

**Republic of Ireland Item 6a**

**Consigned Franchisee – Other Fees**

The fees in this item apply to all Consigned Franchisees. All values quoted in this document may be subject to change from time to time. You will be advised appropriately as and when an item is amended. *Figures based on the current 1.16% exchange rate.*

<b>REF</b>	<b>Name of Fee</b>	<b>Amount</b>	<b>Due Date</b>
1	Marketing Charge	€72.81	Payable weekly
2	Hire Purchase and Maintenance Fee Payment (5% interest)	€2053.00	Payable by monthly Direct Debit in advance of each month's payment due date
3	Van Lease Termination	€554 -€1179	Upon Termination
4	Van Insurance	€1502.04 per annum	Paid over 10 months from February
5	Stock Insurance	€3.20 per €1000 list per month	Paid over 10 months from February
6	Public Liability Insurance	€68.16 per annum	Paid over 10 months from February
7	Sickness & Accident Insurance	€593.64 per annum	Paid over 10 months from February
8	Employers Liability – for those with Employees	€238.20 per annum	Paid in full in one month
9	Laptop rental, licensing and support.	€169.81	Payable monthly
10	Overdue laptop equipment	€0.00	Charged to statement 7 days after the laptop is deemed overdue and every 7th day thereafter
11	Consigned Payment	€187.50 - €750	Payable weekly
12	Repair Bin Service	€26.30 per month	Payable monthly
13	Weekly remittance for Products & Services purchased from Snap-on	You are required as a minimum to pay 100% of any miscellaneous charges less your miscellaneous credits and 20% of the remaining outstanding balance. If you are over your credit limit and wish to remain off hold you are required to pay the value over your credit limit plus £1	Payable weekly upon receipt of an invoice from us
14	Grey Bin Charge	€31.19	Non receipt of grey bins within 4 months
15	Franchise Development Training	FTD1 – no charge FDT2 – no charge	Upon training + accommodation costs

16	Unpaid Direct Debit	€12.00	Upon dishonour of Bacs payment
17	Diagnostic Demo units software upgrades	€117.00	Maximum of €117.00 paid twice a year
18	Limited Company Set up	€350.55	During the set up process. It's compulsory to set up using Crowe Clark Whitehill
19	Bad Debt Reserve Fee	5% of the amount financed on each EC contract (excluding SBEC) taken and put in a bad debt reserve. Max Reserve €1769	Payable as and when contracts are purchased
20	Fraudulent Finance Contracts	The full settlement on any account will be charged back to the Franchisee if it is found that there has been any fraudulent activity on a financed contract	Upon termination of contract
21	SBEC	2% of the amount financed figure on the EC contract. Max deal €885	Upon credit of contract to Franchisees statement
22	Rebate Deals and promotions	A participation fee may be required by the Franchisee for specific promotions during the year. Full disclosure of fees will be made available at the launch of the programmes	Upon credit of contract to Franchisees statement
23	Late charges for Van Lease	Under the Snap-on Finance Van Lease programme late charges will be applied at the rate applicable to your agreement for unpaid direct debits or cheques a fixed fee of €11.80 is charged (subject to the maximum permitted by law).	Upon failing to make timely payment.
24	Late charges Franchisee Finance Computer Rental Agreement	Interest on late payments at 5% per annum over Finance House base rate. All costs incurred by us as a result of any breach by you and / or enforcing this agreement. €14.15 for any letter. 10% will be added to each payment made other than direct debit	Upon failing to make timely payment.
25	Charges for insufficient funds or dishonour of payment under Snap-on Franchise Finance and Credit programmes or for payment to Snap-on	Up to €29.49 which may increase during the term of your Franchisee Agreement.	Upon dishonour of payment by cheque, ACH or similar instrument

26	Full Recourse Accounts (SBEC )	Settlement figure of account when 59 days delinquent	Upon point of contract charge back
27	Full Recourse Accounts (SBEC) <b>Terminating Franchisee</b>	ALL full recourse contracts will be charged back on termination date	On franchisees termination date
28	Repossessions	Franchisees will be charged 100% of the FMV, if deal sold and goods taken. If there is a loss 25% of the loss amount is charged to EC reserve	Upon point of repossession being processed
29	Losses	Franchisee to be charged 25% of the net loss on the account	Upon point of write off or repossession being processed
30	Late charges Franchisee Finance Computer Loan	Interest on late payments at 5% per annum over Finance House base rate. All costs incurred by us as a result of any breach by you and / or enforcing this agreement. €14.15 for any letter. 10% will be added to each payment made other than direct debit.	Upon failing to make timely payment.

#### Notes

1. **Marketing Charge.** This is a weekly charge to cover the costs of marketing material supplied to you by the marketing group. It includes items such as the National flyer, Workshop Solutions Flyer and other marketing literature. This cost may increase during the term of your Franchise Agreement.
2. **Hire Purchase and Maintenance Fee Payment.** This is the monthly cost of purchasing a new Iveco Daily 7.2 through Snap-on Finance on a hire purchase. It assumes the cost of the vehicle including VAT is €139,493.48 of which the VAT element, €27,898.69 is due as a deposit at the start of the agreement. Snap-on will pay this deposit on the Franchisees behalf until you are able to claim the money back; we assume this will take approximately 6 months. The monthly payment is calculated on lease which is over 84 months. Other finance options are available to you including Lease and will be discussed with you by Snap-on Finance. Should you purchase a second hand vehicle through a previous Snap-on franchisee monthly costs will vary. Quotes available on request.
3. **Van Lease Termination.** Should you terminate your Franchise Agreement with Snap-on Tools you are still liable for your vehicle. Your vehicle is leased by yourself directly with the Finance company. Snap-on, where possible, will help to reallocate your vehicle to a new Franchisee. Should this be an option to you we will be required to ensure your vehicle has a minimum of 6 month MOT on it, minimum of 12 weeks since it was last serviced and 8 weeks since its last VOSA inspection. Upon receipt of the vehicle back we will conduct a bodywork inspection and mechanical inspection and you will be charged for any work required as well as for the inspection (€305.66) and a valet (€226.41). You will remain liable for the cost of be vehicle to

the lease company until the new franchisee signs the lease to take it over, not from the date you end your franchise agreement. The costs may increase during for this work during your time as a Franchisee.

4. **Van Insurance.** To cover the cost of insurance for the Franchisee van and fit out. You are liable for the excess which is currently €125.17 plus any VAT for any accident repair. Your certificate is sent out at the beginning of each year.
5. **Stock Insurance.** This insurance covers the stock albeit on your vehicle or stock delivery premises. This covers you in the case of theft or loss. Your certificate is sent out at the beginning of each year.
6. **Public Liability Insurance.** This insurance covers you whilst trading should one of your customers slip or have an accident whilst on your van or if they injure themselves on a Snap-on tool and wish to make a claim. The policy is available on request.
7. **Sickness and Accident Policy.** This policy covers you should be unable to carry out your daily work as a Franchisee, there is an excess of 12 working days where you cannot claim, we advise you read your policy as there are certain exclusions i.e. stress, back problems and you also cannot claim for motorbike accidents if riding a motorbike over 250cc. The policy is issued when you start as a Franchisee but can also be provided on request.
8. **Employers Liability.** This only applies to Franchisee's who employ a second van. The policy is sent out by our Insurers along with the certificate. All certificates you have for Employers Liability you legally have to be kept for 40 years. This covers your employee to trade.
9. **Laptop rental, licensing and support.** This charge firstly covers ongoing licensing of the Snap-on Chrome software. It also includes rental of a Snap-on approved laptop with complete care warranty. Finally the charge encompasses ongoing support and maintenance for all hardware and software.
10. **Overdue laptop equipment.** These are charges a Franchisee will incur if they fail to return a rental Chrome laptop within 7 days of it being deemed overdue and then charged every 7th day thereafter.
11. **Consigned Payment.** You will be required to pay between 5 – 10% of your weekly sales each week to pay off your consignment. The actual percentage you pay will be agreed between yourself and your Business Manager prior to starting. We estimate the payment will be between €187.50 and €750 per week. This is taken from 5% of an €3,750 week sales to 10% of €7500 per week sales.
12. **Red Bin Service Charge.** Snap-on Franchisees are able to return items for repair/ warranty issues as a part of the delivery service system offered by Snap-on UK. There is a small monthly charge to use the red bin service which are the bins required to use to return the items.

- 13. Grey Bin Service Charge.** Snap-on ship out Franchisees weekly tool delivery using a grey bin system through our nominated carriers. For this delivery system there is no charge. The system however, relies on the frequent return of the grey bins in order to keep it going. Should Franchisees fail to return any grey bins for 4 months they will be charged to those bins at a cost of €31.19 per bin in order that we can replace them to continue to offer the service to the Franchise network.
- 14. Franchise Training.** New Franchisees will return to Kettering at around 4 months to attend New Franchise Training 2 followed by Franchise Development Training at around 9 months after starting the franchise. There is no cost for the actual training provided but you will be charged for hotel accommodation for the nights you are required in Kettering. This will be charged to your statement at the time of training
- 15. Unpaid Direct Debit.** A charge will be applied for any returned Bacs payments.
- 16. Insurance Bounced Payment.** A charge will be applied for any returned Bacs payments.
- 17. Diagnostic Demo Units Software Upgrades.** As a Snap-on Franchisee you will carry as part of your stock Diagnostic Demo units to be able to loan out to your customers. These units will need their software upgraded every 6 months to ensure they are up to date. There is a charge of €11.80 per unit for each upgrade with a maximum charge of €117.05 per 6 months.
- 18. Limited Company Set-Up.** Franchisees wishing to operate as a Limited Company must arrange the full set up through Snap-on Finance. We will then set the Company up using a standard format to ensure consistency throughout the Franchise.
- 19. Bad Debt Reserve Fee.** This is a reserve account held on the weekly statement that is used to help cover the cost of EC recourse charges.
- 20. Fraudulent Finance Contracts.** If a Franchisee enters into a finance contract with a customer that is in anyway fraudulent the full settlement on any account will be charged back to the Franchisee.
- 21. SBEC.** Snap-on Finance offers the Small-Balance EC program (“SBEC”). The SBEC program combines attributes of the R/A program and the EC program and gives you the ability to provide more affordable payment terms on select products to more of your customers.
- 22. Rebate Deals and Promotions.** From time to time we will offer specific promotions related to product financed via our Snap-on Finance programme. A participation fee may be required by the Franchisee for specific promotions during the year. Full disclosure of fees will be made available at the launch of the programmes
- 23. Late Charges Franchisee Finance Loan.** These are charges a Franchisee will incur if scheduled payments for loan are not honoured.

24. **Late Charges Finance Franchisee Finance Van Loan.** These are charges a Franchisee will incur if scheduled payments for loan are not honoured, if they have van finance with Snap-on Finance UK.
25. **Late Charges Franchisee Finance Computer Loan.** These are charges a Franchisee will incur if scheduled payments for loan are not honoured.
26. **Charges for insufficient funds or dishonour of payment under Snap-on Franchise Finance and Credit programmes or for payment to Snap-on.** These are charges a Franchisee will incur if scheduled payments for a loan are not honoured.
27. **Full Recourse Accounts (SBEC).** The liability to the franchisee for Full recourse accounts is 100%. The accounts will be charged back to the original selling franchisee automatically when the account reaches 59 days delinquent. The charge will be the full settlement figure of the account. The charge will go through as a miscellaneous charge on the franchisees statement.
28. **Full Recourse Accounts (SBEC) Terminating Franchisee:** Due to the liability for full recourse accounts being 100% to the franchisee, upon date of termination the franchisee will be charged the settlement for all full recourse accounts that are still active. The charge will go through as a miscellaneous charge on the franchisees statement. If the primary dealer is terminating they will be charged back for not only their own full recourse account but their 2<sup>nd</sup> vans full recourse accounts as well.
29. **Repossessions.** Repossessions can take place at any point throughout a month. Franchisees will be charged 100% of the Fair Market Value FMV, if deal sold and goods taken. If there is a loss 25% of the loss amount is charged to EC reserve
30. **Losses.** When an account is taken to loss as a write off or a repo deficiency the franchisee will have a 25% charge of the net loss. Charge is made as a misc. charge then credited from reserve.
31. **Late charges Franchisee Finance Computer Loan.** These are charges a Franchisee will incur if scheduled payments for loan are not honoured.