



KINOHIMITSU

FREEDOM TO LIVE

OUTLET PRE-OPENING MANUAL

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I. About the Kinohimitsu Outlet Pre-Opening Manual

This Pre-Opening Manual serves as a guideline for the Distributor to adhere to the workflow, policies and framework that a Kinohimitsu Outlet is established upon. It also covers the necessary preparations that are needed to the launch of the outlet and the areas that the Distributor should prepare for prior to outlet opening.

The pre-opening matters to be taken care of include:

- Project Management
- Site Selection
- Outlet Design
- Outlet Renovation
- Staff Recruitment
- Preparation for Outlet Opening

The contents of this manual have been structured based on a flagship outlet that deals with all the issues involved on the broadest basis.

II. Usage of the Manual

In this Pre-Opening Manual, instructions and explanations are provided to the Distributor on how to proceed with all tasks and activities that are to be completed prior to the opening of a typical Kinohimitsu outlet. Appendices in this manual provide the Distributor with various materials to use in the course of planning and implementing the pre-opening activities.

Upon expiration, non-renewal or termination of the Distribution relationship, this full set of manual must be returned to Kino Biotech Pte Ltd.

III. Confidentiality

The Kinohimitsu Outlet Pre-Opening Manual is the sole property of Kino Biotech Pte Ltd and is protected by Copyright Law. Under the terms of the Distributor Agreement, the Distributor shall take all the steps necessary to preserve and protect the confidential information in the manual from any third party.

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Kino Biotech Pte Ltd may make amendments or provide updates to the Manual periodically. Such amendments or updates usually reflect the changes or improvements in the policies and procedures, and hence the revised contents should be studied, understood and adhered to, at all times.

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V. Distribution of Manual

Upon signing the Distribution Agreement, the Principal will supply one set of Outlet Pre-Opening Manual to Distributor. Request for additional manual(s) must be made in writing to the Principal. The Distributor shall pay to Principal a further amount for each additional copy of the manual supplied. Prices are subject to changes without prior notice.

VI. Any Other Enquiries

Please direct any questions regarding the use of the manual to the Distribution Department of Kino Biotech Pte Ltd:

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PROJECT MANAGEMENT



This section lays the foundation of the initial phase for Kinohimitsu Distribution Partners. It comprises all pre-opening project management matters that are taken care of by the Project Manager in the course of setting up the Kinohimitsu outlet.

A-1 Pre-Opening Count Down Schedule

The Project Manager should make use of the **Pre-Opening Count-Down Schedule** (Refer to *BPM Appendix 1*) to monitor and track each related project activity, as any over-run activity could mean an additional cost or resource to the project.

The entire pre-opening project should take approximately **16 weeks** to complete.

A-2 Roles and Responsibilities of Project Team

It is necessary that both the Principal and the Distributor strive to commit to the obligations that are expected of each of them. The roles and responsibilities of each party during the Pre-Opening stage are defined by the activities below:

Activities	Principal	Distributor
Project Management		✓
Site Selection	✓	✓
Outlet Design	✓	✓
Outlet Renovation		✓
Staff Recruitment	✓	✓

Preparation for Outlet Opening	✓	✓
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In order to maximize the relationship and make the Distribution a success, it takes dedication and commitment of all parties to fulfill their obligations.

A-3 Pre-Opening Administration Matter

The Principal and Distributor should work together to complete the **Contact Points List** (Refer to BPM Appendix 7) prior to the commencement of tasks below. The list will serve as a reference guide for the Distributor should any need for communication arises.

A-3-1 Application for Licenses and Permits

Every country has its own laws and regulations governing the operations of a business. The Distributor must ensure that his Distribution business does not contravene any local laws and regulations. It is also the Distributor's responsibility to ensure that all necessary licenses, permits and insurance that are applicable within the local context have been applied and approved before moving on to the next stage.

The Distributor is recommended to refer to the **New Outlet Permit Checklist** (Refer to BPM Appendix 8) when applying for licenses and permits.

Licenses and Permits

As regulations differ from area to area, it is important for the Distributor to find out about the relevant licenses required in the Distribution territory, and apply them with the relevant authorities if necessary. Landlords may also require the operator to obtain a permit from the authority before operations in the premise.

It is also very important to consider the time required for the application process and by when the licenses have to be in place in order to operate the business.

Insurance

The Distributor must apply and maintain insurance policies with a reputable international insurance company. This insurance is recommended to include business owner coverage, property insurance, public liability insurance and other applicable insurances as indicated in the Distribution Agreement, as well as those required by the Landlord.

- **Business owner coverage.** Otherwise known as "catch-all" coverage, business owner insurance provides damage protection from fire, personal injury or other mishaps (workmen compensation).
- **Property insurance.** This can augment the property coverage offered by business owner insurance. Property insurance covers damage to the building that houses the Distribution business, as well as to items inside the outlet such as furniture, equipment, signage and so on. The insurance should also cover equivalent to 3 months' of royalties to the Principal when the Distribution outlet ceases to operate during reconstruction after damage such as fire or break-ins.
- **Public liability insurance.** This covers damage to property or injuries suffered by someone else for which the Distributor is held

responsible. This can take in a range of disasters, from the customer who sues the company for incidents that happen within the outlet.

- **Insurance against closure of business.** This covers insurance against any closure or shut-down of business operations due to unforeseen circumstances. In the instance of business closure, the amount to be compensated is usually between 3 to 6 months.

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Distributor shall ensure that all necessary licenses, permits and insurance that are applicable within the local context have been applied and approved before moving on to the next stage.

A-3-2 Inspection by Local Authorities

Based on the area/country in which the Kinohimitsu outlet is located, it is the responsibility of the Distributor to obtain the necessary approvals from relevant authorities during and after the renovation work to ensure that local safety standards are met.