

CHEMKLEEN ENVIRONMENTAL SOLUTIONS INC.

FEES PAYABLE TO CHEMKLEEN OR MASTER FRANCHISOR

Type of Fee	Amount of Fee	Further Information
Royalty Fee	6% of Gross Sales, subject to Gross Sales Sliding Scale Reductions (See Note 1 below)	See Note 2 below, and explanation set out in Franchise Disclosure Document.
Supplemental National and Regional Accounts Advanced Royalty Fee	2% of Gross Sales (which is in addition to the above Royalty Fee)	See Notes 2 and 3 below, and explanation set out in Franchise Disclosure Document.
Local Advertising	1.5% of Gross Sales	See explanation set out in Franchise Disclosure Document.
Advertising Fund Contribution	2% of Gross Sales (on National and Regional Accounts, 2.5% of Gross Sales)	See Notes 2 and 3 below, and explanation set out in Franchise Disclosure Document.
Additional or Special Training	\$500 per day, or our then current fee, plus our incurred costs of travel, food and lodgings if we are required to travel to you	Payable if we determine that you and/or your personnel are required to undergo additional or special training at any time during the term of the Franchise Agreement, or if you request such additional training from us.
Transfer Fee	Two-Thirds (2/3) of current Franchise Fee, plus legal and accounting fees incurred by us	You must also satisfy various other conditions of transfer, see explanation set out in Franchise Disclosure Document.

Renewal Fee	One-Third (1/3) of current Franchise Fee, plus legal and accounting fees incurred by us	You must also satisfy various other conditions of renewal, see explanation set out in Franchise Disclosure Document.
Annual Conference	Cost of audit plus interest on the amount of deficiency.	Payable if you are found to misstate your accounts by more than 2%.
Audit Fees	Cost of audit plus interest on the amount of deficiency.	Payable if you are found to misstate your accounts by more than 2%.
Interest on Late Payments	12% per annum	Payable on all overdue amounts accruing from the date payment is due until payment is received by us.
Manual Replacement Fee	\$1,500	Payable if you lose or misplace the confidential operations manual or if operations manual is stolen or damaged.
Franchisor Intervention /Involvement	A reasonable management fee to be determined by us, plus reimbursement for our reasonable expenses incurred, and third-party charges (plus a 5% administrative charge), including travel and accommodations for our agents.	Payable if we reasonably determine that our intervention or involvement is required to meet our high standards, or we are otherwise required to become involved outside of our normal role (i.e. legal disputes, negotiations, and customer complaints), with such determination lying in our sole discretion; See explanation set out in Franchise Disclosure Document.
Temporary Management by Us	A reasonable management fee to be determined by us, plus reimbursement for our reasonable expenses incurred, and third-party charges (plus a 5% administrative charge), including travel and accommodations for our agents.	Payable if you are in default under the Franchise Agreement, and we have authorized one or more of our agents to operate the Franchised Business on your behalf, until such time as the default is cured. See explanation set out in Franchise Disclosure Document.

Indemnity	Amount of any liabilities, claims, costs and legal fees incurred by us which relate to your operation of the Franchised Business	See explanation set out in Franchise Disclosure Document.
Legal Fees	Actual amount paid to the lawyers (plus a 5% administrative charge)	In the event that we (or a master franchisor, if applicable) are made a party to litigation (including arbitration and mediation), or is threatened to be made a party to litigation by or against the Franchisee, and it is found that the Franchisee breached the Franchise Agreement or was otherwise found at fault to any extent in such litigation, to indemnify us (and the Master Franchisor, if applicable) from any losses, damages, or claims whatsoever arising from the litigation or breach or default that gave rise to the litigation including legal fees, accountant, expert witnesses, costs of investigation, travel and living expenses.

The above-noted figures do not include applicable sales taxes. You may be entitled to an input tax credit for any sales tax paid by you.

NOTES

1. Gross Sales Sliding Scale Reduction is a royalty reduction initiative that takes effect when a franchisee’s Gross Sales (as defined below) for their fiscal year (not exceeding 12 months) surpasses \$750,000.00 (subject to an annual inflation increase), such that the franchisee’s Royalty Fee on the excess amount shall be reduced to 5.5% of Gross Sales until their Gross Sales for their fiscal year (not exceeding 12 months) surpasses \$1,500,000.00 (subject to an annual inflation increase), whereupon the Franchisee’s Royalty Fee on the excess shall be reduced to 5% of Gross Sales.
2. The term “Gross Sales” includes all gross sums collected or billed by you or us from all goods and services sold in connection with the Franchised Business, whether for goods or services performed or sold by you or your employees and contractors, and any other revenue related to or derived from the provision of the Services or the sale of any products in connection with the conduct and operation of the Franchised Business whether for cash, cheque, credit, gift certificates, coupons, barter, or other means of exchange, including, without limitation:

- a. the proceeds of any business interruption insurance and whether for cash, debit or credit; and
- b. all revenues derived from tenants and/or subtenants of yours, including rent and any other lease payment and/or with respect to any co-branding activities,

but shall not include sales taxes or value added taxes.

3. Where a national or regional customer is initially procured by us, a master franchisor or another franchisee, that national or regional customer and all customer accounts derived therefrom (the "National and Regional Advanced Account Royalty Fee") shall be subject to an added royalty of 2% of Gross Sales and an added marketing charge of 0.5% of Gross Sales therefrom to compensate the responsible parties for the procurement of that national or regional customer and the expenses associated with maintaining that business arrangement. Where the franchisee was responsible for procuring said national or regional customer, said franchisee will be entitled to share in the National and Regional Advanced Account Royalty Fee attributable to that national or regional customer as set forth in the Franchise Agreement and the Franchise Disclosure Document.