



Store Opening Process

Finding a Store Location

In order to assist you in finding the right location, please review the recommendations as follow in order to help you find a suitable location for Michal Negrin Concept Shop. Please note that we have the right not to approve the location that will be chosen.

A Location guideline for finding Michal Negrin stores:

- A City that has no less than 250,000 thousand inhabitants.
- The Street traffic is 20% of the total traffic. **Most recommended tourist traffic.**
- A Street with more than 20% of fashion brands, with half of them being international brands.
- The nearby stores need to be luxury fashion & jewelry stores of well known Brands.
- We will check the pedestrian traffic on different hours of the day- morning/ noon/ evening in order to make sure that the location is exposed & active.

Business plan

After finding the location & considering the lease terms for the property, you will be requested to prepare a business plan that includes your store's expenses such as wages, electricity, telephone, insurance and other expenses. Once receiving your business plan we will carefully review it and we will send you our conclusion in order to make sure that the investment is attractive according to the expected income.

Prices – Earnings Ratio

1. Michal Negrin has a recommended consumer price for Europe & USA Market (Please review the price that appears in the official website of the company).
2. As an owner of Michal Negrins Concept shop, your purchase discounted price will be 72.2% off consumer pricelists (for example = if an item costs 100 Euros you can buy it at 27.8 Euros). Your earning ratio is 3.6 from the purchases (gross price) including territory Vat and policy.
3. Please note additional costs of 5% to 8% of total purchases which includes shipping cost, packaging material and local taxes according to the territory policy.

Your Investment to Michal Negrin

The recommended size for a Michal Negrin concept store should be a minimum of 35sqm & a maximum of 50sqm.

The total cost of investment in a Michal Negrin Concept Store is approximately **100,000 €**

The cost of goods is approximately **70,000 €**– which the specification is 70% jewelry, 20% fashion and 10% of accessories and gifts.

The cost for designing the store is approximately **30,000 €** (Please review the specification in paragraph 3 below).

There is a possible deviation of 10% in total base costs.

The investment cost does not include renovation of the store - paint, parquet flooring, carpentry work, electricity and telephone infrastructure, building plaster walls if necessary. It is recommended to plan ahead a future budget for your yearly stock orders.

Designing your Store & Constructions plans:

After Michal Negrin approves your location we will send you a licensed agreement for your review. Once the license agreement is approved and signed we will be able to proceed according to the following steps:

1. Upon request kindly send us the original plans of the store including Accurate measurements from a professional. In addition, please provide images of the potential store from all possible angles - front, walls, ceilings, storage room, interior and exterior.
2. We will provide you with a Michal Negrin's concept store plan and design.
3. You will receive a specification cost list of decoration items for the store design such as lights, curtains, furniture, software for the register that will be provided by the company, architectural plan for the store, sign, display devices, packing materials according to the merchandise that will be upon the opening of the store.
4. You will receive a recommended order which is composed with our best seller & our new items collection for your input and approval.

Payment terms

1. You are required to transfer 30% from the total investment cost.
2. You are requested to transfer the remaining amount of payment – 70% from the total investment before shipping the goods & decoration.

Once receiving the payment we will be able to proceed with the project as follow:

- A Grand opening date for a new shop will be granted by both parties.
- Our Project Manager will be in contact with your professional contractor regarding the renovation of the store. As we design and manufacture all the interior and items in our factory in Israel. We will coordinate the shipping date upon the grand opening of the store.
- Your Store Representative/Store Manager will be required to travel to Our Main Headquarters in Israel for Professional Training which includes visiting our chain of stores, learning about the company and our work methods, the visual merchandising of the shops, an introduction and operation of our cash register system etc.
- Our Project Manager and his team will arrive to establish the store after releasing the shipment. Our team will arrange the merchandise & the store design in cooperation with your store manager. The designer and owner Michal Negrin will arrive to the store in order to accompany the construction process.

This document is for preliminary purposes only and should not been seen as giving any presentation and/or obligations of any kind.