

 **EUROPEAN
WAX
CENTER**®

FRANCHISE DISCLOSURE DOCUMENT

EWC FRANCHISE, LLC

Granite Park V

5830 Granite Parkway, Suite 300

Plano, Texas 75024

(469) 270-6500

www.waxcenter.com

franchise@waxcenter.com

If we (franchisor) approve you (franchisee), you will have the right to establish and operate a European Wax Center retail franchise business offering high-end facial and body waxing and related skin care services, and other related products and services.

The total investment necessary to begin operations of a European Wax Center franchise is \$356,280 to \$569,340. This includes \$65,145 to \$68,850 if you are a new franchisee, or \$56,145 to \$59,850 if you are an existing franchisee, that must be paid to us or our affiliates. These amounts include the franchise fee, which is currently \$45,000 for new franchisees, and \$36,000 for existing franchisees, that you pay to us, the franchisor, when signing a new franchise agreement. The total investment necessary to enter into a European Wax Center multi-unit development agreement is \$63,000 to \$207,000, all of which must be paid to us or our affiliates.

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 our Franchise Development team at EWC Franchise, LLC, Attn: Franchise Development, Granite Park V, 5830 Granite Parkway, Suite 300, Plano, Texas 75024, (469) 270-6500, franchise@waxcenter.com.

The terms of your contract will govern your franchise relationship. Do not 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.

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STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THE DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

PLEASE CONSIDER THE FOLLOWING RISK FACTORS BEFORE YOU BUY THIS FRANCHISE:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE MOST DISPUTES WITH US BY ARBITRATION ONLY IN COLLIN COUNTY, TEXAS. THE FRANCHISE AGREEMENT ALSO REQUIRES THAT EXCEPT FOR CERTAIN LIMITED CIRCUMSTANCES, ALL CLAIMS UNDER THE FRANCHISE AGREEMENT MUST BE BROUGHT IN COLLIN COUNTY, TEXAS OR WHERE OUR PRINCIPAL OFFICE IS LOCATED, IF DIFFERENT. OUT OF STATE ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN TEXAS THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT ALSO REQUIRES THAT EXCEPT FOR CERTAIN LIMITED CIRCUMSTANCES, ALL CLAIMS UNDER THE FRANCHISE AGREEMENT MUST BE BROUGHT BY FRANCHISEES ON AN INDIVIDUAL BASIS, AND NOT PART OF A CLASS ACTION WITH OTHER FRANCHISEES. LITIGATING OR ARBITRATING SOLELY ON AN INDIVIDUAL BASIS MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE AND LITIGATE INDIVIDUALLY THAN AS PART OF A CLASS ACTION.
3. THE FRANCHISE AGREEMENT STATES THAT TEXAS LAW GOVERNS THE FRANCHISE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
4. IF THE LAWS OF YOUR STATE ALLOW US TO DO SO, WE MAY SET THE PRICE FOR THE PRODUCTS AND SERVICES YOU SELL. IF WE SET THE PRICE FOR THE PRODUCTS AND SERVICES YOU SELL, YOU MUST COMPLY WITH THESE MINIMUM AND MAXIMUM PRICES FOR THESE PRODUCTS AND SERVICES. THIS REQUIREMENT MAY REDUCE YOUR ANTICIPATED REVENUE AND NET INCOME.
5. AS OF DECEMBER 31, 2019, WE AWARDED 865 ACTIVE EUROPEAN WAX CENTER FRANCHISE LICENSES, OF WHICH 744 WERE OPEN AND OPERATING. ACCORDINGLY, ONLY 86% OF OUR LICENSES WERE OPEN AND OPERATING AS OF DECEMBER 31, 2019. OF THE 121 LICENSES THAT HAD NOT YET OPENED, 60 LICENSES WERE UNDER DEVELOPMENT.
6. YOU AND ANY PERSON WHO OWNS MORE THAN 5% OF A FRANCHISEE ENTITY MUST SIGN A GUARANTY MAKING EACH PERSON JOINTLY AND INDEPENDENTLY LIABLE FOR THE FRANCHISEE'S FINANCIAL AND PERFORMANCE OBLIGATIONS TO THE FRANCHISOR. THE GUARANTY MAY PLACE YOUR PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS. YOUR SPOUSE AND THE SPOUSE OF ANY PERSON WHO OWNS MORE THAN 5% OF A FRANCHISEE ENTITY MUST SIGN A JOINDER TO THIS PERSONAL GUARANTY. THIS JOINDER MAY PLACE YOUR SPOUSE'S JOINTLY HELD PROPERTY AND MARITAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.

7. MOST INVENTORY PRODUCTS, INCLUDING THE WAX USED IN THE OPERATION OF YOUR CENTER, WILL BE PURCHASED FROM OUR AFFILIATE, EWC FRANCHISE DISTRIBUTION, LLC. WE AND OUR AFFILIATES SET THE COST OF THESE PRODUCTS BASED ON SEVERAL FACTORS, INCLUDING OUR COSTS IN OBTAINING THESE PRODUCTS FROM THE SUPPLIER. DUE TO THE NATURE OF CERTAIN OF THESE PRODUCTS, YOU WILL BE LIMITED FROM SELECTING ANOTHER SUPPLIER THAT MAY OFFER SIMILAR PRODUCTS AT A LOWER COST. THIS MAY IMPACT YOUR PROFIT MARGIN.
8. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of area representatives in certain regions to assist us in selling franchises and providing support services to our franchisees. An area representative acts as our representative, not yours. We pay area representatives a commission for selling franchises as well as for providing support services to franchisees within their territory, which are based on the franchise fees and royalties you pay us from your operations. You should make sure to do your own investigation of the franchise. Area representatives are not our employees, and do not have authority to bind us to any agreement.

We or our area representatives may also use the services of one or more franchise brokers or other referral sources to assist with selling franchises. Any broker or other referral source used would represent us or our area representative, not you. Brokers or other referral sources likely receive a separate fee for assistance in selling franchises or providing the referral. Again, you should make sure to do your own investigation of the franchise.

Effective Date: Please see the State Effective Dates page for registration state effective dates at the end of this Franchise Disclosure Document immediately preceding the Receipt pages.

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