the business you conduct under this Agreement; (c) your breach of this Agreement; (d) your noncompliance or alleged

noncompliance with any law, ordinance, rule or regulation, including those concerning the BrewPub's construction, design or operation, and including any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees; or (e) claims alleging either intentional or negligent conduct, acts or omissions by you (or your contractors or any of your or their employees, agents or representatives), or by us or our affiliates (or our or their contractors or any of our or their employees, agents or representatives), subject to Section 17.D(3). "Losses" means any and all losses, expenses, obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable defense costs, including accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced.

(2) You agree to defend the Indemnified Parties against any and all claims asserted or inquiries made (formally or informally), or legal actions, investigations, or other proceedings brought, by a third party and directly or indirectly arising out of or relating to any matter described in Section 17.D(1)(a) through (e) above (collectively, "Proceedings"), including those alleging the Indemnified Party's negligence, gross negligence, willful misconduct and/or willful wrongful omissions. Each Indemnified Party may at your expense defend and otherwise respond to and address any claim asserted or inquiry made, or Proceeding brought, that is subject to this Section 17.D (instead of having you defend it as required above), and agree to settlements or take any other remedial, corrective, or other actions, for all of which defense and response costs and other Losses you are solely responsible, subject to Section 17.D(3). An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you, and you agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 17.D. Your obligations under this Section 17.D will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

(3) Despite Section 17.D(1), you have no obligation to indemnify or hold harmless an Indemnified Party for, and we will reimburse you for, any Losses (including costs of defending any Proceeding under Section 17.D(2)) to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's willful misconduct or gross negligence, so long as the claim to which those Losses relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or joint employer) or our failure to compel you to comply with this Agreement. However, nothing in this Section 17.D(3) limits your obligation to defend us and the other Indemnified Parties under Section 17.D(2).

18. Enforcement.

18.A. Severability and Substitution of Valid Provisions. Except as expressly provided to the contrary in this Agreement (including in Section 18.F), each section, subsection, paragraph,

term and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or arbitrator with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties. If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity. If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of termination or of our refusal to enter into a successor franchise agreement, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

18.B. Waiver of Obligations and Force Majeure. We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. But, no interpretation, change, termination or waiver of any of this Agreement's provisions shall be binding upon us unless in writing and signed by one of our officers, and which is specifically identified as an amendment to or waiver of this Agreement. No modification, waiver, termination, rescission, discharge or cancellation of this Agreement shall affect the right of any party hereto to enforce any claim or right hereunder, whether or not liquidated, which occurred prior to the date of such modification, waiver, termination, rescission, discharge or cancellation. Any waiver we grant will be without prejudice to any other rights we have, will be subject to our continuing review, and may be revoked at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice.

We and you will not be deemed to waive or impair any right, power or option this Agreement reserves (including our right to demand exact compliance with every term, condition and covenant or to declare any breach to be a default and to terminate this Agreement before the Term expires) because of any custom or practice at variance with its terms; our or your failure, refusal or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including any System Standard; our waiver of or failure to exercise any right, power or option, whether of the same, similar or different nature, with other BrewDog BrewPubs; the existence of franchise agreements for other BrewDog BrewPubs which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement or accord and satisfaction. We are authorized to remove any legend or endorsement, and they shall have no effect.

Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government which do not arise from a violation or alleged violation of any law, rule, regulation or ordinance; (2) acts of God; (3) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payment of amounts owed at the time of the occurrence or payment of Royalties, Marketing Fund contributions (if applicable) and other amounts due afterward.

18.C. Costs and Attorneys' Fees. If we incur expenses due to your failure to pay when due amounts owed to us or otherwise to comply with this Agreement, you agree, whether or not we initiate a legal proceeding (and, in the event either we or you do initiate a legal proceeding, if we prevail in such proceeding), to reimburse us for any costs and expenses which we incur, including reasonable accounting, attorneys', arbitrators' and related fees.

18.D. Applying and Withholding Payments. Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us (or our affiliates). We may set-off any amounts you or your Owners owe us or our affiliates against any amounts we or our affiliates might owe you or your Owners, whether in connection with this Agreement or otherwise. You agree that you will not withhold payment of any amounts owed to us or our affiliates on the grounds of our or their alleged nonperformance of any of our or their obligations under this Agreement or any other agreement.

18.E. Rights of Parties are Cumulative. Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy under this Agreement which we or you are entitled by law to enforce.

18.F. Arbitration.

We and you agree that all controversies, disputes, or claims between us and our affiliates, and our and their respective owners, officers, directors, agents and/or employees, and you (and/or your owners, guarantors, affiliates and/or employees) arising out of or related to:

- (1) this Agreement or any other agreement between you and us;
- (2) our relationship with you;
- (3) the scope or validity of this Agreement or any other agreement between you and us (including the validity and scope of the arbitration obligation under this Subsection, which we and you acknowledge is to be determined by an arbitrator and not by a court); or
- (4) any System Standard;

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings are to be conducted before a single

arbitrator, who may or may not be a retired judge, and, except as this Subsection otherwise provides, are to be conducted according to the then-current commercial arbitration rules of the American Arbitration Association. All proceedings will be conducted at a suitable location that is within the city where we either maintain our principal business address or have an office at the time the arbitration demand is filed. The parties may agree on such a location, or, in the absence of such an agreement, the arbitrator will designate the location. The arbitrator will have no authority to select a different hearing locale other than as described in the prior sentence. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs for us (consistent with our rights under Subsection 18.C.), provided that the arbitrator may not declare any Mark generic or otherwise invalid or, except as expressly provided in Subsection 18.H. below, award any punitive, exemplary, treble, or other forms of multiple damages against either party (we and you hereby waiving to the fullest extent permitted by law, except as expressly provided in Subsection 18.H. below, any right to or claim for any punitive, exemplary, treble, or other forms of multiple damages against the other).

We and you agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each must submit or file any claim that would constitute a compulsory counterclaim (as defined by the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim that is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us. We reserve the right, but have no obligation, to advance your share of the costs (excluding attorneys' fees) of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek the recovery of these costs in accordance with Subsection 18.C. above.

We and you agree that arbitration will be conducted on an individual basis, and not on a joint, collective, or class-wide basis, and that an arbitration proceeding between us and our affiliates, and/or our and their respective owners, officers, directors, agents and/or employees, on the one hand, and you (and/or your owners, guarantors, affiliates and/or employees), on the other, may not be consolidated or joined with any other arbitration proceeding either between us and any other person or between our affiliate and any other person. Notwithstanding the foregoing or anything to the contrary contained in this Subsection 18.F., if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Subsection, then all parties agree that this arbitration clause will not apply to that dispute and such dispute will be resolved in a judicial proceeding in a court permitted under Subsection 18.H. of this Agreement.

Despite our and your agreement to arbitrate, we and you each have the right to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that we and you must contemporaneously submit our dispute for arbitration on the merits as provided in this Subsection.

The provisions of this Subsection are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

18.G. Governing Law. ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF OHIO, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES.

18.H. Consent to Jurisdiction. SUBJECT TO SUBSECTION 18.F. ABOVE AND THE PROVISIONS BELOW, YOU AND YOUR OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE COMMENCED IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION CLOSEST TO WHERE WE HAVE OUR PRINCIPAL BUSINESS ADDRESS AT THE TIME THE ACTION IS COMMENCED, AND YOU (AND EACH OWNER) IRREVOCABLY SUBMIT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION YOU (OR THE OWNER) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, YOU AND YOUR OWNERS AGREE THAT WE MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE BUSINESS IS LOCATED.

18.I. Waiver of Punitive Damages and Jury Trial. Except for PUNITIVE, EXEMPLARY AND OTHER FORMS OF MULTIPLE DAMAGES AVAILABLE TO ANY PARTY UNDER FEDERAL LAW OR OWED TO THIRD PARTIES WHICH ARE SUBJECT TO INDEMNIFICATION UNDER SECTION 17.D, we and you (and your owners) waive to the fullest extent permitted by law any right to or claim for any punitive, exemplary or other forms of multiple damages against the other and agree that, in the event of a dispute between us and you (OR YOUR OWNERS), the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains.

WE AND YOU (AND YOUR OWNERS) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER US OR YOU (OR YOUR OWNERS).

18.J. Binding Effect. This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns and successors in interest. Subject to our rights to modify the Operations Manual, System Standards and Franchise

System, and our right to modify Exhibit A to reflect the Site's address and Territory, this Agreement may not be amended or modified except by a written agreement signed by both you and us.

18.K. Limitations of Claims. Except for claims arising from your non-payment or underpayment of amounts you owe us, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless an arbitration proceeding is commenced IN THE PROPER FORUM within EIGHTEEN (18) MONTHS from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claim.

18.L. Construction. The preambles and exhibits are a part of this Agreement which, together with any riders or addenda signed at the same time as this Agreement, constitutes our and your entire agreement and supersedes all prior and contemporaneous oral or written agreements and understandings between us and you relating to the subject matter of this Agreement. There are no other oral or written representations, warranties, understandings or agreements between us and you relating to the subject matter of this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation that we made in the most recent disclosure document (including its exhibits and amendments) that we delivered to you or your representative. Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement and are not binding on us. Except as provided in Sections 17.D and 18.F, nothing in this Agreement is intended nor deemed to confer any rights or remedies upon any person or Entity not a party to this Agreement.

References in this Agreement to “**we**” “**us**” and “**our**,” with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal in connection with the BrewPub. The term “**affiliate**” means any person or Entity directly or indirectly owned or controlled by, under common control with, or owning or controlling the party indicated. “**Control**” means the power to direct or cause the direction of management and policies.

If two (2) or more persons are at any time the owners of the rights under this Agreement and the BrewPub, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. “**Person**” (whether or not capitalized) means any individual or Entity. The term “**BrewPub**” includes all of the assets of the BrewDog BrewPub you operate under this Agreement, including its revenue and income.

The headings of the sections, subsections and paragraphs are for convenience only and do not define, limit or construe their contents. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days. The words “**include**,” “**including**,” and words of similar import shall be interpreted to mean “including, but not limited to,” and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter. This Agreement may be executed in multiple copies, each of which will be deemed an original.

18.M. The Exercise of Our Judgment. We have the right to operate, develop and change the Franchise System and System Standards in any manner that is not specifically prohibited by this Agreement. Whenever we have reserved in this Agreement a right to take or to withhold an

action, or to grant or decline to grant you a right to take or omit an action, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights based on information readily available to us and our judgment of what is in the best interests of us or our affiliates, the BrewDog BrewPub network generally, or the Franchise System at the time our decision is made, without regard to whether we could have made other reasonable or even arguably preferable alternative decisions or whether our decision promotes our or our affiliates' financial or other individual interest. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated or completed actions that require our approval.

19. Notices and Payments.

All written notices, reports and payments permitted or required to be delivered by the provisions of this Agreement or the Operations Manual will be deemed so delivered:

- (1) in the case of Royalties, Marketing Fund payments (if applicable) and other amounts due, at the time we actually debit your account (if we institute an automatic debit program for the BrewPub);
- (2) one (1) business day after transmission by telecopy, facsimile or other electronic system if the sender has confirmation of successful transmission;
- (3) one (1) business day after being placed in the hands of a commercial courier service for next business day delivery; or
- (4) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid;

and must be addressed to the party to be notified at its most current principal business address of which the notifying party has notice and/or, with respect to any approvals or notices that we provide to you or your Owners, at the BrewPub's address. Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before then) will be deemed delinquent.

20. Representations, Warranties and Acknowledgments.

To induce us to sign this Agreement and grant you the rights under this Agreement, you (on behalf of yourself and your Owners) represent, warrant and acknowledge to us that:

- (a) none of your (or your Owners') property or interests is subject to being blocked under, and you and your Owners otherwise are not in violation of, Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, or any other federal, state, or local law, ordinance, regulation, policy, list or other requirement of any governmental authority addressing or in any way relating to terrorist acts or acts of war;
- (b) neither you, your Owners, your director or officers, nor your Principal Owner hold, or will hold, an interest, directly or indirectly, in any alcohol beverage license,

whether within or outside the Territory, which would prevent you, under applicable law, from operating the BrewPub;

(c) you have independently investigated the BrewDog BrewPub franchise opportunity and recognize that, like any other business, the nature of a BrewDog BrewPub's business may, and probably will, evolve and change over time;

(d) an investment in a BrewDog BrewPub involves business risks and your business abilities and efforts are vital to your success;

(e) obtaining and retaining customers for your BrewPub will require you (among other things) to make consistent marketing and promotional efforts, and to maintain a high level of customer service and strict adherence to the Franchise System and our System Standards, and that you are committed to doing so;

(f) except as set forth in our Franchise Disclosure Document, you have not received or relied upon, and we expressly disclaim making, any representation, warranty or guaranty, express or implied, as to the revenues, profits or success of your BrewPub or any other BrewDog BrewPub;

(g) any information you have acquired from other BrewDog BrewPub franchisees regarding their sales, profits or cash flows is not information obtained from us, and we make no representation about that information's accuracy;

(h) you have no knowledge of any representations made about the BrewDog BrewPub franchise opportunity by us, our affiliates or any of our or their officers, directors, owners or agents that are contrary to the statements made in our Franchise Disclosure Document or to the terms and conditions of this Agreement;

(i) in all of their dealings with you, our owners, officers, employees and agents act only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Agreement are only between you and us;

(j) all statements you have made and all materials you have given us in acquiring the rights under this Agreement are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the rights under this Agreement; and

(k) you have read this Agreement and our Franchise Disclosure Document and understand and accept that the terms and covenants in this Agreement are reasonable and necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards at each BrewDog BrewPub, and to protect and preserve the goodwill of the Marks.

[Signature Page Appears on the Following Page]

IN WITNESS WHEREOF, the parties have executed and delivered this Franchise Agreement effective on the Effective Date.

FRANCHISOR

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

By: _____
Name: _____
Title: _____

FRANCHISEE

[Name of entity]

By: _____
Name: _____
Title: _____

EXHIBIT A
to the
BREWDOG® FRANCHISE AGREEMENT

BASIC TERMS

1. The Site is _____.
2. If the Site is unknown at the Effective Date, Franchisee shall search for and locate a suitable Site within the following area (the “Site Selection Area”) within one-hundred eighty (180) days of the Effective Date:
_____.
3. The Territory is _____. If the Territory is identified by city or other political subdivisions, political boundaries will be considered fixed as of the Effective Date, notwithstanding an actual political reorganization or change to the boundaries. The Territory, as of the Effective Date, may be depicted on the map attached to this Exhibit A. However, if there is an inconsistency between the language in this Exhibit A and the attached map, the language in this Exhibit A shall control. All street boundaries will be deemed to end at the street center line unless otherwise specified.
4. The initial franchise fee is \$50,000.00.
5. The royalty fee is five percent (5%) of Total Monthly Receipts, payable in montly installments.
6. Development Agreement by which this Agreement is covered (if any):
_____.

[Signature page for Exhibit A appears on following page]

IN WITNESS WHEREOF, the parties have executed and delivered this Exhibit A to the Franchise Agreement effective as of the Effective Date.

FRANCHISOR

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

By: _____
Name: _____
Title: _____

FRANCHISEE

[Name of entity]

By: _____
Name: _____
Title: _____

EXHIBIT B
to the
BREWDOG® FRANCHISE AGREEMENT

FRANCHISEE AND ITS OWNERS

Effective Date

Effective Date: This Exhibit B is current and complete as of _____, 20__.

You and Your Owners

1. **Form of Entity.**

Corporation _____
Limited Liability Company _____
Partnership _____

_____ was incorporated or formed on _____, under the laws of the State of _____.
_____ has not conducted business under any name other than the corporate, limited liability company, or partnership name above and _____.

The following is a list of your directors or managers, if applicable, and officers as of the effective date shown above:

<u>Name of Each Director/Officer</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____
_____	_____

2. **Owners.** The following list includes the full name of each person or Entity who is one of your Owners (as defined in the Franchise Agreement) and fully describes the nature of each Owner's interest (attach additional pages if necessary).

	<u>Owner's Name</u>	<u>Percentage/Description of Interest</u>
(a)	_____	_____
(b)	_____	_____

(c) _____

3. **Identification of Principal Owner.** Your Principal Owner as of the Effective Date is _____ (must be one of the individuals listed in paragraph 2 above). You may not change the Principal Owner without our prior written approval.

[Signature page for Exhibit A appears on following page]

IN WITNESS WHEREOF, the parties have executed and delivered this Exhibit B to the Franchise Agreement effective as of the Effective Date.

FRANCHISOR

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

By: _____
Name: _____
Title: _____

FRANCHISEE

[Name of entity]

By: _____
Name: _____
Title: _____

EXHIBIT C
to the
BREWDOG® FRANCHISE AGREEMENT

LEASE RIDER

LEASE PROVISIONS FOR BREWDOG FRANCHISES

The following provisions must be inserted into your lease for your BrewPub that you will operate under the “BREWDOG®” brand (the “**Lease**”). You may add this language via a rider or addendum to your Lease, as long as the rider or addendum document is signed by both the tenant and the landlord. Please send us a copy of the signed Lease, along with any riders or addenda.

REQUIRED LANGUAGE:

A. During the Term of the franchise agreement (the “**Franchise Agreement**”) between Tenant and BrewDog Franchising, LLC (“**BrewDog**”), Tenant will use the premises only for the operation of a BrewDog BrewPub.

B. Landlord shall send to BrewDog copies of all default notices and all notices of Landlord’s intent to terminate the Lease (or any rights of Tenant thereunder), or evict Tenant from the leased premises, simultaneously with sending such notices to Tenant. Such copies shall be sent to:

BrewDog Franchising, LLC
96 Gender Road
Canal Winchester, Ohio 43110
Attn: _____

C. Tenant may assign the Lease to BrewDog or its affiliates upon expiration or termination of the Franchise Agreement, and Landlord will not withhold its consent to this assignment. Landlord will not impose or assess any assignment fee or similar payment or accelerate rental payments under the Lease in connection with the assignment.

D. BrewDog or its affiliates may enter the premises to make any modification or alteration necessary to protect the Franchise System and the Marks or to cure any default under the Franchise Agreement or Lease at any time and without prior notice to Landlord.

E. Tenant will not assign or sublease the premises or renew or extend the term of the Lease, or modify the Lease in any manner, without prior written approval from BrewDog.

F. Upon the occurrence of any of the following:

(1) a default by Tenant under the Lease, the Franchise Agreement, or any document or instrument securing or relating to the Franchise Agreement, or

(2) the termination of the Franchise Agreement before its term expires by BrewDog or Tenant for any reason other than a default by BrewDog,

BrewDog shall have the right (but no obligation), exercisable upon delivery of written notice to Tenant and Landlord, to compel an assignment of the Lease, and all of Tenant's rights thereunder, to BrewDog or to an assignee of BrewDog choice, at BrewDog option. If BrewDog (or its assignee) exercises the rights under this paragraph (F), Tenant shall have no further right, title or interest under the Lease or to the leased premises, but shall remain solely liable to Landlord for all rents, charges and other obligations under the Lease prior to the date upon which BrewDog (or its assignee) assumes possession of the leased premises.

G. BrewDog is an intended third party beneficiary under the provisions set forth above with independent rights to enforce them and neither Landlord nor Tenant may alter or limit any of those provisions without BrewDog prior written approval.

EXHIBIT D
to the
BREWDOG® FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this ____ day of _____, 20__, by _____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the “**Agreement**”) on this date by BrewDog Franchising, LLC, an Ohio limited liability company (“**we,**” “**us,**” or “**our**”) and _____ (“**Franchisee**”), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that Franchisee will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement); and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including, without limitation, the mediation, litigation, non-competition, confidentiality, and transfer requirements.

Each of the undersigned acknowledges that he, she or it is either an owner (whether direct or indirect) of Franchisee or otherwise has a direct or indirect relationship with Franchisee or its affiliates; that he, she or it will benefit significantly from our entering into the Agreement with Franchisee; and that we would not enter into the Agreement unless each of the undersigned agrees to sign and comply with the terms of this Guaranty.

Each of the undersigned consents and agrees that: (1) his, her or its direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he, she or it will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person or entity; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchisee or to any other person or entity, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including, without limitation, the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or any of its owners or guarantors, and for so long as we have any cause of action against Franchisee or any of its owners or guarantors; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any direct or indirect interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty, for the express purpose that none of the undersigned shall be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to us; (ii) all rights to require us to proceed against Franchisee for any payment required under the Agreement, proceed against or exhaust any security from Franchisee, take any action to assist any of the undersigned in seeking reimbursement or subrogation in connection with this Guaranty or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Franchisee; (iii) any benefit of, or any right to participate in, any security now or hereafter held by us; and (iv) acceptance and notice of acceptance by us of his, her or its undertakings under this Guaranty, all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest, notices of dishonor, notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which he, she or it may be entitled. We shall have no present or future duty or obligation to the undersigned under this Guaranty, and each of the undersigned waives any right to claim or assert any such duty or obligation, to discover or disclose to the undersigned any information, financial or otherwise, concerning Franchisee, any other guarantor, or any collateral securing any obligations of Franchisee to us. Without affecting the obligations of the undersigned under this Guaranty, we may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Agreement or any indebtedness or obligation of Franchisee, or settle, adjust, release, or compromise any claims against Franchisee or any other guarantor, make advances for the purpose of performing any obligations of Franchisee under the Agreement, and/or assign the Agreement or the right to receive any sum payable under the Agreement, and the undersigned each hereby jointly and severally waive notice of same. The undersigned expressly acknowledge that the obligations hereunder survive the expiration or termination of the Agreement.

In addition, the undersigned each waive any defense arising by reason of any of the following: (a) any disability, counterclaim, right of set-off or other defense of Franchisee, (b) any lack of authority of Franchisee with respect to the Agreement, (c) the cessation from any cause whatsoever of the liability of Franchisee, (d) any circumstance whereby the Agreement shall be void or voidable as against Franchisee or any of Franchisee's creditors, including a trustee in bankruptcy of Franchisee, by reason of any fact or circumstance, (e) any event or circumstance that might otherwise constitute a legal or equitable discharge of the undersigned's obligations hereunder, except that the undersigned do not waive any defense arising from the due performance by Franchisee of the terms and conditions of the Agreement, (f) any right or claim of right to cause a marshaling of the assets of Franchisee or any other guarantor, and (g) any act or omission of Franchisee.

If we are required to enforce this Guaranty in a judicial proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the

undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Subject to the mediation and litigation obligations and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where we maintain our principal business address at the time that the action is brought. Each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he, she or it might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any orders and awards in the courts of the state or states in which he, she or it is domiciled or has assets. EACH OF THE UNDERSIGNED IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, ARISING UNDER OR RELATING TO THIS GUARANTY OR ITS ENFORCEMENT.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as set forth above.

GUARANTOR(S):

Printed Name: _____
Percentage of Ownership in Franchisee: ____%

Printed Name: _____
Percentage of Ownership in Franchisee: ____%

Printed Name: _____
Percentage of Ownership in Franchisee: ____%

EXHIBIT E
to the
BREWDOG® FRANCHISE AGREEMENT

INSURANCE REQUIREMENTS

Commercial General Liability (Occurrence Form)

General Aggregate (other than Prod/Comp Ops Liability)	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal & Advertising Injury Liability	\$1,000,000
Each Occurrence	\$1,000,000

- BrewDog along with their respective officers, agents and employees, subsidiaries and affiliates shall be named as Additional Insured per ISO form CG 20 29 (or equivalent form)
- Waiver of Subrogation applies in favor of BrewDog
- Coverage is Primary and Non-Contributory to that of the Additional Insured
- Liquor Liability - \$1,000,000 Limit

Workers' Compensation and Employer's Liability

Workers' Compensation	State Statutory Limits
Employer's Liability	
Bodily Injury by Accident	\$1,000,000 each accident
Bodily Injury by Disease	\$1,000,000 policy limit
Bodily Injury by Disease	\$1,000,000 each employee

Automobile Liability

Bodily Injury & Property Damage (CSL)	\$1,000,000 each accident
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- Owned, Nonowned & Hired Auto

Umbrella Liability

Each Occurrence and Aggregate	\$2,000,000
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- BrewDog as Additional Insured.
- Waiver of Subrogation applies in favor of BrewDog
- Coverage is Primary and Non-Contributory to that of the Additional Insured.

Property

- Coverage on Business Personal Property, and Inventory on a Special Cause of Loss Coverage Form. Loss of Business Income should be included. Actual Loss Sustained Basis is Recommended

Builders' Risk

- Coverage on the construction and buildout of the premises for the BrewPub, in the amount of the overall construction budget.

Employment Practices Liability

Each Claim and Aggregate Include First and	\$1,000,000
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Third Party Claims

EXHIBIT C

DEVELOPMENT RIGHTS AGREEMENT

BREWDOG®
DEVELOPMENT RIGHTS AGREEMENT

THIS DEVELOPMENT RIGHTS AGREEMENT (the “**Agreement**”) is made and entered into as of _____, 20__ (the “**Effective Date**,” regardless of the dates of the parties’ signatures), between BrewDog Franchising, LLC, an Ohio limited liability company with its principal business address at 96 Gender Road, Canal Winchester, Ohio 43110 (“**we**,” “**us**” or “**our**”), and _____, whose principal business address is _____ (“**you**” or “**your**”).

WHEREAS, prior to or simultaneously with the signing of this Agreement, you or your Controlled Affiliates (as defined below) have entered into that certain Franchise Agreement with us dated as of the date hereof (the “**Existing Agreement**”) under which you or your approved Controlled Affiliates will operate a BrewDog BrewPub at a location to be determined;

WHEREAS, we and you are entering into this Agreement because you would like the right to develop a number of additional BrewDog BrewPubs within a certain territory over a certain period of time and operate such BrewDog BrewPubs either by you or your Controlled Affiliate, and we are willing to grant you such development rights if you comply with this Agreement’s terms;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, we and you agree as follows:

1. Grant of Development Rights. Subject to your compliance with this Agreement, we hereby grant you (and your Controlled Affiliates) the right to develop _____ (_____) new BrewDog BrewPubs, including the BrewDog BrewPub to be operated under the Existing Agreement, according to a mandatory development schedule (the “**Schedule**”) identified on Exhibit A to this Agreement, within the geographic area described on Exhibit B to this Agreement (the “**Area**”).

2. Development Fee. Simultaneously with signing this Agreement, you must pay us a fee of _____ Thousand Dollars (\$_____) (the “**Development Fee**”), which is equal to one hundred percent (100%) of the initial franchise fee payable under the Existing Agreement plus fifty percent (50%) of the initial franchise for the remaining number of BrewDog BrewPubs to be developed under this Agreement. The Development Fee is fully earned by us when we and you sign this Agreement and is non-refundable, even if you do not comply with the Schedule. Notwithstanding the foregoing, in the event we terminate this Agreement pursuant to Section 14(g) below, we will refund you the entire Development Fee within fifteen (15) days of such termination.

3. Development Obligations.

(a) To maintain your rights under this Agreement, you and/or your Controlled Affiliates must sign franchise agreements for, develop, and open for business the agreed-upon number of BrewDog BrewPubs within the Area by the dates set forth on the Schedule.

You and/or your Controlled Affiliates shall on the last day of each Year during the Term have open and operating, as a minimum, a number of BrewDog BrewPubs equal to the Minimum Yearly Target for that Year, as set out in Exhibit A. Time is of the essence under this Agreement. Where you exceed the Minimum Yearly Target within any calendar Year, the additional Net New Outlets can be counted towards the Minimum Yearly Target for the next calendar Year.

(b) For the purposes of determining whether you have complied with your development obligations pursuant Section 3(a) and the Schedule, only BrewDog BrewPubs: that (i) are open in compliance with this Agreement and operating in compliance with the relevant Franchise Documents on the last day of the applicable Year will be counted; and (ii) have been developed and opened by you or your Controlled Affiliates in the applicable Year will be counted and any existing BrewDog BrewPubs which have been acquired or purchased (from us or other franchisees) or closed on a Permanent Basis (except where such closure is, in our reasonable opinion, as a result of a Force Majeure Event) by you will not be counted.

(c) During the Term of this Agreement, you shall:

i. ensure that adequate finance is available to enable you to fully develop any new BrewDog BrewPub within the Area in accordance with the Schedule as set out in Exhibit A;

ii. upon our request, promptly provide us a copy of your capital expenditure plan for your proposed development of any new BrewDog BrewPub within the Area in the applicable Year and any other information with regard to the financing of such development as we may reasonably request from time to time;

iii. not do anything which may bring us or the System into disrepute;

iv. not execute or conduct any advertising or promotional activity in relation to this Agreement or the matters covered by it without our prior written approval (such approval not to be unreasonably withheld or delayed); and

v. ensure that a Franchise Agreement is entered into for each BrewDog BrewPub to be developed pursuant to this Agreement.

(d) You or a Controlled Affiliate will operate each BrewDog BrewPub under a separate franchise agreement (and related documents) with us. The franchise agreement (and related documents) that you or your Controlled Affiliate will sign for each BrewDog BrewPub will be the form of franchise agreement and any ancillary agreements we then customarily use in granting franchises for BrewDog BrewPubs, including, without limitation, personal guarantees (collectively, the “**Franchise Documents**”), any or all of the terms of which may differ substantially from the terms contained in the Existing Agreement, except that: (a) for each Franchise Agreement signed pursuant to this Agreement, the royalty will be five percent (5%) of the Total Monthly Receipts of each

BrewDog BrewPub; and (b) the initial franchise fee will be Fifty Thousand Dollars (\$50,000.00) for each Franchise Agreement signed pursuant to this Agreement. We will apply Twenty-five Thousand Dollars (\$25,000) of the Development Fee toward the initial franchise fee under each Franchise Agreement.

(e) You will develop each BrewDog BrewPub in compliance with the development policies set forth in the Franchise Documents and Operations Manual.

4. Renewal. Upon successful completion of the Schedule attached hereto, and provided (i) there have been no defaults, and (ii) you (or your Affiliated Entities) are in compliance with each Franchise Agreement awarded under this Agreement, you may, contingent upon our approval which may be withheld in our discretion, renew this Agreement. If you choose to renew this Agreement to open additional BrewPubs within the same Development Territory, you and we will determine a new Schedule including the number of BrewPubs and the required timeframe for development. Notwithstanding the foregoing, in order to renew this Agreement, you must notify us in writing no later than six (6) months prior to the opening date of the last BrewPub developed hereunder. Further, you must pay us a renewal fee equal to \$15,000 multiplied by the number of additional BrewPubs to be opened (the “**Renewal Fee**”), due upon the renewal signing. We will apply \$15,000 of the Renewal Fee to each Initial Franchise Fee required for each new BrewPub, and you must pay the balance of the then-current Initial Franchise Fee at the time you sign a property lease for each BrewPub. You must also sign our then current form of Franchise Agreement for the first of the additional BrewPub in the new Schedule to be opened at the time of the renewal, and our then current form of Franchise Agreement for each additional BrewPub developed in accordance with the new Schedule.

5. No Sublicensing Rights or Rights to Use Marks. This Agreement does not grant you any right to license others to operate BrewDog BrewPubs. Only you (and your Controlled Affiliates) may develop BrewDog BrewPubs pursuant to this Agreement and only under Franchise Documents with us. This Agreement does not grant you (or your Controlled Affiliates) any right to use, or authorize others to use, the Marks in any manner. Your (and your Controlled Affiliates’) right to use the Marks arises only under Franchise Documents with us.

6. Site Acceptance.

(a) You must deliver to us for our review complete site reports and other materials and information we request for each site you propose for a BrewDog BrewPub and your (or your Controlled Affiliate’s) financial and operational ability to develop and operate each proposed BrewDog BrewPub, including the proposed Principal Operator for the BrewDog BrewPub. Your proposed site, which must meet our then current site selection criteria for BrewDog BrewPubs, must be available for lease or purchase in time for you to develop and open a BrewDog BrewPub at that site on or before the date which is eighteen (18) months after signing the Franchise Documents for that site. We may, but have no obligation to, physically visit your proposed sites. Your (and your Controlled Affiliates’) BrewDog BrewPubs must be located at sites that we have accepted. We will use our reasonable efforts to review and either accept or reject a site you propose within thirty (30) days after receiving the complete site report and other materials and information we request. If we have not delivered to you written notice of our acceptance of a proposed

site within thirty (30) days after receiving the complete site report, that site will be deemed rejected. We will not unreasonably withhold our acceptance of a site that meets our then current criteria. We have the absolute right to reject any site that does not meet our criteria.

(b) Despite any assistance, information or recommendations that we provided or will provide (whether before or after the Effective Date) with respect to any site, we have made and will make no representations or warranties of any kind, express or implied, of the suitability of any site for a BrewDog BrewPub or any other purpose. Our recommendation indicates only that we believe that the site meets or has the potential to meet, or that we have waived, the general criteria of site acceptability that we have established as of that time. Applying criteria that have appeared effective for other sites might not accurately reflect the potential for all sites, and, after we recommend or accept a site, demographic and/or other factors included in or excluded from our site criteria could change, thereby altering a site's potential. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site fails to meet our or your expectations. Your acceptance of the rights under this Agreement is based on your agreement to investigate the suitability of sites.

7. Grant of Franchises. If we accept a proposed site and your (or your Controlled Affiliate's) financial and operational ability to develop and operate the proposed BrewDog BrewPub, then you or your Controlled Affiliate (and your or its owners) must sign separate Franchise Documents for that BrewDog BrewPub. You may not sign the Franchise Documents until after you have found a site for a BrewDog BrewPub that we have accepted, but you must sign Franchise Documents for that site before buying or signing a lease or sublease for that site. If you or your Controlled Affiliate (and your or its owners) do not sign separate Franchise Documents within the time periods set forth in the Schedule, then we may terminate this Agreement according to Section 11. After you (or your Controlled Affiliate) signs the Franchise Documents, their terms and conditions will control the development and operation of the BrewDog BrewPub, although the opening deadline is controlled by the Schedule.

8. Mandatory Criteria.

(a) You shall comply with the Mandatory Criteria. We may review your compliance with the Mandatory Criteria at any time. We may request, and following such a request you shall promptly provide, any information as may be reasonably required by us to enable us to assess whether you are acting in compliance with the Mandatory Criteria.

(b) If, following any review undertaken pursuant to Section 8(a), we determine in our reasonable opinion, that you are not in material compliance with any of the Mandatory Criteria, we will give you notice: (i) that its development rights under this Agreement shall be suspended and you shall not enter into any new development, real estate, or construction commitments in respect of any proposed sites until such time as we give your notice that you may do so; and (ii) giving details of any such non-compliance and stipulating how such non-compliance is to be remedied. You shall remedy such non-compliance in the manner specified in such notice as soon as reasonably practicable and in any event within three (3) calendar months from the date of such notice. At the end of the three (3) calendar month period, you may undertake a further review (and to the extent that

we require third parties to carry out any such review on its behalf, you shall be responsible for the reasonable costs of such third parties) to determine whether you have remedied your non-compliance to our reasonable satisfaction. If following that further review by us, we consider that you remains in breach of any of the Mandatory Criteria, then we may terminate this Agreement with immediate effect by giving written notice of the same to you.

(c) Our rights set out in this Section 8 are without prejudice to any right or remedy that we may have in respect of any breach of this Agreement or of any provision of any Franchise Documents.

9. No BrewDog BrewPubs in Area. Provided you and your Controlled Affiliates are in full compliance with this Agreement and all other agreements between you (or any of the Controlled Affiliates) and us (or any of our affiliates), including, without limitation, the Existing Agreement and all other franchise agreements then in effect between you (or any Controlled Affiliate) and us for the operation of BrewDog BrewPubs, then, during this Agreement's term only, except as otherwise provided in this Agreement, neither we nor our affiliates will operate, or authorize any other party to operate, a BrewDog BrewPub that has its physical location within the Area. We (and any affiliates that we might have from time to time) shall at all times have the right to engage in any activities we or they deem appropriate that are not expressly prohibited by this Agreement, whenever and wherever we or they desire, including, without limitation, those which we now reserve in the Existing Agreement. For the avoidance of doubt, you acknowledge and agree that we reserve the right, at any time during the term of this Agreement, to establish and operate and grant other the right to establish and operate hotels or any similar businesses that are primarily identified by the Marks, which may also brew our proprietary beer and BrewDog Products at the location of such businesses, at any locations, whether within or outside the Area. After this Agreement expires or is terminated, regardless of the reason, we (and our affiliates) may operate, and authorize any other parties to operate, BrewDog BrewPubs the physical premises of which are located within the Area and engage, and allow others to engage, in any other activities we desire within and outside the Area without any restrictions whatsoever, subject only to your (or any Controlled Affiliate's) rights under then-existing Franchise Documents with us.

10. Term. This Agreement's term begins on the Effective Date and ends on the date when (a) you (or your Controlled Affiliate) open the final BrewDog BrewPub under the Schedule, or (b) this Agreement otherwise is terminated, whichever occurs first.

11. Termination. We may terminate this Agreement and your right to develop additional BrewDog BrewPubs within the Area at any time, effective upon delivery of written notice of termination, if: (a) you become Insolvent; (b) you fail to satisfy either your development obligations under the Schedule or any other obligation under this Agreement, after all applicable cure periods set forth herein or for which defaults you have no right to cure; (c) you or any of your Owners has made or makes a material misrepresentation or omission in acquiring any of the rights under this Agreement; (d) any of your Owners has a conviction of, or plea of guilty or nolo contendere, to any crime, including misdemeanors and/or felonies, (e) the Existing Agreement or any Franchise Documents between us and you (or any Controlled Affiliate) for a BrewDog BrewPub is terminated by us or you (or the Controlled Affiliate) for any reason unless such

termination was mutually agreed between us and you; (f) you fail to maintain the necessary alcohol regulatory licenses necessary to operate the BrewPubs within the Area at any time; (g) you fail to initially obtain the necessary alcohol regulatory licenses for operation of the initial Brewpub to be developed hereunder within a year of the Effective Date, or the mere existence of this Agreement as of the Effective Date, would result in any tied house or other alcohol regulatory requirement violations for you or us; or (h) you or any of your Owners engage in any act or omission that would result in any tied house or other alcohol regulatory requirement violations for you or us. The termination by us of this Agreement will not of itself give us the right to terminate individual Franchise Agreements in respect of BrewDog BrewPubs which are already being operated by you or your Controlled Affiliates, or approved sites for which you are already unconditionally committed to acquiring a freehold or leasehold interest at the time of termination of this Agreement.

12. Your Entity; Assignment.

(a) You (and your Owners) acknowledge that we are granting you the rights under this Agreement because of our perception of your (and your Owners') individual and collective character, skill, business acumen, financial capability and proven ability to operate BrewDog BrewPubs according to our System Standards. These rights are personal to you and your Owners. Therefore, you and your Owners may not assign this Agreement or any of your Ownership Interests (whether directly or indirectly) without our prior written approval, which we may grant or withhold for any or no reason. Your organizational documents, operating agreement, and/or partnership agreement will recite that this Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other governing documents representing such ownership interests in you (including, but not limited to, an operating or LLC agreement) will bear a legend referring to this Agreement's restrictions. Exhibit D to this Agreement completely and accurately describes all of your Owners and their ownership interests in you. Any direct or indirect reconstruction, amalgamation or other material change in the control, structure or financial condition of you or any of your Controlled Affiliates, will be deemed to be a sale, transfer or gift of your rights under this Agreement.

(b) Subject to our rights and your obligations under this Section this Agreement, you and your Owners agree to sign and deliver to us a revised Exhibits D to reflect any changes in the information that Exhibit D now contains. Each of your Owners at any time (current and future, and their spouses, if they are married) during this Agreement's term shall execute the Guaranty and Assumption of Obligations Agreement, in the form attached to this Agreement as Exhibit E, whereby each such Owner (and their spouse) personally agrees to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you (and your Affiliated Entities) and us, including, without limitations, all Franchise Documents.

(c) You acknowledge our current requirement that developers (directly or through controlled affiliates) must continue to own and operate all of the BrewDog BrewPubs located in their areas throughout the entire terms of their Franchise Agreements. We believe these requirements are important in order to (among other reasons) establish

continuity and cooperation among the BrewDog BrewPubs in the market and protect the BrewDog® brand. We currently require that a developer must own and operate (directly or through controlled affiliates) all of the BrewDog BrewPubs located in its development Area throughout the entire terms of their Franchise Agreements. Therefore, you and your Owners agree that if you, any of your Owners, or any Controlled Affiliate seeks to enter into any transfer that would (if consummated) require our approval pursuant to this Section 12 or the applicable Franchise Documents, regardless of the form of transaction, then we may condition our approval of that transfer (in addition to any other conditions set forth in this Agreement or the applicable Franchise Documents) on the simultaneous transfer to that transferee of other rights, interests, obligations, assets, and/or Ownership Interests such that, following such transfer, you (or your successor in interest) own and operate (directly or through your Controlled Affiliates) all of the BrewDog BrewPubs in the Area.

(d) We may assign this Agreement or any of our Ownership Interests (whether directly or indirectly) without restriction.

13. Incorporation of Other Terms. Sections 11.A (Confidential Information), 11.C (Innovations), 12 (Exclusive Relationship), 17 (Relationship of the Parties/Indemnification) and 18 (Enforcement) of the Existing Agreement, including (without limitation) the provisions relating to mediation and litigation of disputes, are incorporated by reference in this Agreement and will govern all aspects of our relationship with you under this Agreement and the construction of this Agreement as if fully restated within the text of this Agreement. This Agreement, together with the Existing Agreement, supersedes all prior agreements and understandings, whether oral and written, between the parties relating to its subject matter, and there are no oral or other written understandings, representations, or agreements between the parties relating to the subject matter of this Agreement. This Agreement may be signed in multiple counterparts, but all such counterparts together shall be considered one and the same instrument. The provisions of this Agreement may be amended or modified only by written agreement signed by the party to be bound.

14. Definitions. In this Agreement, the following terms shall have the following meanings. All capitalized terms used but not defined in this Agreement shall have the meanings in the Existing Agreement.

(a) “**Controlled Affiliate**” means any corporation, limited liability company or other Entity: (i) of which you or one or more of your Owners owns more than thirty-five percent (35%) of the total authorized Ownership Interests and has the power unilaterally, without the consent or approval of any other person or Entity, to direct and control the Entity’s management and policies; and (ii) that is approved by us in our sole judgment to own and operate a BrewDog BrewPub.

(b) “**Force Majeure Event**” means (i) act of God, (ii) any disease, illness, epidemic, pandemic, state or federal quarantine that causes closure of the business, (iii) civil unrest that causes closure of the business or prevents the supply of goods into the country; (iv) terrorist attack, civil war, civil commotion or riots, war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations; or (v) any law

or any action or intervention taken by a government or public authority, including without limitation imposing an export or import restriction, quota or prohibition or any embargos.

(c) **“Mandatory Criteria”** means each of (i) You and each of your Controlled Affiliates shall be in compliance with (a) the Franchise Documents to which it is a party, and (b) the Operations Manuals for each BrewDog BrewPub; and (ii) You shall be in compliance, in our sole discretion, with the Above Bar Structure Matrix set forth on Exhibit C, by reference to the number of open and operating BrewDog BrewPubs that you have (including any BrewPubs operated by your Controlled Affiliates).

(d) **“Minimum Yearly Target”** means the minimum number of Net New Outlets that are required to be developed each year as set out in Schedule on Exhibit A.

(e) **“Net New Outlets”** means the number of new franchised BrewDog BrewPubs opened by you or your Controlled Affiliates less any franchised BrewDog BrewPubs which have been closed on a Permanent Basis, except where such closure is in our reasonable opinion as a result of a Force Majeure Event, and excludes any Relocation.

(f) **“Permanent Basis”** means a period of not less than six (6) months in which the BrewDog BrewPub is closed to the public and not operating.

(g) **“Relocation”** means a change of location of an existing BrewDog BrewPub to a new location, within the Area, as the same concept, without any change to the governing Franchise Agreement.

(h) **“Year”** means each twelve (12) calendar month period commencing on January 1st and ending on December 31st.

15. Entire Agreement; Construction. The preambles and exhibits are a part of this Agreement which, together with the Existing Agreement and any riders, exhibits, or addenda signed at the same time as this Agreement, constitutes our and your entire agreement and supersedes all prior and contemporaneous oral or written agreements and understandings between us and you. There are no other oral or written representations, warranties, understandings or agreements between us and you relating to the subject matter of this Agreement. .

16. Miscellaneous. The provisions of this Agreement may be amended or modified only by written agreement signed by the party to be bound; provided, notwithstanding the foregoing, the Operations Manual may be modified by us from time to time. This Agreement may be signed in multiple counterparts, but all such counterparts together shall be considered one and the same instrument You acknowledge and agree that you are an independent contractor and are entering into this Agreement as principal and not as agent for or for the benefit of any other person. Nothing in this Agreement and no action taken by the parties in connection with it will create a partnership, joint venture or relationship of employer or employee between the parties or give either party authority to act as agent of or in the name of or on behalf of the other party or to bind the other party or to hold itself out as being entitled to do so. The delay or failure of any party to exercise any right or remedy under or in connection with this Agreement will not constitute a waiver of or prevent or restrict future exercise of, that or any other right or remedy, nor will the

single or partial exercise of a right or remedy prevent or restrict the further exercise of that or any other right or remedy. A waiver of any right, remedy, breach or default will only be valid if it is writing and signed by the party giving it and only in the circumstances and for the purposes for which it was given and will not constitute a waiver of any other right, remedy, breach or default. All rights and remedies under this Agreement are cumulative and in addition to and not exclusive of any rights and remedies provided by law and the exercise of one right or remedy will not limit the exercise of any other right or remedy.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Development Rights Agreement effective on the Effective Date.

FRANCHISOR

BrewDog Franchising, LLC,
an Ohio limited liability company

By: _____
Name: _____
Title: _____

DEVELOPER

(IF ENTITY):

[Name]

By: _____
Name: _____
Title: _____

EXHIBIT A
to the
BREWDOG® DEVELOPMENT RIGHTS AGREEMENT

You agree to sign Franchise Documents for and open _____ () new BrewDog BrewPubs within the Area (including the BrewDog BrewPub operating or to be operated under the Existing Agreement) according to the following Schedule:

Region	Minimum Yearly Targets			Total New BrewDog BrewPubs
	Year 1 Effective Date to [12/31/20]	Year 2 [1/1/20__ to 12/31/20]	Year 3 [1/1/20__ to 12/31/20]	
(description of sub-Area)	[...]	[...]	[...]	[...]
(description of sub-Area)	[...]	[...]	[...]	[...]
(description of sub-Area)	[...]	[...]	[...]	[...]
Total				[...]

IN WITNESS WHEREOF, the parties have executed and delivered this Exhibit A to the Development Rights Agreement effective as of the Effective Date.

FRANCHISOR

BrewDog Franchising, LLC, an Ohio limited liability company

By: _____
 Name: _____
 Title: _____

DEVELOPER

(IF ENTITY):

 [Name]

 By: _____
 Name: _____
 Title: _____

EXHIBIT B
to the
BREWDOG® DEVELOPMENT RIGHTS AGREEMENT

The Area is defined as the entire territory encompassed by _____ in the State of _____. If the Area is identified by city or other political subdivisions, political boundaries will be considered fixed as of the date of this Agreement, notwithstanding any political reorganization or change to the boundaries. The Area is depicted on the map attached to this Exhibit B. However, if there is an inconsistency between the language in this Exhibit B and the attached map, the language in this Exhibit B shall control. All street boundaries will be deemed to end at the street center line unless otherwise specified.

IN WITNESS WHEREOF, the parties have executed and delivered this Exhibit B to the Development Rights Agreement effective as of the Effective Date.

FRANCHISOR

BrewDog Franchising, LLC, an Ohio limited liability company

By: _____
Name: _____
Title: _____

DEVELOPER

(IF ENTITY):

[Name]

By: _____
Name: _____
Title: _____

MAP OF AREA

EXHIBIT C
to the
BREWDOG® DEVELOPMENT RIGHTS AGREEMENT

Above Bar Structure Matrix

Function	Role	BrewDog BrewPub Count			
		1-4	4-8	8-15	15+
Executive	Principal Operator (PO)	Required			
Operations	Operations Manager	1	1	2	1 per 8 bars
	Trainer	-	1	1	1
Marketing	Marketing Manager	-	-	1	1
HR	HR Business Partner	-	-	-	1
Development	Development Manager	Need a specific designated development contact – could be the Principal Operator			
	Architect	Local architect required, can be in-house or outsourced, must be approved by us			

In all circumstances, you will be responsible for all recruitment and compensation decisions regarding all individuals and employees of your BrewPubs.

The Above Bar Structure must be in place 12 weeks prior to opening of the first BrewDog BrewPub or the BrewDog BrewPub which triggers the requirement for that role (e.g. before the 4th BrewDog BrewPub for a trainer).

IN WITNESS WHEREOF, the parties have executed and delivered this Exhibit C to the Development Rights Agreement effective as of the Effective Date.

FRANCHISOR

BrewDog Franchising, LLC, an Ohio limited liability company

By: _____
 Name: _____
 Title: _____

DEVELOPER

(IF ENTITY):

 [Name]
 By: _____
 Name: _____
 Title: _____

EXHIBIT D
to the
BREWDOG® DEVELOPMENT RIGHTS AGREEMENT

YOUR OWNERS

Effective Date: This Exhibit B is current and complete as of _____, 201__.

You and Your Owners

1. **Form of Entity.**

Corporation	_____
Limited Liability Company	_____
Partnership	_____

_____ was incorporated or formed on _____, under the laws of the State of _____.
_____ has not conducted business under any name other than the corporate, limited liability company, or partnership name above and _____.

The following is a list of your directors or managers, if applicable, and officers as of the effective date shown above:

<u>Name of Each Director/Officer</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____
_____	_____

2. **Owners.** The following list includes the full name of each person or Entity who is one of your Owners (as defined in the Franchise Agreement) and fully describes the nature of each Owner's interest (attach additional pages if necessary).

	<u>Owner's Name</u>	<u>Percentage/Description of Interest</u>
(a)	_____	_____
(b)	_____	_____

(c) _____

IN WITNESS WHEREOF, the parties have executed and delivered this Exhibit D to the Development Rights Agreement effective as of the Effective Date.

FRANCHISOR

BrewDog Franchising, LLC, an Ohio limited liability company

By: _____
Name: _____
Title: _____

DEVELOPER

(IF ENTITY):

[Name]

By: _____
Name: _____
Title: _____

EXHIBIT E
to the
BREWDOG® DEVELOPMENT RIGHTS AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this ____ day of _____, 20__, by _____.

In consideration of, and as an inducement to, the execution of that certain Development Rights Agreement (the “Agreement”) on this date by BrewDog Franchising, LLC, an Ohio limited liability company (“we,” “us,” or “our”), each of the undersigned personally and unconditionally, jointly and severally, (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ (“Developer”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the arbitration, non-competition, confidentiality, and transfer requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Developer and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Developer or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Developer or its owners, and for so long as we have any cause of action against Developer or its owners; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Developer, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Developer arising as a result of the undersigned’s execution of and performance under this Guaranty, for the express purpose that none of the undersigned shall be deemed a “creditor” of Developer under any applicable bankruptcy law with respect to Developer’s obligations to us; (ii) all rights to require us to proceed against Developer for any payment required under the Agreement, proceed against or exhaust any security from Developer, take any action to assist any of the undersigned in seeking reimbursement or

subrogation in connection with this Guaranty or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Developer; (iii) any benefit of, any right to participate in, any security now or hereafter held by us; and (iv) acceptance and notice of acceptance by us of his, her or its undertakings under this Guaranty, all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest, notices of dishonor, notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which he, she or it may be entitled. We shall have no present or future duty or obligation to the undersigned under this Guaranty, and each of the undersigned waives any right to claim or assert any such duty or obligation, to discover or disclose to the undersigned any information, financial or otherwise, concerning Developer, any other guarantor, or any collateral securing any obligations of Developer to us. Without affecting the obligations of the undersigned under this Guaranty, we may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Agreement or any indebtedness or obligation of Developer, or settle, adjust, release, or compromise any claims against Developer or any other guarantor, make advances for the purpose of performing any obligations of Developer under the Agreement, assign the Agreement or the right to receive any sum payable under the Agreement, and the undersigned each hereby jointly and severally waive notice of same. The undersigned expressly acknowledge that the obligations hereunder survive the expiration or termination of the Agreement.

In addition, the undersigned each waive any defense arising by reason of any of the following: (a) any disability or any counterclaim or right of set-off or other defense of Developer, (b) any lack of authority of Developer with respect to the Agreement, (c) the cessation from any cause whatsoever of the liability of Developer, (d) any circumstance whereby the Agreement shall be void or voidable as against Developer or any of Developer's creditors, including a trustee in bankruptcy of Developer, by reason of any fact or circumstance, (e) any event or circumstance that might otherwise constitute a legal or equitable discharge of the undersigned's obligations hereunder, except that the undersigned do not waive any defense arising from the due performance by Developer of the terms and conditions of the Agreement, (f) any right or claim of right to cause a marshaling of the assets of Developer or any other guarantor, and (g) any act or omission of Developer.

If we are required to enforce this Guaranty in a judicial proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Subject to the arbitration obligations and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be brought exclusively in the state or federal court of general jurisdiction closest to where our principal business address then is located, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any

objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled.

EACH OF THE UNDERSIGNED IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, ARISING UNDER OR RELATING TO THIS GUARANTY OR ITS ENFORCEMENT.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

GUARANTOR(S):

Printed Name: _____
Percentage of Ownership in Developer: _____%

Printed Name: _____
Percentage of Ownership in Developer: _____%

Printed Name: _____
Percentage of Ownership in Developer: _____%

EXHIBIT D

OPERATIONS MANUAL TABLE OF CONTENTS

Table of Contents

Chapter One: General Information	1
1. The Purpose of the Manual	2
2. The Franchise Defined	4
Chapter 2: The Brand	5
1. The BrewDog Culture	6
2. The <i>BrewDog</i> Manifesto.....	7
Chapter 3: Franchise Agreement Compliance Processes	8
1. Overview	9
2. The Franchisee/Franchisor Relationship	10
2.1. Independent Contractor	10
2.2. Independently Owned and Operated	10
2.3. You Are CEO of This Business	11
3. Our Responsibilities as Franchisor.....	12
3.1. Pre-opening Obligations	12
3.2. Continuing Obligations	13
4. Your Obligations as a Franchisee.....	15
4.1. Participation in the Business	15
4.2. Training Completion	15
4.2.1. <i>Initial Training</i>	15
4.2.2. <i>Retraining</i>	16
4.2.3. <i>Ongoing & Supplemental Training</i>	16
4.3. Pricing	17
4.3.1. <i>Price Fixing</i>	17
4.4. Compliance	18
4.4.1. <i>BrewDog Brand Standards</i>	18
4.4.2. <i>Compliance with the Law</i>	18
4.4.3. <i>PCI DSS Compliance & Privacy Law</i>	18
4.5. Approved Products & Services	18
4.6. Payment of Fees and Taxes	19
4.7. Confidentiality	19
4.8. Insurance	19
4.9. Site Development	21
4.9.1. <i>Upgrades</i>	21
4.9.2. <i>Opening</i>	21
4.9.3. <i>Computers, Software and Technology</i>	21
4.10. Use of Marks and Proprietary Information.....	22
4.11. Books, Records & Reports	22
4.12. Audits & Inspections.....	23

4.12.1. Compliance Audits	23
4.12.2. Financial Audits	23
4.13. Local Marketing	24
4.14. Loyalty & Gift Card Programs	25
Chapter 4: Onboarding	26
1. Creating Your Business	27
1.1. Establishing a Business Entity	27
1.2. Allowable Use of the Name	27
1.2.1. Sample Business Names.....	27
1.3. Tax Identification Numbers	28
2. Licensing, Certificates and Permits.....	29
2.1. Sales Tax Certificates/Resellers License.....	29
2.2. Food Service Certificates	29
2.3. Liquor License	29
2.3.1. Brewer’s Permit	30
2.4. Local Requirements	30
Chapter 5: Brand Operating Standards	31
1. The Importance of Standards	32
2. Approved Services and Products	33
2.1. Approved Food Services	33
2.2. Menus.....	34
2.3. Requesting New Product/Supplier	35
3. Bar Standards	36
3.1. Draft Boards.....	36
3.2. Taps	36
3.2.1. Spirits & Cider	36
3.2.2. Non-alcoholic Beverages.....	36
3.3. Snacks	37
3.4. Glasses	37
3.5. Draft System Cleaning	37
3.6. Bar Master Class	38
3.7. Beer Standards Training	39
3.8. Beverage Equipment	40
3.9. Beverage Pass Area.....	40
3.10. Coffee Machine	40
4. Facilities Standards.....	42
4.1. FF&E Requirements	42
4.2. Bar	42
4.3. Tables, Chairs & Booths	42

4.4. Floors	42
4.5. Walls	43
4.6. Doors, Roll-up Windows & Mirrors.....	43
4.7. Lighting	43
4.8. Greenery.....	43
4.9. Games.....	44
4.10. Outdoor Games	44
4.11. Outdoor Space.....	44
4.12. Restrooms.....	45
4.12.1. Toiletries.....	46
4.13. WiFi & Entertainment.....	46
4.14. Signage	46
4.15. Host/Reception Area	47
4.16. Retail Merchandise	47
4.17. Facilities Maintenance Standards.....	48
5. Service Standards	49
5.1. Steps of Service.....	49
5.1.1. Bar	49
5.1.2. Floor.....	51
5.2. Service Requirements	51
5.3. Table Set Up.....	52
5.3.1. Caddy.....	52
5.4. Alcoholic Beverage Service Compliance	52
5.5. Smoking	53
6. Staffing Obligations	54
6.1. General Manager.....	54
6.2. Adequate Staff.....	54
7. Hours of Operation.....	55
7.1. Regular Hours	55
7.2. Holiday Hours	55
8. Uniform and Appearance Standards	56
8.1. Uniform.....	56
8.2. Appearance.....	56
8.2.1. Jewelry.....	56
8.2.2. Hair	57
8.2.3. Nails.....	57
9. Standards Variances	58
9.1. How to Request a Variance	58
Chapter 6: Beer	59
1. The Pursuit of Quality.....	60

2. Beer Service Training	61
3. The Perfect Pour	62
3.1. Beer	62
3.2. Wine	63
3.3. Spirits	64
3.4. Growlers	64
4. Tap Cleaning & Maintenance	65
4.1. Manual Line Cleaning	65
4.2. Kegs	65
5. Educating the Guests	66
5.1. Tastings	66
5.2. Flights	66
Chapter 7: Staffing	67
1. Overview and Disclaimer	68
2. Laws & Requirements	69
3. Suggested Job Descriptions	70
3.1. Elements of a Job Description	70
3.2. Recommended Positions and Responsibilities	71
4. Hiring Resources & Tools	72
4.1. Help Wanted Ads	73
5. Staffing Best Practices	74
5.1. Setting Expectations	74
5.1.1. Forecasting	74
5.2. Schedules	75
5.2.1. Schedule Management	75
Chapter 8: Bar Operations Best Practices	76
1. Overview of Best Practices	77
2. Approved, Optional Menu Items & Local Variations	78
2.1. Menu Items	78
2.2. Bar Items	78
3. Product Nutritional Guides	79
4. Allergen Guidelines	80
5. Food Production Best Practices	82
5.1. Production Planning	82
5.2. Managing Beverage Production	84
5.2.1. Beverage Service	84
5.2.2. Alcohol Awareness	84
6. Operating Routines	85
6.1. Host Routines	85

6.2. Till Routines	85
6.3. Floor Routines.....	86
6.4. Bar Routines	88
6.5. Kitchen Routines.....	90
7. The Guest Journey.....	93
7.1. Guests First	93
7.2. Preventing Guest Complaints	93
7.3. Handling Complaints.....	93
8. Service Animals	95
Chapter 9: Food Safety.....	96
1. Overview	97
2. Health Regulations and Sanitation Standards	98
2.1. ServSafe	98
3. Foodborne Illness	99
3.1. About Foodborne Illness.....	99
3.2. Foodborne Illness Complaints	99
4. Cross-Contamination.....	102
5. Time and Temperature.....	103
6. Food Safety Hazards	104
6.1. Biological Hazards.....	104
6.2. Chemical Hazards	104
6.3. Physical Hazards	105
7. Hazard Analysis & Critical Control Points (HACCP).....	106
8. Material Safety Data Sheets (MSDS)	107
9. Health Department Inspections	108
Chapter 10: Emergencies, Accidents & Security	109
1. Overview	110
2. Fire.....	111
2.1. Prevention Guidelines	111
2.1.1. During a Fire	113
2.1.2. After A Fire.....	113
3. Power Outage or Equipment Failure	114
3.1. Protecting Food	114
4. Temporary Public Safety Closure.....	116
4.1. Boil Water Notice	116
5. Severe Weather or Natural Disaster.....	118
6. Emergency Bar Closings.....	119
6.1. After the Emergency Has Passed	119
7. Talking to the Media.....	120

8. Accidents	121
8.1. Accident Prevention	121
8.1.1. <i>Slips & Falls</i>	121
8.1.2. <i>Cuts</i>	122
8.1.3. <i>Burns</i>	122
8.1.4. <i>Back Injury Prevention</i>	122
8.2. First Aid Kit.....	123
8.3. Blood Spill Kit.....	123
8.4. Heimlich Maneuver and CPR	123
9. Security.....	124
9.1. Crimes.....	124
9.1.1. <i>Burglary</i>	124
9.1.2. <i>Vandalism</i>	124
9.1.3. <i>Robbery</i>	125
9.1.4. <i>Internal Theft</i>	126
9.1.5. <i>Counterfeit Currency</i>	126
9.1.6. <i>Suspicious Behavior</i>	126
9.1.7. <i>Disorderly Guests or Employees</i>	127
9.2. Suggested Security Procedures	127
9.2.1. <i>Front and Back Doors</i>	128
9.2.2. <i>Closing Procedures</i>	129
Chapter 11: Administration	130
1. Overview	131
2. Key Performance Indicators	132
2.1. Profit Centers.....	132
2.2. Sales.....	132
2.2.1. <i>Guest Count</i>	132
2.2.2. <i>Average Check</i>	133
2.3. Food and Beverage Sales	133
2.4. Bar Sales	133
3. Costs	134
4. Managing Prime Costs.....	135
4.1. Prime Cost Concept	135
4.2. Calculating Prime Cost.....	135
5. Food Cost Controls	136
5.1. Food Costs	136
5.2. Determining Costs & Percentages	137
5.3. Control Best Practices.....	137
6. Effective Scheduling	139
6.1. Calculating Labor Costs.....	139

7. Managing the Numbers.....	141
7.1. POS Reports.....	141
7.1.1. Daily.....	141
7.2. Weekly.....	141
7.3. Monthly.....	141
8. Inventory Management.....	142
8.1. FIFO.....	142
8.2. Storage.....	142
8.2.1. Importance of Storage.....	143
8.2.2. The Storage Process.....	143
8.2.3. Storage Tips.....	143
8.3. Purchasing, Ordering & Receiving.....	144
8.4. Ordering Goods.....	145
8.5. Receiving Goods.....	146
8.6. Returning Goods.....	146

EXHIBIT E

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There also may be additional agents appointed in some of the states listed.

State	State Agency	Agent for Service of Process
CALIFORNIA	Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll-free (866-275-2677)	Department of Financial Protection and Innovation
HAWAII	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 205 Honolulu, HI 96813 (808) 586-2744	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722
ILLINOIS	Office of Attorney General Franchise Bureau 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington St., Room E111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 200 West Washington Street, Room 201 Indianapolis, IN 46204

State	State Agency	Agent for Service of Process
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner at the Office of the Attorney General 200 St. Paul Place Baltimore, MD 21202-2020
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street G. Mennen Williams Bldg. 1 st Floor Lansing, MI 48933 (517) 373-7117	Michigan Department of Attorney General Consumer Protection Division
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651)-539-1638	Minnesota Commissioner of Commerce
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, NY 10005-1495 (212) 416-8222	Secretary of State 99 Washington Avenue Albany, NY 12231-0001
NORTH DAKOTA	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capitol, 5 th Floor Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department
RHODE ISLAND	Rhode Island Department of Business Regulation Division of Securities 1511 Pontiac Avenue John O. Pastore Complex – Bldg. 69-1 Cranston, RI 02920 (401) 462-9500 x5	Director of Rhode Island Department of Business Regulation

State	State Agency	Agent for Service of Process
SOUTH DAKOTA	South Dakota Division of Insurance Securities Regulation 124 S Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823	Director of the South Dakota Division of Securities
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising Tyler Building, 9 th Floor 1300 East Main Street Richmond, VA 23219 (804) 371-9051	Clerk, Virginia State Corporation Commission Tyler Building, 1st Floor 1300 E. Main Street Richmond, VA 23219
WASHINGTON	Securities Division Department of Financial Institutions P.O. Box 9033 Olympia, WA 98501 (360) 902-8760	Securities Division Department of Financial Institutions 150 Israel Rd S.W. Tumwater, WA 98501
WISCONSIN	Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 266-3364	Wisconsin Commissioner of Securities

EXHIBIT F

FORM OF GENERAL RELEASE

BREWDOG FRANCHISING, LLC

GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

BrewDog Franchising, LLC (“we,” “us,” or “our”) and the undersigned franchisee, _____ *[insert name of franchisee entity]* (“you” or “your”), currently are parties to a Franchise Agreement dated _____ (the “Franchise Agreement”) for the operation of an BREWDOG® BrewPub at _____. You have asked us to _____ *[insert relevant detail]*. We currently have no obligation under your Franchise Agreement or otherwise to _____ *[repeat relevant detail]*, or we have the right under the Franchise Agreement to condition our approval on your and your owners signing a release of claims. We are willing to _____ *[repeat relevant detail]* if you and your owners give us the release and covenant not to sue provided below in this document. You and your owners are willing to give us the release and covenant not to sue provided below in consideration for our consent to your request.

Consistent with the previous introduction, you, on behalf of yourself and your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, directors, officers, principals, employees, and affiliated entities (collectively, the “Releasing Parties”), hereby forever release and discharge us and our parent and other affiliated entities, and our and their respective current and former officers, directors, owners, principals, employees, agents, representatives, successors, and assigns (collectively, the “BrewDog Parties”) from any and all claims, damages, demands, debts, causes of action, suits, duties, liabilities, costs, and expenses of any nature and kind, whether presently known or unknown, vested or contingent, suspected or unsuspected (all such matters, collectively, “Claims”), that you and any other Releasing Party now have, ever had, or, but for this Consent, hereafter would or could have against any BrewDog Party (1) arising out of or related in any way to the BrewDog Parties’ performance of or failure to perform their obligations under the Franchise Agreement before the date of your signature below, (2) arising out of or related in any way to our offer and grant to you of your BREWDOG® BrewPub, or (3) otherwise arising out of or related in any way to your and the other Releasing Parties’ relationship, from the beginning of time to the date of your signature below, with any of the BrewDog Parties. You, on behalf of yourself and the other Releasing Parties, further covenant not to sue any BrewDog Party on any Claim released by this paragraph and represent that you have not assigned any Claim released by this paragraph to any individual or entity that is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

BREWDOG FRANCHISING, LLC

[Name of Franchisee]

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

[Name of Owner]

[Signature and Date]

EXHIBIT G

STATE-SPECIFIC ADDITIONAL DISCLOSURES AND AGREEMENT RIDERS

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
BREWDOG FRANCHISING, LLC**

The following are additional disclosures for the Franchise Disclosure Document of **BREWDOG FRANCHISING**, required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

CALIFORNIA

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

3. OUR WEBSITE, www.brewdog.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT www.dfpi.ca.gov.

4. The following language is added to the “Special Risks to Consider About *This Franchise*” page:

Spousal Liability. While your spouse need not sign a personal guarantee unless he or she is an owner of the legal entity that is the franchisee, the fact that California is a community-property state means that both your and your spouse’s marital and personal assets, including your house, could be lost if your franchise fails.

No Exclusive Territory. 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.

5. The following language is added at the end of Item 1:

You must comply with the requirements set forth in the Alcoholic Beverage Control Act and the California Code of Regulations for the sale of alcoholic beverages.

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

Neither we, nor any person in Item 2 of the disclosure document, is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. Sections 78a et seq., suspending or expelling such person from membership in that association or exchange.

7. Item 5 of the Franchise Disclosure Document is hereby modified by adding the following to the end of the section:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

8. The following language is added to the “Remarks” column of the line-item titled “Interest” in Item 6:

The highest interest rate allowed under California law is 10% annually.

9. The following paragraphs are added at the end of Item 17:

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

The Franchise Agreement and Development Rights Agreement contains a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

The Franchise Agreement and Development Rights Agreement contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement and Development Rights Agreement provide for termination upon insolvency. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 et seq.).

The Franchise Agreement and Development Rights Agreement require application of the laws of the State of Ohio. This provision might not be enforceable under California law.

The Franchise Agreement and Development Rights Agreement require binding arbitration. The arbitration will occur at a suitable location that is within city where we have our principal business address when the arbitration demand is filed (currently Canal Winchester, Ohio), with the costs being borne equally by the parties (and with each party also bearing all of its own travel and related expenses during the arbitration). Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.

You must sign a general release of claims if you renew or transfer the franchise. California Corporations Code Section 31512 provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

ILLINOIS

1. The following statements are added to the end of Item 17:

Except for the Federal Arbitration Act that applies to arbitration, Illinois law governs the Franchise Agreement and Development Rights Agreement.

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.

Franchisees' rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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.

MARYLAND

1. The following language is added to the end of the "Summary" sections of Item 17(c), entitled Requirements for franchisee to renew or extend, and Item 17(m), entitled Conditions for franchisor approval of transfer:

Any release required as a condition of renewal and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. The following language is added to the end of the “Summary” section of Item 17(h), entitled “Cause” defined – non-curable defaults:

Termination upon insolvency might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

3. The following sentence is added to the end of the “Summary” section of Item 17(v), entitled Choice of forum:

Subject to your arbitration obligation, you may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. The “Summary” section of Item 17(w), entitled Choice of law, is amended to read as follows:

Except for federal law, and except as otherwise required by the Maryland Franchise Registration and Disclosure Law, Ohio law governs.

5. The following language is added to the end of Item 5:

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

6. The following language is added to the end of the chart in Item 17:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

MINNESOTA

ITEM 6 of the Disclosure Document is amended to add the following:

Administrative Fee	\$30	When invoiced	You must pay us for each late or dishonored payment, check returned, ACH draft refused by your financial institution, or EFT attempt that was unsuccessful for insufficient funds in your account.
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ITEM 13 of the Disclosure Document is amended to add the following:

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12, Subd.1(g), Franchisor will reimburse the Franchisee for any costs incurred by the Franchisee in the defense of the Franchisee's right to use the Marks, so long as the Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given 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.

ITEM 17(b) of the Disclosure Document is amended to add the following:

We will comply with Minn. Stat. §80C.14, which requires that we give you 180 days' notice for non-renewal of the franchise except in specified circumstances.

ITEM 17(c) and ITEM 17(m) of the Disclosure Document are amended to add the following:

Any general releases you sign as a condition of renewal and/or assignment/transfer will not apply to claims arising under Minn. Stat. §80C and we will not unreasonably withhold our consent to a transfer.

ITEM 17(f) of the Disclosure Document is amended to add the following:

We will comply with Minn. Stat. §80C.14, which requires that we give you 90 days' notice of termination and you will have 60 days to cure your default.

ITEM 17 of the Disclosure Document is amended to add the following:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J) prohibit Franchisor 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 (1) any of your rights as provided for in Minnesota Statutes, Chapter 80C, or (2) your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Further, Franchisee cannot consent to Franchisor obtaining injunctive relief; but, the Franchisor may seek injunctive relief.

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS

VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or

department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), titled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

6. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum,”** and Item 17(w), titled **“Choice of Law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA

In the State of North Dakota only, this Disclosure Document is amended as follows:

The State of North Dakota has determined that the following types of provisions are deemed to be contrary to North Dakota law and to be unfair, unjust or inequitable to North Dakota franchisees (Section 51-19-09 of the North Dakota Investment Law):

1. **Restrictive Covenants**: Covenants not to compete are generally considered unenforceable in the State North Dakota. The Commissioner has held that covenants restricting competition are contrary to Section 9-08-06 of the North Dakota Century Code, and are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Investment Law.

2. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
3. Restrictions on Forum: A provision that designates jurisdiction or venue, or requires Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota;
4. Liquidated Damages and Termination Penalties: A provision requiring a North Dakota franchisee to consent to termination penalties or liquidated damages;
5. Applicable Laws: A provision requiring that the laws of a state other than North Dakota will apply;
6. Waiver of Trial by Jury: A provision calling for the waiver by a Franchisee of the right to trial by jury;
7. Waiver of Exemplary and Punitive Damages: A provision requiring the Franchisee to waive exemplary and punitive damages;
8. General Release: A provision requiring a Franchisee to sign a general release upon renewal of the Franchise Agreement;
9. Limitation of Claims: A provision restricting the time in which a Franchisee may make a claim to less than the applicable North Dakota statute of limitations;
10. Enforcement of Agreement: A provision requiring a Franchisee to pay all costs and expenses incurred by the Franchisor in enforcing the Franchise Agreement or Area Development Agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Such provisions, if applicable, are amended by the North Dakota amendments to the Franchise Agreement and Area Development Agreement attached to such agreements.

Item 5 of the Franchise Disclosure Document is hereby modified by adding the following to the end of the section entitled "Initial Franchise Fee":

"The North Dakota Securities Department required us to defer payment of the Initial Franchise Fee owed by you to us until we has completed our pre-opening obligations under the Franchise Agreement, as laid out in Item 11 below. Your Initial Franchise Fee shall be due and payable to us upon the grand opening of your BrewPub."

RHODE ISLAND

1. The following language is added to the end of the "Summary" section of Item 17(v), entitled Choice of forum:

Subject to arbitration requirements, litigation generally must be where we have our principal business address at the time the action is commenced (it currently is in Canal Winchester, Ohio), except that, to the extent required by the Rhode Island Franchise Investment Act, you may bring an action in Rhode Island.

2. The following language is added to the end of the “Summary” section of Item 17(w), entitled Choice of law:

Except for Federal Arbitration Act and other federal law, and except as otherwise required by the Rhode Island Franchise Investment Act, Ohio law applies.

VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Disclosure Document for BrewDog Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Item 17(h) of the Disclosure Document is amended to add the following:

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 grounds for default or termination stated in the Franchise Agreement do 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.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable.

Item 17(t) is amended to read as follows:

Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.

WASHINGTON

1. The following language is added as the last paragraph of Items 5 and 7:

Despite the payment provisions above, we will defer your payment of all initial fees you owe us under the Franchise Agreement (including when applicable, all initial fees you own us under Development Agreement) until we have fulfilled all our initial obligations to you under the Franchise Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open for business your BrewDog BrewPub. You

must pay us the development fee, if applicable, proportionally on each day you open for business a BrewDog BrewPub under the Development Agreement.

2. The following language is added to end of the second paragraph of Item 12:

Despite the foregoing requirements and conditions required for relocation of your BrewPub's location, you will not be required to execute and provide us with a general release as a condition to approve a relocation of your BrewPub.

3. The following language is added to Summary column for line item 17(d) in Item 17:

You may terminate the Franchise Agreement under any grounds permitted by law.

4. The following language is added to the end of Item 17:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's

earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

WISCONSIN

ITEM 17 of the disclosure document is amended to add the following:

The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07, may affect the termination provision of the Franchise Agreement.

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
FRANCHISE AGREEMENT**

**RIDER TO THE BREWDOG FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR USE IN CALIFORNIA**

THIS RIDER is made by and between **BREWDOG FRANCHISING, LLC**, an Ohio limited liability company whose principal business address is 96 Gender Road, Canal Winchester, Ohio 43110 (“we,” “us,” or “our”), and _____, a(n) _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement (the “Franchise Agreement”) dated _____, 20__ (the “Effective Date”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offer or sales activity relating to the Franchise Agreement occurred in California and the BREWDOG BrewPub you will operate under the Franchise Agreement will be located in California, and/or (b) you are a resident of California.

2. **FEE DEFERRAL.** The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

3. **GOVERNING LAW.** California Business and Professions Code Sections 20000 through 20043, the California Franchise Relations Act, provide rights to the Franchisee concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

4. **INTEREST RATE.** The Franchise Agreement is amended to state that any interest rate charged on past due amounts will be the highest contract rate of interest allowed by California law or the rate specified in the Franchise Agreement, whichever is less.

5. **CAPITALIZED TERMS.** Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Franchise Agreement.

6. **EFFECT OF RIDER.** Each provision of this Rider shall be effective only to the extent that the jurisdictional requirements of the California Franchise Relations Act applicable to the provision are met independent of this Rider. This Rider shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to the Franchise Agreement, to be effective on the Effective Date.

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

FRANCHISEE

By: _____
Name: _____
Title: _____

[Name]

By: _____
Name: _____
Title: _____

**RIDER TO THE BREWDOG FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS**

THIS RIDER is made by and between **BREWDOG FRANCHISING, LLC**, an Ohio limited liability company whose principal business address is 96 Gender Road, Canal Winchester, Ohio 43110 (“we,” “us,” or “our”), and _____, a(n) _____ (“you” or “your”).

7. **BACKGROUND.** We and you are parties to that certain Franchise Agreement (the “Franchise Agreement”) dated _____, 20__ (the “Effective Date”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offer or sales activity relating to the Franchise Agreement occurred in Illinois and the BREWDOG BrewPub you will operate under the Franchise Agreement will be located in Illinois, and/or (b) you are a resident of Illinois.

8. **GOVERNING LAW.** Section 18.G of the Franchise Agreement is deleted and replaced with the following:

Except for the Federal Arbitration Act that applies to arbitration, Illinois law governs the Agreement.

9. **CONSENT TO JURISDICTION.** Section 18.H of the Franchise Agreement is deleted and replaced with the following:

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.

10. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.** The following language is added to the end of Section 18.I of the Franchise Agreement:

HOWEVER, THIS WAIVER SHALL NOT APPLY TO THE EXTENT PROHIBITED BY SECTION 705/41 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT OF 1987 OR ILLINOIS REGULATIONS AT SECTION 260.609.

11. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added as a new Section 21 of the Franchise Agreement:

21. **ILLINOIS FRANCHISE DISCLOSURE ACT**

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 any provision of the Act or any other law of

Illinois is void. However, that Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any provision of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to the Franchise Agreement, to be effective on the Effective Date.

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

FRANCHISEE

By: _____
Name: _____
Title: _____

[Name]

By: _____
Name: _____
Title: _____

**RIDER TO THE BREWDOG FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR USE IN MARYLAND**

THIS RIDER is made by and between **BREWDOG FRANCHISING, LLC**, an Ohio limited liability company whose principal business address is 96 Gender Road, Canal Winchester, Ohio 43110 (“we,” “us,” or “our”), and _____, a(n) _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement (the “Franchise Agreement”) dated _____, 20__ (the “Effective Date”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of the State of Maryland, or (b) the BREWDOG BrewPub you will operate under the Franchise Agreement will be located in Maryland.

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

3. **RELEASES.** The following is added to the end of Sections 2.C(4), 13.A, 13.C(4), 13.D(5), 13.E, 13.H, 14(d), and 16.E(5) of the Franchise Agreement:

However, such general release will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **INSOLVENCY.** The following sentence is added to the end of Sections 13.B(4) and 15.A(19) of the Franchise Agreement:

This Section may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

5. **ARBITRATION.** The following is added to end the end of Section 18.F of the Franchise Agreement:

This Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable. Therefore, we and you agree that the arbitration provision will be enforced to the extent allowed by the Federal Arbitration Act.

6. **GOVERNING LAW.** The following sentence is added to the end of Section 18.G of the Franchise Agreement:

However, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

7. **CONSENT TO JURISDICTION.** The following sentence is added to the end of Section 18.H of the Franchise Agreement:

You may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

8. **LIMITATION OF CLAIMS.** The following sentence is added to the end of Section 18.K of the Franchise Agreement:

However, you must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within three (3) years after we grant you the franchise.

9. **ACKNOWLEDGMENTS.** The following is added as a new Section 18.N of the Franchise Agreement:

N. ACKNOWLEDGMENTS

All representations requiring you to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to the Franchise Agreement, to be effective on the Effective Date.

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

FRANCHISEE

By: _____
Name: _____
Title: _____

[Name]

By: _____
Name: _____
Title: _____

**RIDER TO THE BREWDOG FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA**

THIS RIDER is made by and between **BREWDOG FRANCHISING, LLC**, an Ohio limited liability company whose principal business address is 96 Gender Road, Canal Winchester, Ohio 43110 (“we,” “us,” or “our”), and _____, a(n) _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement (the “Franchise Agreement”) dated _____, 20__ (the “Effective Date”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offer or sales activity relating to the Franchise Agreement occurred in Minnesota, and/or (b) the BREWDOG BrewPub you will operate under the Franchise Agreement will be located in Minnesota, and/or (c) you are a resident of Minnesota.

2. **REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGEMENTS.** Section 20 of the Franchise Agreement is amended to add the following:

Pursuant to Minnesota Rule 2860.4400J, the foregoing acknowledgments contained in this section shall not be construed as a waiver of your rights.

3. **NOTIFICATION OF INFRINGEMENT AND CLAIMS.** Section 10.C is amended to add the following:

Under Minn. Stat. §80c.12 Subd. 1(g), we must indemnify you against liability to third parties resulting from claims by third parties that your use of our trademark infringes the trademark rights of the third party. We do not indemnify against the consequences of your use of our trademark except in accordance with the requirements of this Agreement and, as a condition to indemnification, you must provide prompt notice to us of any such claim and immediately tender the defense of the claim to us. If we accept the tender of defense, we 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. **TRANSFER.** Section 13.D is amended to add the following:

However, any release required by us as a condition of transfer of the franchise will not apply to the extent that such release is specifically prohibited by the Minnesota Franchise Law.

5. **SUCCESSOR FRANCHISE RIGHTS.** Section 14 is amended to add the following:

Pursuant to Minn. Stat. Sec. 80C.14, Subdivisions 4 & 5, no person may terminate or cancel a franchise unless (i) that person has given notice setting forth all the reasons for the

termination or cancellation at least 90 days in advance of termination or cancellation, and (ii) the recipient of the notice fails to correct the reasons stated for termination or cancellation in the notice within 60 days of receipt of the notice; except that the notice is effective immediately upon receipt where the alleged grounds for termination or cancellation are:

- (a) voluntary abandonment of the franchise relationship by you;
- (b) the conviction of you of an offense that is directly related to the business conducted pursuant to the franchise; or
- (c) failure to cure a default under this Agreement which materially impairs the goodwill associated with our trade name, trademark, service mark, logotype or other commercial symbol after you have received written notice to cure at least twenty-four (24) hours in advance thereof.

6. **ENFORCEMENT.** Sections 18 is amended to add the following provisions:

Under Minnesota law, we may seek a restraining order, injunction and such other equitable relief as may be appropriate, but we are not automatically entitled to such relief and you have not automatically consented to such relief.

Pursuant to Minnesota Statutes Section 80C.21 and Minnesota Rule Part 2860.4400J, and subject to your arbitration obligations, this section shall not in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, including the right to submit matters to the jurisdiction of the courts of Minnesota and the right to bring a cause of action within three (3) years after the cause of action accrues. You cannot be required to consent to the waiver of a jury trial.

Regardless of the foregoing, pursuant to Minnesota Statutes Section 80C.17, Subd 5, any and all claims arising out of or relating to this Agreement or our relationship will be barred unless a legal proceeding is commenced within three (3) years from when the cause of action accrued.

7. **EFFECT OF RIDER.** Each provision of this Rider shall be effective only to the extent that the jurisdictional requirements of the Minnesota Statutes applicable to the provision are met independent of this Rider. This Rider shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to the Franchise Agreement, to be effective on the Effective Date.

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

FRANCHISEE

By: _____
Name: _____
Title: _____

[Name]

By: _____
Name: _____
Title: _____

**RIDER TO THE BREWDOG FRANCHISING, LLC
FRANCHISE AGREEMENT
STATE OF NEW YORK**

THIS RIDER is made by and between **BREWDOG FRANCHISING, LLC**, an Ohio limited liability company whose principal business address is 96 Gender Road, Canal Winchester, Ohio 43110 (“we,” “us,” or “our”), and _____, a(n) _____ (“you” or “your”).

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement (the “Franchise Agreement”) dated _____, 20__ (the “Effective Date”). This Rider is being signed because (a) you are a resident of the State of New York and the BREWDOG BrewPub you will operate under the Franchise Agreement will be located in New York, and/or (b) any of the offer or sales activity relating to the Franchise Agreement occurred in New York.

2. **RELEASES**. The following is added to the end of Sections 2.C(4), 13.A, 13.C(4), 13.D(5), 13.E, 13.H, 14(d) and 16.E(5) of the Franchise Agreement:

Notwithstanding the foregoing, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of the proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.

3. **TRANSFER BY US**. The following language is added to the end of Section 13.A of the Franchise Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

4. **TERMINATION BY YOU**. The following language is added to the end of Section 15 of the Franchise Agreement:

You may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **GOVERNING LAW/CONSENT TO JURISDICTION**. The following language is added at the end of Sections 18.G and 18.H of the Franchise Agreement:

However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

6. **LIMITATION OF CLAIMS.** The following sentence is added to the end of Section 18.K of the Franchise Agreement:

To the extent required by Article 33 of the General Business Law of the State of New York, all rights and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687(4) and 687(5) be satisfied.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to the Franchise Agreement, to be effective on the Effective Date.

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

FRANCHISEE

By: _____
Name: _____
Title: _____

[Name]
By: _____
Name: _____
Title: _____

**RIDER TO THE BREWDOG FRANCHISING, LLC
FRANCHISE AGREEMENT
STATE OF NORTH DAKOTA**

THIS RIDER is made by and between **BREWDOG FRANCHISING, LLC**, an Ohio limited liability company whose principal business address is 96 Gender Road, Canal Winchester, Ohio 43110 (“we,” “us,” or “our”), and _____, a(n) _____ (“you” or “your”).

WHEREAS, Franchisor and Franchisee have contemporaneously herewith entered into a Franchise Agreement (the “Agreement”) and the parties wish to amend the Agreement. This Addendum is being signed because (a) the offer or sale of the franchise for the franchised Business that Franchisee will operate under the Agreement was made in the State of North Dakota, and/or (b) Franchisee is a resident of North Dakota and the franchised Business will be located in North Dakota.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. **EFFECT OF RIDER.** Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Addendum, the provisions of this Addendum shall control. The parties agree that the Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of Franchisee and Franchisor remain as written unless modified herein.

2. **DEFERRAL OF INITIAL FRANCHISE FEE.** Section 5.A., **Initial Franchise Fee**, is hereby deleted in its entirety and replaced with the following:

“In consideration for the initial grant of the Franchise, You agree to pay us an initial franchise fee in the amount listed on Exhibit A when you sign this Agreement (the “**Initial Franchise Fee**”). The North Dakota Securities Division required us to defer payment of the Initial Franchise Fee owed by you to us until we have completed our pre-opening obligations under this Agreement and you have opened your BrewPub for business. Therefore, the Initial Franchise Fee is due and payable to us immediately upon our completion of all our pre-opening obligations to you and your BrewPub is open to the public. The Initial Franchise Fee is fully earned by us when we complete the foregoing enumerated activities and is nonrefundable.”

3. **TRANSFER, SUCCESSOR FRANCHISE RIGHTS.** Sections 13 and 14 are amended to add the following:

“Franchise Agreements that require the franchisee to sign a general release upon renewal or transfer are considered unfair, unjust and inequitable and are hereby deleted in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law.”

4. **COVENANT NOT TO COMPETE.** Section 16.D is amended to add the following:

“Covenants not to compete are generally considered unenforceable in the State of North Dakota pursuant to Section 9-08-06 of the North Dakota Century Code.”

5. **ATTORNEYS’ FEES.** Section 18.C, **Costs and Attorneys’ Fees**, is amended by adding the following:

“If and to the extent any provisions of this Section of the Agreement are inconsistent with the North Dakota Franchise Investment Law, then the applicable provisions of the North Dakota Franchise Investment Law shall apply.”

6. **ARBITRATION.** Section 18.F, **Arbitration**, is hereby amended to add the following:

“Notwithstanding the foregoing, if and to the extent required by the North Dakota Franchise Investment Law (unless preempted by the Federal Arbitration Act), arbitration proceedings will be conducted at a mutually agreeable site in North Dakota.”

“Any provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside North Dakota is void as to a claim otherwise enforceable under the North Dakota Franchise Investment Law.”

7. **GOVERNING LAW, JURISDICTION.** Section 18.F, **Arbitration**, Section 18.G, **Governing Law**, and Section 18.H, **Consent to Jurisdiction**, are amended to add the following:

“Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, this Agreement will be governed by the laws of the state of North Dakota.”

8. **WAIVER.** Section 18.I, **Waiver of Punitive Damages and Jury Trial**, is amended by adding the following:

“If and to the extent any provisions of this Section of the Agreement are inconsistent with the North Dakota Franchise Investment Law, then the applicable provisions of the North Dakota Franchise Investment Law shall apply.”

9. **LIMITATIONS.** Section 18.K, **Limitations of Claims**, is amended by adding the following:

“If and to the extent any provisions of this Section of the Agreement are inconsistent with the North Dakota Franchise Investment Law, then the applicable provisions of the North Dakota Franchise Investment Law shall apply.”

10. **ENFORCEMENT.** Section 18 is hereby amended to add a 18.N, **State Law**, to include the following:

Notwithstanding the foregoing, if and to the extent required by the North Dakota Franchise Investment Law (unless preempted by the Federal Arbitration Act), arbitration proceedings will be conducted at a mutually agreeable site in North Dakota. Any provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside North Dakota is

void as to a claim otherwise enforceable under the North Dakota Franchise Investment Law.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to the Franchise Agreement, to be effective on the Effective Date.

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

FRANCHISEE

By: _____
Name: _____
Title: _____

[Name]
By: _____
Name: _____
Title: _____

**RIDER TO THE BREWDOG FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND**

THIS RIDER is made by and between **BREWDOG FRANCHISING, LLC**, an Ohio limited liability company whose principal business address is 96 Gender Road, Canal Winchester, Ohio 43110 (“we,” “us,” or “our”), and _____, a(n) _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement (the “Franchise Agreement”) dated _____, 20__ (the “Effective Date”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of Rhode Island and the BREWDOG BrewPub you will operate under the Franchise Agreement will be located in Rhode Island; and/or (b) any of the offer or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2. **GOVERNING LAW/CONSENT TO JURISDICTION.** The following language is added at the end of Sections 18.G and 18.H of the Franchise Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to the Franchise Agreement, to be effective on the Effective Date.

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

FRANCHISEE

By: _____

Name: _____

Title: _____

[Name]

By: _____

Name: _____

Title: _____

**RIDER TO THE BREWDOG FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR USE IN VIRGINIA**

THIS RIDER is made by and between **BREWDOG FRANCHISING, LLC**, an Ohio limited liability company whose principal business address is 96 Gender Road, Canal Winchester, Ohio 43110 (“we,” “us,” or “our”), and _____, a(n) _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement (the “Franchise Agreement”) dated _____, 20__ (the “Effective Date”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being executed because (a) the offer or sale of the franchise for the BREWDOG BrewPub that Franchisee will operate under the Agreement was made in the Commonwealth of Virginia, and/or (b) Franchisee is a resident of Virginia and the BREWDOG BrewPub will be located or operated in Virginia.

2. **TERMINATION.** The following shall be added as a new Section 21 to the Agreement: “**Virginia Retail Franchising Act**”:

“Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do 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.”

3. **EFFECT OF RIDER.** Each provision of this Rider shall be effective only to the extent that the jurisdictional requirements of the Virginia Retail Franchising Act applicable to the provision are met independent of this Rider. This Rider shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to the Franchise Agreement, to be effective on the Effective Date.

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

FRANCHISEE

By: _____
Name: _____
Title: _____

[Name]

By: _____
Name: _____
Title: _____

**RIDER TO THE BREWDOG FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR USE IN WASHINGTON**

THIS RIDER is made by and between **BREWDOG FRANCHISING, LLC**, an Ohio limited liability company whose principal business address is 96 Gender Road, Canal Winchester, Ohio 43110 (“we,” “us,” or “our”), and _____, a(n) _____ (“you” or “your”).

4. **BACKGROUND.** We and you are parties to that certain Franchise Agreement (the “Franchise Agreement”) dated _____, 20____ (the “Effective Date”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Washington; and/or (b) the BREWDOG BrewPub you will operate under the Franchise Agreement will be located or operated in Washington; and/or (c) any of the offer or sales activity relating to the Franchise Agreement occurred in Washington.

5. **FEES.** The following paragraph is added to the end of Section 5.A. of the Franchise Agreement:

Despite the payment provisions above, we will defer your payment of all initial fees you owe us under the Franchise Agreement, including the initial franchise fee, until we have fulfilled all our initial obligations to you under the Franchise Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open for business your BrewDog BrewPub.

5. **RELOCATION.** The following language is added to end of the Section 2.C (Developing and Equipping the BrewPub):

Despite the foregoing requirements and conditions required for relocation of your BrewPub’s location, you will not be required to execute and provide us with a general release as a condition to approve a relocation of your BrewPub.

6. **REPRESENTATIONS AND WARRANTIES.** Section 20(f) of the Franchise Agreement is hereby deleted in its entirety and replaced with the following: “Intentionally Deleted.”

7. **WASHINGTON LAW.** The following paragraphs are added to the end of the Franchise Agreement:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in

your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to the Franchise Agreement, to be effective on the Effective Date.

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

FRANCHISEE

By: _____
Name: _____
Title: _____

[Name]

By: _____
Name: _____
Title: _____

**RIDER TO THE BREWDOG FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN**

THIS RIDER is made by and between **BREWDOG FRANCHISING, LLC**, an Ohio limited liability company whose principal business address is 96 Gender Road, Canal Winchester, Ohio 43110 (“**we,**” “**us,**” or “**our**”), and _____, a(n) _____ (“**you**” or “**your**”).

WHEREAS, the parties have contemporaneously herewith entered into a Franchise Agreement (the “Agreement”) and the parties wish to amend the Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the BREWDOG BrewPub that you will operate under the Agreement was made in the State of Wisconsin, (b) you are a resident of Wisconsin, and/or (c) the BREWDOG BrewPub will be located or operated in the State of Wisconsin.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Rider, the provisions of this Addendum shall control. The parties agree that the Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of you and us remain as written unless modified herein.

2. Notwithstanding anything that may be contained in the body of the Agreement to the contrary, Sections 15.A, **Termination By Us**, of the Agreement is extended as follows:

“For all franchises sold in the State of Wisconsin, we will provide you at least 90 days’ prior written notice of termination, cancellation, nonrenewal or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, nonrenewal or substantial change in competitive circumstances and will provide that you have 60 days in which to rectify any claimed deficiency. If the deficiency is rectified within 60 days, the notice will be void. These notice requirements shall not apply if the reason for termination, cancellation or nonrenewal is insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation, nonrenewal or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will be entitled to written notice of such default, and will have not less than 10 days in which to remedy such default from the date of delivery or posting of such notice.”

3. The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Sec. 135.01-135.07, will supersede any conflicting terms of the Franchise Agreement.

[SIGNATURE PAGE TO FOLLOW]

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

BREWDOG FRANCHISING, LLC

FRANCHISEE

By: _____
Name: _____
Title: _____

[Name]

By: _____
Name: _____
Title: _____

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
DEVELOPMENT RIGHTS AGREEMENT**

**RIDER TO THE BREWDOG FRANCHISING, LLC
DEVELOPMENT RIGHTS AGREEMENT
FOR USE IN CALIFORNIA**

THIS RIDER is made by and between **BREWDOG FRANCHISING, LLC**, an Ohio limited liability company whose principal business address is 96 Gender Road, Canal Winchester, Ohio 43110 (“Franchisor”), and _____, a corporation having its principal place of business at _____ (“Developer”).

1. **BACKGROUND.** Franchisor and Developer are parties to that certain Development Rights (the “Development Rights Agreement”) Agreement dated _____, 20__ (the “Effective Date”). This Rider is annexed to and forms part of the Development Rights Agreement. This Rider is being signed because (a) any of the franchise offer or sales activity occurred in the State of California and the BREWDOG BrewPubs that Developer will develop and operate under the Development Rights Agreement will be located in California, and/or (b) Developer is a resident of California.

2. **FEE DEFERRAL.** The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a this Development Agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

3. **GOVERNING LAW.** California Business and Professions Code Sections 20000 through 20043, the California Franchise Relations Act, provide rights to the Franchisee concerning termination, transfer or nonrenewal of a franchise. If the Development Rights Agreement contains a provision that is inconsistent with the law, the law will control.

4. **INTEREST RATE.** The Development Rights Agreement is amended to state that any interest rate charged on past due amounts will be the highest contract rate of interest allowed by California law or the rate specified in the Franchise Agreement, whichever is less.

5. **CAPITALIZED TERMS.** Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Franchise Agreement.

6. **EFFECT OF RIDER.** Each provision of this Rider shall be effective only to the extent that the jurisdictional requirements of the California Franchise Relations Act applicable to the provision are met independent of this Rider. This Rider shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to the Franchise Agreement, to be effective on the Effective Date.

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

FRANCHISEE

By: _____
Name: _____
Title: _____

[Name]

By: _____
Name: _____
Title: _____

**RIDER TO THE BREWDOG FRANCHISING, LLC
DEVELOPMENT RIGHTS AGREEMENT
FOR USE IN ILLINOIS**

THIS RIDER is made by and between **BREWDOG FRANCHISING, LLC**, an Ohio limited liability company whose principal business address is 96 Gender Road, Canal Winchester, Ohio 43110 (“Franchisor”), and _____, a corporation having its principal place of business at _____ (“Developer”).

7. **BACKGROUND.** Franchisor and Developer are parties to that certain Development Rights (the “Development Rights Agreement”) Agreement dated _____, 20__ (the “Effective Date”). This Rider is annexed to and forms part of the Development Rights Agreement. This Rider is being signed because (a) any of the franchise offer or sales activity occurred in the State of Illinois and the BREWDOG BrewPubs that Developer will develop and operate under the Development Rights Agreement will be located in Illinois, and/or (b) Developer is a resident of Illinois.

8. The following language is added as new Section 16 of the Development Rights Agreement:

Except for the Federal Arbitration Act that applies to arbitration, Illinois law governs the Franchise Agreement and Development Rights Agreement.

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.

Franchisees’ rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to the Development Rights Agreement, to be effective on the Effective Date.

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

DEVELOPER

By: _____
Name: _____
Title: _____

[Name]

By: _____
Name: _____
Title: _____

**RIDER TO THE BREWDOG FRANCHISING, LLC
DEVELOPMENT RIGHTS AGREEMENT
FOR USE IN MARYLAND**

THIS RIDER is made by and between **BREWDOG FRANCHISING, LLC**, an Ohio limited liability company whose principal business address is 96 Gender Road, Canal Winchester, Ohio 43110 (“Franchisor”), and _____, a corporation having its principal place of business at _____ (“Developer”).

1. **BACKGROUND.** We and you are parties to that certain Development Rights Agreement (the “Development Rights Agreement”) dated _____, 20____ (the “Effective Date”). This Rider is annexed to and forms part of the Development Rights Agreement. This Rider is being signed because (a) Developer is a resident of the State of Maryland, and/or (b) Developer’s BREWDOG BrewPubs will be located or operated in Maryland..

2. **FEE DEFERRAL.** Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area development shall be deferred until the first franchise under the development agreement opens.

3. **RELEASES.** The following is added to the end of Sections 2.C(4), 13.A, 13.C(4), 13.D(5), 13.E, 13.H, 14(d) and 16.E(5) of the Franchise Agreement, and is incorporated by reference as new Section 16 of the Development Rights Agreement:

However, such general release will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **INSOLVENCY.** The following sentence is added to the end of Sections 13.B(4) and 15.A(19) of the Franchise Agreement, and is incorporated by reference as new Section 17 of the Development Rights Agreement:

This Section may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

5. **ARBITRATION.** The following is added to end the end of Section 18.F of the Franchise Agreement, and is incorporated by reference as new Section 18 of the Development Rights Agreement:

This Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection

requirement is legally enforceable. Therefore, we and you agree that the arbitration provision will be enforced to the extent allowed by the Federal Arbitration Act.

6. **GOVERNING LAW**. The following sentence is added to the end of Section 18.G of the Franchise Agreement, and is incorporated by reference as new Section 19 of the Development Rights Agreement:

However, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

7. **CONSENT TO JURISDICTION**. The following sentence is added to the end of Section 18.H of the Franchise Agreement, and is incorporated by reference as new Section 20 of the Development Rights Agreement:

You may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

8. **LIMITATION OF CLAIMS**. The following sentence is added to the end of Section 18.K of the Franchise Agreement, and is incorporated by reference as new Section 21 of the Development Rights Agreement:

However, you must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within three (3) years after we grant you the franchise.

9. **ACKNOWLEDGMENTS**. The following is added as a new Section 22 of the Development Rights Agreement:

19. ACKNOWLEDGMENTS

All representations requiring you to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to the Development Rights Agreement, to be effective on the Effective Date.

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

DEVELOPER

By: _____
Name: _____
Title: _____

[Name]

By: _____
Name: _____
Title: _____

**RIDER TO THE BREWDOG FRANCHISING, LLC
DEVELOPMENT RIGHTS AGREEMENT
STATE OF MINNESOTA**

THIS RIDER is made by and between **BREWDOG FRANCHISING, LLC**, an Ohio limited liability company whose principal business address is 96 Gender Road, Canal Winchester, Ohio 43110 (“Franchisor”), and _____, a corporation having its principal place of business at _____ (“Developer”).

1. **BACKGROUND.** We and you are parties to that certain Development Rights Agreement (the “Development Rights Agreement”) dated _____, 20__ (the “Effective Date”). This Rider is being signed because (a) the offer or sale of the franchise for the BREWDOG BrewPubs that Developer will develop and operate under the Development Rights Agreement was made in Minnesota, and/or (b) the BREWDOG BrewPubs that Developer will develop and operate will be located in Minnesota, and/or (c) you are a resident of Minnesota.

2. **TERMINATION.** Section 10 is amended to add the following:

Pursuant to Minn. Stat. Sec. 80C.14, Subdivisions 4 & 5, no person may terminate or cancel a franchise unless (i) that person has given notice setting forth all the reasons for the termination or cancellation at least 90 days in advance of termination or cancellation, and (ii) the recipient of the notice fails to correct the reasons stated for termination or cancellation in the notice within 60 days of receipt of the notice; except that the notice is effective immediately upon receipt where the alleged grounds for termination or cancellation are:

- (a) voluntary abandonment of the franchise relationship by you;
- (b) the conviction of you of an offense that is directly related to the business conducted pursuant to the franchise; or
- (c) failure to cure a default under this Agreement which materially impairs the goodwill associated with our trade name, trademark, service mark, logotype or other commercial symbol after you have received written notice to cure at least twenty-four (24) hours in advance thereof.

3. **ENFORCEMENT.** The following language was added to Section 18 of the Franchise Agreement and is incorporated by reference as new Section 16 of the Development Rights Agreement:

Under Minnesota law, we may seek a restraining order, injunction and such other equitable relief as may be appropriate, but we are not automatically entitled to such relief and you have not automatically consented to such relief.

Pursuant to Minnesota Statutes Section 80C.21 and Minnesota Rule Part 2860.4400J, and subject to your arbitration obligations, this section shall not in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, including the right

to submit matters to the jurisdiction of the courts of Minnesota and the right to bring a cause of action within three (3) years after the cause of action accrues. You cannot be required to consent to the waiver of a jury trial.

Regardless of the foregoing, pursuant to Minnesota Statutes Section 80C.17, Subd 5, any and all claims arising out of or relating to this Agreement or our relationship will be barred unless a legal proceeding is commenced within three (3) years from when the cause of action accrued.

4. **EFFECT OF RIDER.** Each provision of this Rider shall be effective only to the extent that the jurisdictional requirements of the Minnesota Statutes applicable to the provision are met independent of this Rider. This Rider shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to the Development Rights Agreement, to be effective on the Effective Date.

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

DEVELOPER

By: _____
Name: _____
Title: _____

[Name]

By: _____
Name: _____
Title: _____

**RIDER TO THE BREWDOG FRANCHISING, LLC
DEVELOPMENT RIGHTS AGREEMENT
STATE OF NEW YORK**

THIS RIDER is made by and between **BREWDOG FRANCHISING, LLC**, an Ohio limited liability company whose principal business address is 96 Gender Road, Canal Winchester, Ohio 43110 (“Franchisor”), and _____, a corporation having its principal place of business at _____ (“Developer”).

5. **BACKGROUND.** We and you are parties to that certain Development Rights Agreement (the “Development Rights Agreement”) dated _____, 20__ (the “Effective Date”). This Rider is being signed because (a) the offer or sale of the franchise for the BREWDOG BrewPubs that Developer will develop and operate under the Development Rights Agreement was made in New York, and/or (b) the Developer is a resident of New York and the BREWDOG BrewPubs that Developer will develop and operate will be located in New York.

2. **RELEASES.** The following is added to the end of Sections 2.C(4), 13.A, 13.C(4), 13.D(5), 13.E, 13.H, 14(d) and 16.E(5) of the Franchise Agreement, and is incorporated by reference as new Section 16 of the Development Rights Agreement:

Notwithstanding the foregoing, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of the proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.

3. **TRANSFER BY US.** The following language is added to the end of Section 13.A of the Franchise Agreement, and is incorporated by reference as new Section 17 of the Development Rights Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

4. **TERMINATION BY YOU.** The following language is added to the end of Section 15 of the Franchise Agreement, and is incorporated by reference as new Section 18 of the Development Rights Agreement:

You may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **GOVERNING LAW/CONSENT TO JURISDICTION.** The following language is added at the end of Sections 18.G and 18.H of the Franchise Agreement, and is incorporated by reference as new Section 19 of the Development Rights Agreement:

However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

6. **LIMITATION OF CLAIMS.** The following sentence is added to the end of Section 18.K of the Franchise Agreement, and is incorporated by reference as new Section 20 of the Development Rights Agreement:

To the extent required by Article 33 of the General Business Law of the State of New York, all rights and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687(4) and 687(5) be satisfied.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to the Development Rights Agreement, to be effective on the Effective Date.

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

DEVELOPER

By: _____
Name: _____
Title: _____

[Name]
By: _____
Name: _____
Title: _____

**RIDER TO THE BREWDOG FRANCHISING, LLC
DEVELOPMENT RIGHTS AGREEMENT
STATE OF NORTH DAKOTA**

THIS RIDER is made by and between **BREWDOG FRANCHISING, LLC**, an Ohio limited liability company whose principal business address is 96 Gender Road, Canal Winchester, Ohio 43110 (“Franchisor”), and _____, a corporation having its principal place of business at _____ (“Developer”).

1. **BACKGROUND.** We and you are parties to that certain Development Rights Agreement (the “Development Rights Agreement”) dated _____, 20__ (the “Effective Date”). This Rider is being signed because (a) the offer or sale of the franchise for the BREWDOG BrewPubs that Developer will develop and operate under the Development Rights Agreement was made in Minnesota, and/or (b) the BREWDOG BrewPubs that Developer will develop and operate will be located in Minnesota, and/or (c) you are a resident of Minnesota.

2. **COVENANT NOT TO COMPETE.** The following language was added to Section 16.D of the Franchise Agreement and is incorporated by reference as new Section 16 of the Development Rights Agreement:

Covenants not to compete are generally considered unenforceable in the State of North Dakota pursuant to Section 9-08-06 of the North Dakota Century Code.

3. **ENFORCEMENT.** The following language was added to Section 18 of the Franchise Agreement and is incorporated by reference as new Section 17 of the Development Rights Agreement:

If and to the extent any provisions of this Section of the Agreement are inconsistent with the North Dakota Franchise Investment Law, then the applicable provisions of the North Dakota Franchise Investment Law shall apply.

Notwithstanding the foregoing, if and to the extent required by the North Dakota Franchise Investment Law (unless preempted by the Federal Arbitration Act), arbitration proceedings will be conducted at a mutually agreeable site in North Dakota. Any provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside North Dakota is void as to a claim otherwise enforceable under the North Dakota Franchise Investment Law.

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, this Agreement will be governed by the laws of the state of North Dakota.

4. **EFFECT OF RIDER.** Each provision of this Rider shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law applicable to the provision are met independent of this Rider. This Rider shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to the Development Rights Agreement, to be effective on the Effective Date.

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

DEVELOPER

By: _____
Name: _____
Title: _____

[Name]

By: _____
Name: _____
Title: _____

**RIDER TO THE BREWDOG FRANCHISING, LLC
DEVELOPMENT RIGHTS AGREEMENT
FOR USE IN RHODE ISLAND**

THIS RIDER is made by and between **BREWDOG FRANCHISING, LLC**, an Ohio limited liability company whose principal business address is 96 Gender Road, Canal Winchester, Ohio 43110 (“Franchisor”), and _____, a corporation having its principal place of business at _____ (“Developer”).

1. **BACKGROUND.** We and you are parties to that certain Development Rights Agreement (the “Development Rights Agreement”) dated _____, 20____ (the “Effective Date”). This Rider is annexed to and forms part of the Development Rights Agreement. This Rider is being signed because (a) Developer is domiciled in Rhode Island and the BREWDOG BrewPubs that Developer will develop and operate under the Development Rights Agreement will be located in Rhode Island, and/or (b) any of the franchise offer or sales activity occurred in Rhode Island.

2. **GOVERNING LAW/CONSENT TO JURISDICTION.** The following language is added at the end of Sections 18.G and 18.H of the Franchise Agreement, and is incorporated by reference as new Section 16 of the Development Rights Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to the Development Rights Agreement, to be effective on the Effective Date.

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

DEVELOPER

By: _____
Name: _____
Title: _____

[Name]

By: _____
Name: _____
Title: _____

**RIDER TO THE BREWDOG FRANCHISING, LLC
DEVELOPMENT RIGHTS AGREEMENT
FOR USE IN WASHINGTON**

THIS RIDER is made by and between **BREWDOG FRANCHISING, LLC**, an Ohio limited liability company whose principal business address is 96 Gender Road, Canal Winchester, Ohio 43110 (“Franchisor”), and _____, a corporation having its principal place of business at _____ (“Developer”).

1. **BACKGROUND.** We and you are parties to that certain Development Rights Agreement (the “Development Rights Agreement”) dated _____, 20____ (the “Effective Date”). This Rider is annexed to and forms part of the Development Rights Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the BREWDOG BrewPubs that Developer will develop and operate under the Development Rights Agreement was made in Washington, and/or (b) the Developer is a resident of Washington; and/or (c) the BREWDOG BrewPubs that Developer will develop and operate under the Development Rights Agreement will be located in Washington.

8. **FEES.** The following paragraph is added to the end of Section 2 of the Development Rights Agreement:

Despite the payment provisions above, we will defer Developer’s payment of all initial fees owed to us under this Agreement, including the development fee, until Franchisor has fulfilled all of its initial obligations to Developer under this Agreement and each Franchise Agreement which is executed pursuant to the Agreement the Developer has commenced doing business at each BrewPub. Developer must pay Franchisor the development fee to us proportionally on each day that Developer opens a BrewPub under the Development Agreement for business.

2. **WASHINGTON LAW.** The following paragraphs are added to the end of the Development Rights Agreement:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the Development Rights Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Development Rights Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Development Rights Agreement, a developer may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a developer may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a developer, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a developer under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Development Rights Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a developer from (i) soliciting or hiring any employee of a developer of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Development Rights Agreement or elsewhere are void and unenforceable in Washington.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to the Development Rights Agreement, to be effective on the Effective Date.

BREWDOG FRANCHISING, LLC,
an Ohio limited liability company

DEVELOPER

By: _____
Name: _____
Title: _____

[Name]

By: _____
Name: _____
Title: _____

EXHIBIT H

LIST OF FRANCHISEES IN SYSTEM AND THOSE WHO LEFT

LIST OF CURRENT FRANCHISEES:

Hop Dragon Holdings LLC*+
Juan Carlos Mondragon Becerril
3950 Wynkoop Street
Denver, Colorado 80216
720-862-6580

*denotes franchisees who are area developers and have entered into area development agreements with BrewDog

+ denotes franchisee who have executed franchise agreements but have not yet opened a BrewPub

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM:

None.

State Effective Dates

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

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

State	Effective Date
California	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Wisconsin	Pending

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

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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

Michigan law requires that BrewDog Franchising LLC give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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

The franchisor is BrewDog Franchising LLC, located at 96 Gender Road, Canal Winchester, Ohio 43110. Its telephone number is 614-908-3050.

Issuance date: April 26, 2023

The franchise sellers for this offering from BrewDog Franchising LLC are the following: Keith Bennet and Jason Block, 96 Gender Road, Canal Winchester, Ohio 43110, reachable at (614) 908-3050.

We authorize the respective state agents identified on Exhibit E to receive service of process for us in the particular states. I received a disclosure document from BrewDog Franchising LLC dated as of April 26, 2023, that included the following Exhibits:

- A. Financial Statements
- B. Franchise Agreement
- C. Development Rights Agreement
- D. Operations Manual Table of Contents
- E. List of State Agencies/Agents for Service of Process
- F. Form of General Release
- G. State-Specific Additional Disclosures and Agreement Riders
- H. List of Franchisees in System and those who Left

Date

Prospective Franchisee [Print Name]

*(Date, sign, and return to us at our address
above or by email to*

Signature of Prospective Franchisee

[Receipts Page – Franchisor Copy]

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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

Michigan law requires that BrewDog Franchising LLC give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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

The franchisor is BrewDog Franchising LLC, located at 96 Gender Road, Canal Winchester, Ohio 43110. Its telephone number is 614-908-3050.

Issuance date: April 26, 2023

The franchise sellers for this offering from BrewDog Franchising LLC are the following: Keith Bennet and Jason Block, 96 Gender Road, Canal Winchester, Ohio 43110, reachable at (614) 908-3050.

We authorize the respective state agents identified on Exhibit E to receive service of process for us in the particular states. I received a disclosure document from BrewDog Franchising LLC dated as of April 26, 2023, that included the following Exhibits:

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- F. Form of General Release
- G. State-Specific Additional Disclosures and Agreement Riders
- H. List of Franchisees in System and those who Left

Date

Prospective Franchisee [Print Name]

(Date, Sign, and Keep for Your Own Records)

Signature of Prospective Franchisee