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**MEMORANDUM**

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**TO:** HOME INSTEAD FRANCHISEES

**FROM:** INDEPENDENT ASSOCIATION OF HOME INSTEAD FRANCHISEES

**SUBJECT:** LEGAL AND ECONOMIC REVISIONS TO DRAFTS OF AGREEMENTS GOVERNING FULL OPS MODEL/CARE PLATFORM

**DATE:** FEBRUARY 28, 2022

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**KNOW YOUR RIGHTS**

Honor Technology, Inc. (“**Honor**”) is seeking to transition Home Instead franchisees onto a consolidated operations model known as the Care Platform or Full Operations Model (the “**Care Platform**” or “**Full Ops Model**”). In connection therewith, Honor produced the following documents intended to govern the Full Ops Model: (1) Home Instead Joint Service Agreement (the “**Full Ops Service Agreement**”), and (2) Confidential ‘Visionary Investment Program’ Addendum to Home Instead Joint Service Agreement (the “**Customized Incentive Agreement**” and, together with the Full Ops Service Agreement, the “**Full Ops Agreements**”). The Independent Association of Home Instead Franchisees (the “**Association**”) published the Full Ops Agreements on its website ([www.iaohif.com](http://www.iaohif.com)) on February 14, 2022.

As a preliminary matter, all Home Instead franchisees should know that, based upon the opinion of the Association’s counsel, they have the following rights with respect to the Full Ops Model/Care Platform:

1. **The Right to Say No.** Notwithstanding anything to the contrary being implied or suggested by representatives of Honor or Home Instead, the Full Ops Model cannot be mandated either now under the existing franchise agreement or in the future under a new franchise agreement at renewal time because, among other things, it constitutes a radical and transformational departure from the disclosed and agreed-to financial model.
2. **The Right to Insist Upon Verifiable Proof of Concept.** Because you have the right to say no, you also have the right to insist that you are provided with transparent, comprehensive and verifiable information about the performance of the Full Ops Model, just like if you were considering entering into any other new business venture. This would likely include information concerning the performance of both the Honor Care Network agencies that have been operating on the Full Ops Model and that of any Home Instead pilot agencies. The Association is seeking this information and the right to verify/audit it.
3. **The Right to Insist Upon a Negotiated Agreement that Protects Your Interests and Provides You with Attractive Compensation.** Because you have the right to say no, you also have the right to not sign any agreement with terms that you do not

like. This Memorandum primarily addresses why that should include the Full Ops Agreements as initially and unilaterally drafted by Honor.

### **OVERVIEW OF THE FULL OPS AGREEMENTS**

The Association wants to emphasize how important it is that franchisees not sign contracts relying upon statements of intentions from Honor or Home Instead representatives, postings on the Hub, or anything else that is not written into the actual legal documents. Anything and everything critical that you are relying upon should be in writing and binding. It may be necessary, but it is not sufficient, that you trust Honor, Home Instead and/or any of their current directors or officers. First, just like Paul and Lori Hogan, those directors and officers are not going to be there forever. Second, and more importantly, the new ownership structure makes having your interests protected in binding legal documents essential and existential like never before. When Paul and Lori owned Home Instead, you could perhaps reasonably trust that they would not do anything too much in their own interest at your expense. But you cannot have that expectation under the new ownership structure. Honor's directors and officers owe a fiduciary duty to the Honor investors. And Home Instead's officers and directors owe a fiduciary duty to Honor. None of them owe a fiduciary duty to you. And after Honor goes public, all those directors and officers, and all of their successors, will directly or indirectly owe a fiduciary duty to act in the best interests of Honor and its shareholders. Again, they will not owe a fiduciary duty to you. In fact, it will be their legal duty to take from you if taking from you is legally permitted and is in the best interests of Honor and its shareholders. And taking from you will often be legally permitted under the Full Ops Model if you do not have concrete contractual rights protecting you in the relevant legal documents.

A review of the Full Ops Agreements suggests that they were drafted without input from anyone representing the legal or economic interests of franchisees. Consequently, the Association engaged and worked with legal counsel to revise such documents in a manner protective of the legal and economic interests of franchisees. The blacklined document attached to this Memorandum is the product of that effort.

This Memorandum and the attached document are being provided to you for informational purposes only. You should obtain your own legal advice. And you should reach your own conclusion about the viability of the Full Ops Model before signing any agreement relating thereto.

This Memorandum summarizes some of the major revisions made to the Full Ops Agreements by the Association and its legal counsel and provides the rationale for those changes. The summary is not intended to be exhaustive. Please review the attached documents to see all the revisions.

Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Full Ops Service Agreement.

## SUMMARY OF REVISIONS

1. The original version of the Full Ops Service Agreement provided franchisees with no protection against Honor obtaining all of a franchisee's caregivers and then using them to directly staff (or indirectly staff through a competitor agency) clients within franchisee's Exclusive Area, thereby cutting the franchisee out. The Full Ops Service Agreement has been revised to prohibit Honor from supporting other competitive agencies, except those that are already on the Full Ops Model ("**Preexisting Care Platform Agencies**"), or directly staffing clients within the franchisee's Exclusive Area. These revisions are consistent with Honor's stated goal of growing from 5% to 50% market share *with* Home Instead franchisees. See Section 3(a).

2. The original Full Ops Service Agreement did away with the Royalty Fee but replaced it with exorbitant Honor Service Rates. In short, the franchisee was expected to take an immediate and substantial hit to its bottom line in transitioning to the Full Ops Model and could only get back to even through substantial growth while, at the same time, Honor would collect an immediate profit, through the Honor Service Rates, many times in excess of that offered by the Royalty Fee. The revisions make clear that the Honor Service Rates may only reflect the actual cost of the Full Ops Model, without being an independent profit center for Honor. The Royalty Fee is restored as the means by which Honor will make more profit, namely through the huge increase in Royalty Fees that will be collected by its subsidiary Home Instead, Inc. if market share does increase from 5% to 50% as suggested by Honor. See Section 4(a)(3)&(4).

3. The original Full Ops Service Agreement provided Honor with unilateral pricing discretion in determining what the Honor Service Rates would be. This would be the equivalent of allowing the franchisor to change the Royalty Fee from 5% to whatever it wanted whenever it wanted. No one should ever enter into an agreement where the other party can charge you whatever it wants. The revisions do away with that and restrict the Honor Service Rates to the actual costs of the Full Ops Model, providing franchisee with the right to audit the calculation of such costs. By restoring the Royalty Fee as the means by which Honor will make more profit, the revisions ensure that both Honor's and the franchisee's interests are aligned towards the franchisee's growth. See Section 4(a)(3)&(4).

4. The original Full Ops Service Agreement provided the franchisee with no protections at renewal time. After obtaining all of the franchisee's caregivers, at renewal time Honor and Home Instead could simply elect not to renew and use those caregivers to directly staff cases themselves. Alternatively, at renewal time, franchisee's Exclusive Area could be reduced substantially, thereby allowing Honor to directly staff cases in the removed area or signup additional competitor agencies to operate in the removed area. Accordingly, the revisions provide the franchisee with a renewal right and remove the right of Home Instead to reduce the franchisee's Exclusive Area at renewal time. See Section 5(a).

5. The original version of the agreement did not require Honor to refer clients referred to Honor from various referral sources to the franchisee even if those clients live in the franchisee's Exclusive Area, leaving open the possibility for Honor to directly staff such cases or indirectly staff them through a competitor of the franchisee. The revisions require Honor to refer such cases to the franchisee. See Section 3(e)(1).

6. The original Full Ops Service Agreement allowed Honor, without involving the franchisee, to directly sell additional goods and services to clients in the franchisee's Exclusive Area. The revisions make clear that any goods or services that reasonably compete with or complement home care services must be offered to clients in the franchisee's Exclusive Area

through the franchisee (or a Preexisting Care Platform Agency), providing the franchisee/agency with a reasonable profit. See Section 3(f).

7. Honor Technology, Inc. should be a counterparty, not a yet-to-be-formed Honor subsidiary designed to insulate Honor from liability should anything go wrong with the Full Ops Model in a particular locality. At a minimum, Honor Technology, Inc. should guarantee the obligations of any such subsidiary to the franchisee. The revisions provide that Honor Technology, Inc. is a counterparty. See Preamble.

8. The original version of the Full Ops Service Agreement provided for the franchise owner to personally guarantee the obligations of his or her franchise under the Full Ops Model. The revisions delete this concept. There is no reason why franchise owners should be personally guaranteeing their franchise's performance on a developing system. Honor investors are not personally guaranteeing Honor's performance. All parties' liability should be limited to the amount of their investments, without anyone having to put their personal assets at risk. See Preamble, Section 7(e).

9. It is not always clear whether Honor, Home Instead or both entities should be responsible for certain obligations under the Full Ops Model. Accordingly, the revisions provide that Honor and Home Instead will guarantee each other's obligations under the Full Ops Service Agreement. See Section 1.

10. The original version of the Full Ops Service Agreement provided that the Operations Manual would be supplemented by the Central Operations Manual. Even though the Central Operations Manual would dictate standards and operating procedures to the franchisee under the Full Ops Model, a copy of the manual was not provided. Moreover, Honor was granted unilateral discretion in altering the manual. The revisions provide for a copy of the current Central Operations Manual to be attached as an exhibit, and the revisions limit the ability of Honor and Home Instead to alter the Central Operations Manual in a manner beneficial to themselves and detrimental to the franchisee. See Section 1, Section 3(c), Section 4(a)(2).

11. The original version of the Full Ops Service Agreement did not provide franchisees with any protection if their Gross Sales or Client Service Hours dipped below minimum amounts required by their franchise agreements. Since the Care Platform is a developing system, and reductions in Gross Sales and Client Service Hours are anticipated in transferring onto the system, the revisions remove any minimum requirements for Gross Sales or Client Service Hours. See Section 1(a).

12. The original version of the Full Ops Service Agreement did not provide any commitment on behalf of Honor that the Care Pros on the Care Platform would be W2 employees and not independent contractors. Thus the revisions provide that all Care Pros or other care providers will be W2 employees. See Section 1(b).

13. Our understanding is that Preexisting Care Platform Agencies are not required to have a physical office. Accordingly, it would be unequal to require such of Home Instead franchises operating on the Care Platform. The revisions therefore provide that Home Instead franchisees will not be required to maintain a physical office. See Section 1(a).

14. The original version of the Full Ops Service Agreement did not provide franchisees with a guarantee that they would be able to continue to differentiate themselves, particularly in cases where they are operating alongside a Preexisting Care Platform Agency.

Accordingly, the revisions provide that franchisees will not be forced to use Honor's trademarks and that Honor and Home Instead will use best efforts to protect the franchisee's ability to differentiate itself from Preexisting Care Platform Agencies. See Section 1(c).

15. The original version of the Full Ops Service Agreement did not provide a franchisee with any discretionary right to terminate utilizing the Care Platform if it decided it was in its best interests to do so. This lack of a discretionary termination right is particularly unreasonable given the developing nature of the Care Platform. Accordingly, the revisions provide the franchisee with a right to terminate the Full Ops Service Agreement and regain its caregivers and clients. See Section 5(a), (b)(1) and (c)(1).

16. The transfer of caregivers to Honor as contemplated by the Full Ops Service Agreement will provide Honor with virtually all the means to operate without the franchisee, much more so than under the current franchise system. Accordingly, Honor and Home Instead will have much greater economic incentive to seek to terminate franchisee's franchise than previously. Accordingly, the revisions restrict Honor and Home Instead's rights to terminate the franchise to only cases where there is good cause to terminate and, even in those cases, Honor and Home Instead must use best efforts to prevent a forfeiture and to minimize loss to the franchisee. See Section 5(b)(2).

17. After converting to the Full Ops Model, franchisees may want to sell their franchises if they find that the new system is not for them. There should be nothing preventing them from doing so. Accordingly, the revisions provide that if Home Instead's or Honor's consent is required for a sale of a franchise, such consent shall not be unreasonably withheld. See Section 5(b)(4).

18. The original version of the Full Ops Service Agreement provided no compensation to franchisees who transitioned to the Full Ops Model in locations where there are Preexisting Care Platform Agencies. The caregivers that such a franchisee transfers to the Full Ops Model would be immediately available for use by that franchisee's competitors on the model. Accordingly, the revisions contemplate a per caregiver payment to such franchisee as compensation. The amount of the payment is left blank, as a reasonable amount will be subject to local facts and circumstances, including the extent to which the franchisee is likely to benefit from the Care Pros already on the Care Platform. See Section 7.

19. The Customized Incentive Agreement has been deleted in its entirety. That agreement was designed to provide customized and confidential "sweetheart deals" to certain franchisees. The secretive and unequal nature of that agreement is not conducive to fostering trust and transparency. In order for franchisees to receive comprehensive and verifiable information about the performance of the Full Ops Model, franchisees have to be able to fully discuss all the economic considerations with each other, and particularly with pilot offices. See Section 8(b)(2).

20. Honor should not be responsible for billing and collections, unless a franchisee so opts. The amount collected from clients should, in all cases, be considered the revenue of the franchisee, not Honor. Honor's revenue will be the amount of the Honor Service Rates collected from the franchisee. See Section 1(b), Section 4(a)(5).

21. The revisions permit franchisees to retain some caregiver staff to directly staff cases that fall outside of the scope of the Full Ops Model and/or to cover cases or shifts when the

Full Ops Model fails to perform or the franchisee in good faith believes the Full Ops Model will not appropriately staff the case. See Section 3(b).

22. The revisions make clear that the franchisee may continue to directly staff cases, such as Medicare, Medicaid, VA and other third-party payor cases, that are not permitted on the Full Ops Model. See Section 3(b), Section 3(e)(2).

**[BLACKLINED FULL OPS DOCUMENTS FOLLOW]**

## HOME INSTEAD JOINT SERVICE AGREEMENT

This Home Instead Joint Service Agreement (“**Agreement**”) is made as of \_\_\_\_\_ (“**Effective Date**”), by and ~~between~~among Honor Technology, Inc. \_\_\_\_\_ (“**Honor**”) and \_\_\_\_\_ an \_\_\_\_\_ limited liability company/corporation (“**Franchisee**”), ~~and~~ \_\_\_\_\_ (“**Guarantor**”), ~~as Guarantor of the franchise agreement between Franchisee and Home Instead, Inc. (“HII”).~~

### RECITALS

- A. HII, as franchisor, and Franchisee executed the following franchise agreement(s) pursuant to which HII granted Franchisee the right to operate Home Instead® business within a defined geographic area (the “**Exclusive Area**”), as described and defined in the Franchise Agreement:

Franchise Agreement \_\_\_\_\_ dated \_\_\_\_\_, with respect to Franchised Business\_\_.

Each such franchise agreement is referred to in this Agreement as the “**Franchise Agreement**.” This Agreement shall apply to all Franchise Agreements and franchises listed above.

- B. The business operated pursuant to each Franchise Agreement is referred to herein as a franchised business (“**Franchised Business**”). Capitalized terms used but not defined herein have the meaning set forth in the Franchise Agreement.

C. Honor purchased HII effective August 6, 2021.

D. Honor has been developing a propriety care management system (the “**Care Platform**”) and desires to continue developing and expanding the Care Platform with the consensual participation of HII franchisees, such as Franchisee.

B-E. HII franchisees, including Franchisee, are not and cannot be required to participate on the Care Platform without their consent and agreement.

C-F. Honor, ~~an HII affiliate,~~ and Franchisee would like to improve opportunities for themselves Franchised Business by collaborating to jointly offer home care service, leveraging each party’s expertise (the “**Joint Service**”), and by providing Franchisee access to Honor’s proprietary care management system.

D-G. Honor and HII represent to Franchisee that utilizing the Care Platform will enable Franchisee to realize substantial growth and profitability not otherwise likely to be achievable (the “**Future Growth**”). HII will directly benefit from Franchisee’s Future Growth through the collection of increased royalties. ~~This Agreement supplements the Franchise Agreement. In accordance with the Franchise Agreement, Franchisee must comply with the designated Home Instead Operations Manual (“**Franchise Operations Manual**”) which provides mandatory and suggested specifications, standards and operating procedures, which has been supplemented to reflect the relationship established by this Agreement (the “**Central Operations Manual**”).~~

### AGREEMENT

1. **Responsibilities of the Parties** The parties will each be responsible for their respective Joint Service activities as listed below, except that Honor and HII will guarantee each other’s obligations

hereunder. The parties will perform their obligations in accordance with the Franchise Agreement and the Central Operations Manual (as defined below). In accordance with the Franchise Agreement, Franchisee must comply with the designated Operations Manual, which provides mandatory and suggested specifications, standards and operating procedures. With respect to the Joint Service, that Operations Manual is hereby replaced in its entirety by the Central Operations Manual, the current version of which is attached hereto as Exhibit C (the “Central Operations Manual”). Any future revisions to the Central Operations Manual will be provided to the Independent Association of Home Instead Franchisees, Inc. (the “Association”) at least 15 days prior to its going into effect.

(a) **Franchisee obligations.** Franchisee will continue to be responsible for providing client outreach and awareness, performing in-home consultations, completing all client onboarding processes, reassessments, and providing ongoing client management, all in accordance with the Central Operations Manual. Notwithstanding anything to the contrary in this Agreement, the Franchise Agreement, or any applicable operations manual, Franchisee is not required to maintain a physical office. Franchisee is not obligated to achieve or maintain the minimum monthly Gross Sales or minimum monthly Client Service Hours under Section 1.H and related provisions of the Franchise Agreement and cannot be terminated or denied renewal for failure to achieve or maintain them.

(b) **Honor obligations.** Honor will provide partner access to the “Owner Portal” of its care management platform. Honor will be responsible for recruitment, onboarding, training and employing all caregivers (“Care Pros”), providing care management, and, if Franchisee so chooses, client billing and collection, all in accordance with the Central Operations Manual. At all times, Honor, its affiliates, and the Care Platform, will only utilize Care Pros or other care providers who are W-2 employees and not independent contractors.

(c) **License.** Honor hereby grants to Franchisee a non-exclusive, non-transferable, and royalty-free right and license (the “**Honor License**”) to use Honor’s trademarks, trade names and logos only in connection with the promotion and advertising of the Joint Service in accordance with guidelines in the Central Operations Manual. Franchisee will not acquire any right, title or interest under the laws of any nation in such trademarks, trade names or logos of Honor other than Honor License and will not attempt to assert or register any such right, title or interest. The Honor License will terminate with the termination of this Agreement. Nothing in the Central Operations Manual or elsewhere will require Franchisee to use Honor’s trademarks, tradenames or logos or prohibit Franchisee from using Home Instead trademarks, tradenames or logos in the manners historically permitted by HII. In cases where a Preexisting Care Platform Agency (as hereinafter defined) operates in the Exclusive Area (as hereinafter defined), Honor and HII will use best efforts to protect Franchisee’s ability to differentiate itself from such Preexisting Care Platform Agency.

## 2. START OF JOINT SERVICE.

(a) Honor and Franchisee will jointly determine the date on which Franchisee will start offering the Joint Service to new clients and the date by which each existing Franchisee client will commence using the Joint Service, provided that, unless otherwise agreed to by Honor, all existing clients will be receiving the Joint Service by \_\_\_\_ (“Implementation Completion Date”). Honor and Franchisee will coordinate to develop a service plan for each existing Franchisee client, which may involve the introduction of the Joint Service to clients on a phased basis.

(b) **Transition of Franchisee Care Providers.** Honor and Franchisee will review together all Franchisee care providers to determine which Franchisee care providers meet Honor’s qualifications and which are closely tied to existing Franchisee clients who will be receiving the Joint Service. Honor and Franchisee will develop a transition plan for each Franchisee care provider that is consistent with the client transition plan. Franchisee will provide Honor with copies of all of the personnel files for transferred care providers as soon as practicable after the Effective Date, subject to and will obtain any necessary consent



from the care providers, which Franchisee will attempt to obtain using good faith efforts. These personnel files and all related information will be used solely for the purpose of implementing the Joint Service and, without limiting the generality of the foregoing, not for the benefit of Preexisting Care Platform Agencies.

### 3. COORDINATION OF SERVICE.

(a) **Service Area.** Unless otherwise permitted, Franchisee will only offer the Joint Service to clients within the Exclusive Area as defined in the Franchise Agreement. Honor and HII will not support any competitor to Franchisee in the Exclusive Area by allowing such competitor use of the Care Platform, any of the data or information contained therein, or otherwise. In the event that Honor is already supporting one or more Preexisting Care Platform Agencies (as defined below) in the Exclusive Area, Honor may continue to do so but will pay Franchisee \$ \_\_\_\_\_ per transferred care provider who was not already employed through the Care Platform. Neither Honor nor HII, nor any of their affiliates, will directly or indirectly staff any home care cases in Franchisee's Exclusive Area, except through Franchisee and the following agencies, if any, who have already contracted to use the Care Platform in Franchisee's Exclusive Area: \_\_\_\_\_ (the "Preexisting Care Platform Agencies"). Honor and HII will not prefer any Preexisting Care Platform Agency over Franchisee in their administration of the Care Platform or the Joint Service, including with respect to staffing, client referrals or the offering of additional services pursuant to Section 3(f).

(b) **Exclusivity of Joint Service.** During the term of the Agreement, except as necessary to serve Franchisee pre-existing clients during the implementation period under this Agreement or as provided for in Section 3(f), below, Franchisee will continue to be able to not provide Approved Services (as defined in the Franchise Agreement) staffed with its own care providers (i) in the cases of clients who have not been fully transferred onto the Care Platform, (ii) where the Approved Service is outside of the scope of the Joint Service, or (iii), in cases where Franchisee in good faith believes that the Care Platform has not, will not, cannot or is unlikely to provide the necessary level or timeliness of staffing or care required. Franchisee will, going forward, will exclusively promote and offer Approved Services within the scope of the Joint Service through the Joint Service, except where Franchisee, in good faith, believes that the Care Platform is unlikely to provide the necessary level or timeliness of staffing or care required. Franchisee will not otherwise partner with any other business, except HII franchisees, to provide the Approved Services within the scope of the Joint Service. Franchisee and will only provide referrals for Approved Services within the scope of the Joint Service (i) to other HII franchisees, (ii) if the referral is the extent they are not or is unlikely to be eligible for the Joint Service, or (iii) in cases where Franchisee, in good faith, believes that the Care Platform is unlikely to provide the necessary level or timeliness of staffing or care required and in accordance with the Franchise Agreement and the Franchise Operations Manual. Any agreements to be executed by clients of the Joint Service shall be in forms reviewed and approved by the Association.

(c) **Scope of Service.** With respect to services to be provided through the Care Platform, HII, Honor and Franchisee agree to adhere to the Honor CareNetwork Scope of Service policies (the "Scope of Service") as set forth in the Central Operations Manual, which may be changed, modified and/or substituted by Honor and HII from time to time, so long as (i) any change, modification and/or substitution in the Scope of Service or Central Operations Manual is approved by both Honor and HII after consultation with the Association, (ii) is not likely to materially benefit either Honor or HII at the material expense or material detriment of Franchisee, (iii) does not require any capital expenditures or add any new or different fees payable by Franchisee, and (iv) otherwise does not violates this Agreement or the Franchise Agreement.

(d) **Subcontractors.** Franchisee will not subcontract any of its rights, responsibilities, or obligations under this Agreement that involved direct contact with Joint Service clients or Honor personnel without the written consent of Honor.

### (E) COORDINATION OF MARKETING AND SERVICE EFFORTS.

(1) **Channel Partners.** From time to time, Honor and HII enter into agreements with health systems, insurers, retirement and continuing care systems, facility networks, and any other “business-to-business” sources (each, a “**Channel Partner**”) to facilitate the provision of home care to customers of the Channel Partners. To ensure a coordinated approach to receiving client referrals from Channel Partners, Franchisee will follow any protocols regarding the receipt of referrals from Channel Partners set forth in the Central Operations Manual. Honor and HII will refer all client referrals from Channel Partners relating to clients in Franchisee’s Exclusive Territory to Franchisee.

(2) **Third-Party Payors.** Franchisee will not offer the Joint Service to any client that has a third party payor source (e.g. Medicare/Medicaid, VA, etc.) other than long term care insurance (“**LTCI Payor**”) without Honor’s written consent. Pursuant to Section 3 (b) above, Franchisee may directly staff cases that involve third-party payors, other than an LTCI Payor, since such cases are outside the scope of the Joint Service.

(3) **Referral, Payment and Other Agreements.** Unless prohibited, Franchisee has disclosed to Honor the terms of all care-related written agreements with third parties including, but not limited to, facility staffing contracts, referral relationships, key health systems, and non-profits. Franchisee will not enter into any Agreement relating to the provision of the Joint Service other than the standard client agreement in the Owner Portal without Honor’s consent.

(4) **Outreach Coordination.** Franchisee will keep Honor informed of client outreach and onboarding efforts, including providing regular updates on relationships that it is pursuing. The parties agree that no services will be provided under this Agreement that are paid for in whole or in part, by any funding source that prohibits the arrangement between the parties contemplated by this Agreement. Franchisee will not make any recommendations to clients of the Joint Service for any services or products other than the Joint Service for which Franchisee will receive compensation.

(f) **Additional Goods and Services.** Honor may make additional goods and services available to clients of the Joint Service, either directly, through Honor’s proprietary care management platform, or via Honor’s employees, including its caregiver employees. To the extent such goods and services reasonably complement or compete with home care, such goods and services must be offered to clients in Franchisee’s Exclusive Area through Franchisee or a Preexisting Care Platform Agency, providing each a reasonable profit after a markup in favor of Home Instead or Honor of not more than 5%.

(g) **Franchisee Services to Joint Service Clients.** Franchisee may provide Approved Services that are out of scope for the Joint Service to clients of the Joint Service, provided that (a) Franchisee will be solely responsible for contracting, providing, billing and collecting for such services, (b) Franchisee will provide Honor with information about those services that is relevant to the care of the client of the Joint Service (e.g., change in condition, updates to care plan, etc.) and (c) Franchisee’s provision of those services shall remain subject to all of the terms and requirements of the Franchise Agreement and the Franchise Agreement Operating Manual, including payment of the Royalty Fee and Marketing Fund contributions.

4. **Financial Terms.** *See Exhibit A for relevant definitions.*

(A) **SERVICE RATES AND TERMS.**

(1) **Client Rates.** Franchisee will determine the rates to charge the Joint Service clients, at Franchisee’s discretion. Honor will periodically provide Franchisee with a suggested client rate for Franchisee’s service area based on Honor’s market research (“**Suggested Client Rate**”), but Franchisee will retain full discretion to determine client rates.

(2) **Service Terms.** Franchisee will respect any service requirements applicable to

the Joint Service set forth in the Owner Portal or the Central Operations Manual, including but not limited to, any conditions or restrictions associated with specific rates, minimum hours, etc. (collectively, the “**Service Terms**”), provided that change, modification and/or substitution in the Service Terms is not likely to materially benefit either Honor or HII at the expense or detriment of Franchisee, except as otherwise permitted herein.

(3) **Honor Service Rates.** Honor will be entitled to retain Honor’s service rates as set forth in Exhibit A (the “**Honor Service Rates**”) from Revenue Received as well as the Marketing Fund payment (as agreed to by HII ~~below~~), as described in more detail on Exhibit A. The Honor Service Rates will be set at cost, with no markup for profit. Honor will be compensated indirectly through the increased royalties collected by HII due to the Future Growth. The initial Honor Service Rates will be set as indicated on Exhibit B, which were derived from a good faith estimate of what the costs likely will be of running the Care Platform once it is reasonably operational. Notwithstanding anything to the contrary herein, the initial Honor Service Rate will not be changed before [INSERT DATE]. Honor, HII, and the Association will together in good faith develop the methodology for calculating the costs of the Care Platform.

(4) **Changes to Honor Service Rates and Terms.** Honor may initiate updates to the Honor Service Rates and Service Terms from time to time for all Joint Service clients, provided that: (i) Honor will provide a detailed breakdown to Franchisee and to the Association of how the costs of the Care Platform justify the updates to the Honor Service Rates and Service Terms, (ii) Honor will provide Franchisee with at least forty-five (45) days’ notice of any changes to the Honor Service Rates and Service Terms; and (ii) Honor will not update the Honor Service Rates for a specific rate card item more than two (2) times per twelve (12) month period absent extenuating circumstances that impact the cost of service delivery, including without limitation labor conditions, pandemic, or natural disaster, in which case changes can occur more frequently and the notice period will be reduced to ten (10) days. Honor will update the Owner Portal with the new Honor Service Rates that shall be effective in the first full calendar month after the 60-day notice period. Information regarding costs justifying a change will be subject to audit and review by the Franchisee and/or the Association.

(5) **Payment to Franchisee.** Franchisee may elect to have Honor do billing and collections for Franchisee. In such event, Honor will remit Franchisee’s portion of Revenue Received to Franchisee, less the Marketing Fund payment and Royalty Fee, within ~~1530~~ calendar days after receipt ~~the end of the calendar month to which it relates~~, as set forth in Exhibit A. Late payments to Franchisee shall bear interest at the same rate provided in Section 8.F of the Franchise Agreement. If and to the extent Franchisee elects to have Honor do billing and collections for Franchisee, HII agrees to base Marketing Fund contributions and Royalty Fees on Revenue Received and receipt of such payments through above-described withholdings. In the event and to the extent Franchisee does not elect to Honor do billing and collections for Franchisee, (i) Franchisee will continue to pay Marketing Fund contributions and Royalty Fees as provided in the Franchise Agreement, and (ii) Honor will semi-monthly invoice Franchisee with payment being due 5 business days thereafter.

~~(6) — Rates All Inclusive. For the avoidance of doubt, so long as this Agreement is in effect, Franchisee will have no obligation to pay the Royalty Fee under the Franchise Agreement with respect to Gross Sales from Joint Service Clients for which Honor has collected the Honor Service Rate (as agreed to by HII) (including any replacement or successor royalty fee that replaces the current Royalty Fee).~~

(b) **Reporting and Review.** Honor will provide Franchisee with the reporting set forth on **Exhibit B**. Honor will maintain complete and accurate books and records reflecting the Revenue Received and deemed uncollectible which Franchisee may have reviewed by a certified public accountant who agrees in writing to confidentiality terms at least as beneficial to Honor as those set forth in Section 9. Such review may occur no more than once per year upon no less than five (5) days’ notice to Honor. If the results of any such review establish that Franchisee has been paid less than 99.598% of the amount actually due in the preceding twelve (12) months, Honor shall pay the cost of the review in addition to any deficiency. If the discrepancy resulting from the review between the amount actually due and the amount paid is less than 0.52% (the

“Discrepancy”), Honor shall in good faith pay Franchisee an adjustment in the amount of the Discrepancy, and Franchisee will pay the cost of any review. If the cost of making such payment outweighs the amount of the Discrepancy, such Discrepancy may be added to Franchisee’s remittance for the following month.

## 5. TERM AND TERMINATION.

(a) **Term and Right to Renew.** The initial term of this Agreement with respect to each franchise owned by Franchisee will be concurrent with the term of that Franchised Business’s Franchise Agreement. Notwithstanding anything to the contrary in this Agreement or the Franchise Agreement, Franchisee shall have the right to (a) terminate this Agreement but not the Franchise Agreement upon 90 days written notice, and (b) renew this Agreement and the Franchise Agreement and maintain the same Exclusive Area (the “Renewal Right”). This Renewal Right will be contained in all future versions of the Franchise Agreement, this Agreement or any other future contractual arrangement among one or more of the parties, or their successors or assigns, governing the provision of home care in the Exclusive Area.

### (B) TERMINATION.

(1) **Termination for Cause.** Either party may terminate this Agreement upon at least thirty (30) days’ notice of any breach by the other party that is not cured within thirty (30) days following written notice, provided that if a breach is by its nature not capable of being cured within such thirty (30) day period, the non-breaching party may terminate this Agreement on thirty (30) days’ written notice. If either party loses its ability to provide home care, then either party may terminate this Agreement upon at least ten (10) days’ written notice. Franchisee also has the right to terminate this Agreement without cause pursuant to Section 5(a) above.

(2) **Termination of Franchise Agreement.** If during the term of this Agreement, the Franchise Agreement is terminated in accordance with its termination provisions, this Agreement will also terminate with respect to such franchise. Notwithstanding anything to the contrary in the Franchise Agreement, the Franchise Agreement may not be terminated without the consent of Franchisee except for good cause and, in any event, all parties will use best efforts to prevent a forfeiture on the part of the Franchisee and minimize any loss to the Franchisee (“Termination Protection”). This Termination Protection will be contained in all future versions of the Franchise Agreement, this Agreement or any other future contractual arrangement among one or more of the parties, or their successors or assigns, governing the provision of home care in the Exclusive Area.

(3) **Material Misrepresentations.** ~~If any party makes any Honor determines during the implementation process that Franchisee made any material misrepresentation as to its business prior to the Effective Date, Honor the injured party shall have the option to terminate this Agreement without penalty to Honor. For avoidance of doubt, a material misrepresentation includes, but is not limited to, the provision to Honor or HII of materially inaccurate books and records, any materially inaccurate financial representation with respect to Franchisee, client or caregiver schedules, client billing rates, caregiver wage rates, and Franchisee policies and service terms, and any materially inaccurate response to a questionnaire or data provided to Honor before and during the implementation process.~~

(4) **Sale of Franchised Business.** In the event that a franchise is transferred in compliance with a Franchise Agreement while this Agreement is in effect, then this Agreement will also be assigned to the transferee of such franchise, who shall agree to be bound by the terms of this Agreement with respect to such franchise. If not all franchises subject to this Agreement are transferred, then this Agreement shall continue for the non-transferred franchises and the parties shall enter into a new Agreement under these terms for the transferred franchise. Notwithstanding the foregoing, Honor consent shall be required to transfer the Addendum. Franchisee shall provide Honor with at least 30 days’ written notice of its intent to transfer the Franchise Agreement and this Agreement. Notwithstanding anything to the contrary

herein or in the Franchise Agreement, any required consent by HII or Honor to the transfer of a Home Instead franchise shall not be unreasonably withheld.

(C) **PROCEDURE FOLLOWING TERMINATION.**

(1) Unless prohibited by law, upon delivery of notice of termination of the Agreement for any reason other than a termination by Honor under Section 5 (be) (1) or (2), the parties will determine a transition date by which all responsibilities for providing service to clients will be transitioned back to Franchisee, and the period prior to that date will be referred to as the “**Termination Transition Period.**” During the Termination Transition Period, (a) the provision of service to any new clients who have not yet begun to receive the Joint Service as of the date of notice of termination will be the responsibility of Franchisee, and Honor will have no responsibility with respect to such clients, and (b) the parties will continue to execute their respective responsibilities for Joint Service clients who had already begun receiving Joint Service prior to the Termination Transition Period, and the financial terms of Section 4 will apply with respect to those Joint Service clients until Franchisee assumes sole responsibility for service for those Joint Service clients. Honor will cooperate fully in transitioning and transferring the Joint Service clients to Franchisee. Honor will also assist Franchisee in employing any care providers who are regularly providing at least 8 hours of care per week to those clients, provided that Franchisee does not encourage those care providers to terminate or reduce their employment with Honor. Honor will likewise not encourage those care providers to terminate or reduce their employment with Franchisee. Honor and Franchisee will and that both parties make it clear to such care providersgivers that they may be employed by both parties. During the two (2) year period immediately following the Termination of this Agreement, (i) Franchisee will not solicit any Honor Care Pros, except for any care providers that Franchisee transitioned to Honor, and (ii) Honor will not solicit any care Providers of Franchisee who are not associated with Joint Service clients. Notwithstanding anything in this Agreement to the contrary, nothing will prohibit Franchisee from employing Honor Care Pros who respond to general advertisements, ~~or~~ job postings or other outreaches not targeted to Honor Care Pros. Franchisee will cease using all Honor logos and marks upon termination of this Agreement.

**6. INSURANCE.**

(a) Each party, at its sole cost and expense, shall insure its activities in connection with this Agreement and obtain, keep in force and maintain insurance as required in the Central Operations Manual and applicable law.

(b) If such insurance is written on a claims-made form, following termination of this Agreement, coverage shall survive for a period of not less than three (3) years or as many years as is commercially available, whichever is fewer. Coverage shall provide for a retroactive date of placement coinciding with the Effective Date of this Agreement.

(c) Notwithstanding the foregoing, the coverage provided herein shall not in any way limit the liability of either party under this Agreement. Upon written request, each party shall provide the other with certificates showing such insurance to be in force.

**7. REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION.**

(a) **Representations and Warranties.** Each party represents and warrants that it is authorized to enter into this Agreement, that it has operated its business in material compliance with all applicable laws and regulations prior to the date of this Agreement and that it will continue to operate in material compliance with all laws and regulations after the date of this Agreement.

(b) **Indemnification.** To the extent permitted by law and not otherwise covered by applicable policies of insurance, each party (the “indemnifying party”) shall defend, indemnify and hold the

other party, its officers, employees, and agents (the “indemnified parties”) harmless from and against any and all liability, loss, or damages arising out of any thirdparty claim (“Losses”) attributable to the following:

- (1) With respect to Franchisee’s indemnification obligations:
  - i. The Franchisee’s business outside of the Joint Service, including services such as hospice, home health, care management, or homecare services outside of the Joint Service, including to clients who are also clients of the Joint Service.
  - ii. Franchisee’s provision of services prior to the date that the client becomes a client of the Joint Service.
  - iii. All Losses attributable to Franchisee’s employment, or termination of the employment, of any Franchisee employee or contractor, including persons who subsequently become employees of Honor but only with respect to the obligations and events attributable to the period and events occurring during Franchisee’s employment, including without limitation (i) all claims related to compensation or benefits from Franchisee, including salary, bonuses, commissions, vacation, paid time off, expense reimbursements, severance pay, fringe benefits (including health care), misclassification, stock, stock options, or any other ownership, equity, or profits interests in Franchisee; (ii) all workers compensation obligations and claims attributable to injuries that occurred while such person was an employee of Franchisee (iii) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (iv) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (v) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys’ fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990 (as amended), the federal Age Discrimination in Employment Act of 1967 (as amended) (the “ADEA”), and all applicable state labor or discrimination laws.
  - iv. Franchisee’s breach of this Agreement, including the breach of any of its representations, warranties or covenants; or
  - v. Any negligence or willful misconduct by Franchisee in performing under this Agreement, including Franchisee’s service activities carried on pursuant to the Joint Service as described in Sec. 1(a).

- (2) With respect to Honor’s indemnification obligations:

- i. Honor’s business outside of the Joint Service, including ~~services such as hospice, home health, care management, or home care services, such as those~~ outside of the Exclusive Area Joint Service, including to clients who are also clients of the Joint Service or those provided by a Preexisting Care Platform Agency, or other services not involving Franchisee.

- ii. Honor's provision of services to any client of the Joint Service prior to the date that the client becomes a client of the Joint Service (i.e., where Honor served the client through another agency or directly).
- iii. All Losses attributable to employment, or termination of the employment, of any Honor employee or contractor, including labor law-related matters with respect to Honor's employment of any former Franchisee employee, including care providers, and employees hired by Honor, including all Care Pros hereunder, in each case, with respect to such employee's rights as an employee during the time that such employee is an employee of Honor (but excluding claims under 7(b)a.(iii) relating to such person's employment by Franchisee, e.g., where the person was employed by both Franchisee and Honor prior to the implementation of this Agreement), including without limitation (i) all claims related to compensation or benefits from Honor, including salary, bonuses, commissions, vacation, paid time off, expense reimbursements, severance pay, fringe benefits (including health care), misclassification, stock, stock options, or any other ownership, equity, or profits interests in Honor; (ii) all workers compensation obligations and claims attributable to injuries that occur while such person is an employee of Honor (iii) all claims by Honor employees for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (iv) all tort claims by Honor employees, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (v) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990 (as amended), the federal Age Discrimination in Employment Act of 1967 (as amended) (the "ADEA"), and all applicable state labor or discrimination laws.
- iv. Honor's breach of this Agreement, including the breach of any of its representations, warranties or covenants; or
- v. Any negligence or willful misconduct by Honor in performing under this Agreement, including Honor's service activities carried on pursuant to the Joint Service as described in Sec. 1(b).

(c) Each party's indemnification obligation shall be in proportion to Losses that are caused by, or result from, the negligent or intentional acts or omissions of the indemnifying party, its officers, agents, independent contractors, or employees.

(d) The party seeking indemnification shall provide prompt notice to the indemnifying party of any claim for which it seeks indemnification, and shall allow the indemnifying party to control the defense of such claim, provided that (i) the indemnified party shall have the right to participate in such defense at its own expense, and (ii) if a claim involves proportional liability, the parties shall cooperate in good faith to coordinate the defense of such claim as it relates to each party's liability. For the avoidance of doubt, an indemnified party shall not be entitled to coverage of defense costs, including attorneys fees, as a result of its decision to participate in the defense at its own expense, including any defense costs that are covered by the indemnified party's insurance policy or that would have been covered had the indemnified

party maintained a customary policy in accordance with Section 6.

~~(e) **Guarantee.** Guarantor unconditionally and irrevocably guarantees (the “Guarantee”) the obligations of the Franchisee under this Agreement. The Guarantee shall continue in full force and effect and may only be terminated in a writing agreed to by Honor.~~

~~(f)(e)~~ EXCEPT FOR A PARTY’S INDEMNIFICATION OBLIGATIONS UNDER THIS SECTION 7, ~~NEITHER NO~~ PARTY WILL BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, OR ANY LOSS OF REVENUE OR PROFITS (EXCEPT TO THE EXTENT LOSS OF REVENUE OR PROFITS ARE DIRECT DAMAGES), DATA, OR GOODWILL ARISING IN CONNECTION WITH THIS AGREEMENT, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

## 8. COMPLIANCE; CONFIDENTIALITY.

(a) **Licensure and Certification.** Each party shall operate at all times in compliance with applicable federal and state laws and regulations, licensure and accreditation standards, and relevant standards of professional practice related to the provision of the Joint Service as contemplated hereunder.

### (B) CONFIDENTIALITY.

(1) **In General.** During the term of this Agreement, each party (the “Receiving Party”) shall have personal access to and obtain knowledge of information of the other party (the “Disclosing Party”) that is or may be of a proprietary and confidential nature and not otherwise part of the public domain, including without limitation accounting and financial data, computer programs, contractual arrangements, including the terms of this Agreement, business plans and budgets relating to strategic planning, marketing, and program or service development activities, and such other nonpublic, proprietary and confidential information (the “Confidential Information”). Disclosing Party has a proprietary interest in its own Confidential Information, and all such Confidential Information constitutes confidential and proprietary information and the trade secret property of Disclosing Party. “Confidential Information” excludes information which (A) is or becomes available to the public other than as a result of disclosure by the Receiving Party or any of such other Receiving Party’s agents, (B) was available to the Receiving Party on a non-confidential basis prior to its disclosure to Receiving Party by Disclosing Party; (C) becomes available to Receiving Party on a non-confidential basis from a source other than Disclosing Party; or (D) was independently developed by the Receiving Party without use of the Disclosing Party’s Confidential Information. For clarity, information respecting client referral sources, and information concerning any Franchisee client whose service is transitioned back to Franchisee pursuant to this Agreement, is not Confidential Information of either party under this Agreement.

(2) **Protections.** Receiving Party covenants and agrees to Disclosing Party, at all times during the term of this Agreement and at all times thereafter: (A) that Receiving Party shall keep and maintain all Confidential Information of Disclosing Party in strict confidence, using such degree of care as is appropriate to avoid unauthorized use or disclosure, but in no case less than reasonable care; (B) that it shall not, directly or indirectly, disclose any Confidential Information of Disclosing Party to anyone outside of Receiving Party, except to (i) HII; and/or (ii) Franchisee may share this Agreement ~~(but not the “Visionary” Addendum to Home Instead Joint Service Agreement among the parties (the “Addendum”))~~ with other HII franchisees) or with Disclosing Party’s prior written consent; (C) that Receiving Party shall not make use of any Confidential Information of Disclosing Party for its own purposes or the benefit of anyone or any entity other than Disclosing Party and/or HII; (D) that upon termination of this Agreement, or at any time Disclosing Party may so request, Receiving Party shall deliver promptly to Disclosing Party, or, at Disclosing Party’s option, shall destroy, all memoranda, notes, records, reports, media and other documents and materials (and all copies thereof) regarding or including any Confidential Information of Disclosing Party which Receiving



Party may then possess or have under its control; and (c) Receiving Party shall take no action with respect to the Confidential Information of Disclosing Party that is inconsistent with its confidential and proprietary nature. If Receiving Party is required by law to disclose any Confidential Information, Receiving Party shall notify Disclosing Party in writing in advance of such disclosure, and provide Disclosing Party with copies of any related information so that Disclosing Party may take appropriate action to protect Disclosing Party's Confidential Information. Nothing herein shall be interpreted to restrict Franchisee's right to freely discuss its user experience or financial performance with the Care Platform with other HII franchisees or the Association.

(3) **Necessary Disclosures.** Receiving Party shall be permitted to disclose Disclosing Party's Confidential Information only to its affiliates, employees, subcontractors, consultants, attorneys, accountants, advisors, actual or potential sources of debtor equity financing, potential acquirers and other agents ("**Representatives**") having a need to know such information in connection with this Agreement. Receiving Party shall instruct all Representatives as to their obligations under this Agreement and shall obtain from such Representatives their written acknowledgment, which may be electronic in nature, and agreement to confidentiality terms and conditions no less favorable to Disclosing Party than this Agreement prior to their being given access to Disclosing Party's Confidential Information. Receiving Party shall be responsible for all Representatives' compliance with the terms of this Agreement.

(4) **Injunctive Relief.** The disclosure of Disclosing Party's Confidential Information may cause irreparable injury to Disclosing Party and damages, which may be difficult to ascertain. In the event of the actual or threatened disclosure of Disclosing Party's Confidential Information, Disclosing Party shall, in addition to any other rights or remedies, be entitled to injunctive relief to protect and recover Disclosing Party's Confidential Information, and Receiving Party shall not object to the entry of an injunction or other equitable relief against Receiving Party on the basis of an adequate remedy at law, lack of irreparable harm or any other reason. Receiving Party shall advise Disclosing Party immediately in the event that it learns or has reason to believe that any person or entity which has had access to Disclosing Party's Confidential Information has violated or intends to violate the terms of this Agreement.

(5) **Franchise Agreement.** For the avoidance of doubt, this Agreement and the Care Platform shall be subject to Section 6 of the Franchise Agreement, and the Care Platform shall be considered part of the System for the purposes of Section 6. Franchisee's user experience and financial performance with the Care Platform shall not be considered confidential.

## 9. GENERAL PROVISIONS.

(a) **Independent Contractor Relationship.** Each party hereunder is at all times acting and performing its obligations under this Agreement as an independent contractor to the other party. Neither Honor nor Franchisee shall have or exercise any control or direction over the activities of the other. Nothing in this Agreement shall be construed as creating a partnership, joint venture or employment arrangement.

(b) **Governing Law; Severability.** This Agreement shall be construed under, and governed in accordance with, the laws of the State of Nebraska, without regard to the conflicts of laws principles of Nebraska or any other state. If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and such severance shall have no effect upon the enforceability of the remainder of this Agreement.

(c) **Headings.** The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement. Wherever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine, or neuter forms, and the singular form of nouns shall include the plural and vice versa.

(d) **Exhibits.** All Exhibits, Schedules, Addenda and Attachments hereto (collectively, “**Exhibits**”) constitute a material part of this Agreement and are to be construed as incorporated in this Agreement and are made a part hereof.

(e) **Force Majeure.** Neither party shall be liable for nonperformance or defective or late performance of any of its obligations under this Agreement to the extent and for such periods of time as such nonperformance, defective performance, or late performance is due to reasons outside such party’s control, including acts of God, war (declared or undeclared), action of any governmental authority, riots, revolutions, fire, floods, explosions, sabotage, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, pandemics or epidemics, or strikes (or similar nonperformance or defective performance or late performance of employees, suppliers, or subcontractors).

(f) **Assignability.** ~~Honor, HII, or Franchisee~~ Neither party may not assign any interest or obligation under this Agreement without the other party’s<sup>2</sup> prior written consent. Notwithstanding the foregoing, (a) Honor may assign this Agreement to an affiliate (so long as Honor guarantees the obligations of such affiliate) or an entity that acquires all or substantially all of the stock or assets of Honor, and (b) Franchisee may assign this Agreement pursuant to Section 5(c)(4) of this Agreement. This Agreement shall be binding on and shall inure to the benefit of the parties and their respective successors and permitted assigns. Any attempted assignment in contravention of this Section shall be void.

(g) **Franchise Agreement; Entire Agreement; Amendment.** Except as expressly modified by this Agreement, the Franchise Agreement remains in full force and effect without modification. This Agreement, along with the Franchise Agreement, ~~the “Visionary” Addendum to Home Instead Joint Service Agreement among the parties,~~ and any confidentiality agreement between Franchisee and Honor or its affiliates, constitutes the entire Agreement of the parties hereto and supersedes all prior or contemporaneous agreements, undertakings and understandings of the parties in connection with the subject matter hereof, whether written or oral. This Agreement may be modified or amended only in writing duly signed by ~~both~~ all parties.

(h) **Survival.** Any provision of this Agreement creating obligations extending beyond the term of this Agreement shall survive the expiration or termination of this Agreement, regardless of the reason for such termination. Without limiting the foregoing, the following provisions shall survive the termination of this Agreement: Section 5 (Term and Termination); Section 6 (Insurance); Section 7 (Representation and Warranties; Indemnification; Guarantee); Section 8(b) (Confidentiality); Section 9 (General Provisions).

(i) **No Waiver.** No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted by a party must be in writing and shall apply solely to the specific instance expressly stated.

(j) **Third-Party Beneficiaries.** The parties do not intend to confer and this Agreement shall not be construed to confer any rights or benefits to any person, firm, group, corporation, or entity other than the parties ~~and HII~~.

(k) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. The parties expressly agree that electronic facsimile signatures of the parties are acceptable for the purpose of execution of this Agreement.

(l) **Notices.** All notices hereunder shall be in writing, delivered personally, by email, certified or registered mail, return receipt requested, or by overnight courier, and shall be deemed to have



been duly given when delivered personally or when deposited in the UnitedStates mail, postage prepaid, or deposited with the overnight courier addressed as follows:

If to Franchisee:

[ ]

[ ]

If to Honor:

legal@joinhonor.com  
13323 California St,  
Omaha, NE 68154

If to HII

legal@joinhonor.com  
13323 California St,  
Omaha, NE 68154

*[SIGNATURES FOLLOW]*

*[REMAINDER OF PAGE INTENTIONALLY LEFT  
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IN WITNESS WHEREOF, the parties by their duly authorized representatives have executed this Agreement as of the Effective Date.

**Franchisee**

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~~Guarantor~~ Home Instead, Inc.

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**Honor**

~~Home Instead, Inc. hereby acknowledges and agrees (a) that it will not collect or receive a separate Royalty Fee on Gross Sales for which Honor has collected an Honor Service Rate, as set forth in Section 4(a)(6) and (b) Honor's withholding of the Marketing Fund payment as set forth in Exhibit A shall satisfy Franchisee's obligation to contribute to the Marketing Fund with respect to Gross Sales Section for which Honor has withheld the Marketing Fund payment.~~

~~Home Instead, Inc.~~

## **EXHIBIT A: Financial and Service Terms:**

### **1) Determination of Parties' Payments**

- a. Monthly Payment Based on Client Billings. For each calendar month during the term:
  - i) Honor shall retain from Revenue Received (as defined below) (x) the applicable hourly Honor Service Rate for each shift, multiplied by the applicable shift length for each shift in the month and (y) the Marketing Fund payment.
  - ii) Honor Service Rates will apply regardless of whether a given Joint Service shift is priced to the client at, above, or below the applicable Honor Service Rates specified in Exhibit A.
  - iii) Honor will remit to Franchisee the remaining Revenue Received after retaining the Honor Service Rate and Marketing Fund payment within thirty (30) days following the applicable calendar month (the "**Franchisee Monthly Payment**"). For the avoidance of doubt, Honor's retention of the Marketing Fund payment satisfies Franchisee's obligations under the Franchise Agreement between Franchisee and Home Instead, Inc. to contribute to the "Fund" as that term is used in the Franchise Agreement.
- b. Periodic Review of Uncollectible Amounts. Honor will periodically review accounts receivable from Joint Service clients to determine (after consultation with Franchisee) whether the revenue should be deemed uncollectible. Revenue will be deemed uncollectible in accordance with generally accepted accounting principles. If in a given calendar month, Revenue Received for a particular client is deemed uncollectible (the "**Uncollectible Amount**"), and the Uncollectible Amount was distributed to Honor and Franchisee as Revenue Received in a prior month under Section 1(a) above, then in the current calendar month (a) Honor will receive a deduction from the Honor Service Rates payable to Honor for the current month equal to the portion of the Uncollectible Amount that was previously paid to Honor and (b) Franchisee will receive a deduction from Franchisee's payment for the current month equal to the portion of the Uncollectible Amount previously paid to Franchisee. If the Uncollectible Amount is later collected, Honor and Franchisee will each be paid their respective amounts in the next monthly payment. For the avoidance of doubt, through the above reconciliation mechanism, if Revenue Received is deemed uncollectible the result is that neither party receives payments attributable to those amounts.
- c. Carryforward of Outstanding Amounts. If the Revenue Received in any calendar month, after reducing for Uncollectible Amounts and the Marketing Fund, is not sufficient to cover Honor's Service Rate for that month, then any shortfall will be taken into account in the following month's payments.

### Definitions

"**Revenue Received**" is defined as revenue billed to clients for the Joint Service during a calendar month. Revenue Received does not include (a) any charges to the client for taxes, mileage or other out-of-pocket expenses incurred by Honor in providing the services (e.g., parking, tolls, supplies), or (b) for revenue from any services other than personal assistance services that Honor may offer in the future (e.g., home retrofits, home security, etc.).

"**Marketing Fund**" means the Fund, as that term is defined in Section 11.A of the Franchise Agreement between Franchisee and Home Instead, Inc.

### **2) HONOR SERVICE RATES**

In effect as of the date of this Agreement and subject to update under this Agreement and to additional requirements set forth in the Owner Portal and Central Operations Manual.

Honor Service Rates				
Visit Duration				
4+ hours	\$see Addendum	\$See Addendum	\$See Addendum	\$See Addendum
Additional Care Recipient Add-on / hr (1)	\$See Addendum	\$See Addendum	\$See Addendum	\$See Addendum
Advanced Care Add-on / hr (2)	\$See Addendum	\$See Addendum	\$See Addendum	\$See Addendum
Note: this table does not include "Stay-in" or "Non- Qualified Shifts" which will be quoted at the time of request				

1. Additional Care Recipient Add-on will apply for hourly visits with two Recipients.
2. Advanced Care Add-on will apply to care recipients who require enhanced lift and transfer needs and may in the future include other services.

### 3) SERVICE TERMS

In effect as of the date of this Agreement and subject to update under this Agreement and additional requirements set forth in the Owner Portal and Central Operations Manual.

- a. Honor requires each Joint Service client to receive at least 12 hours of Joint Service per week.
- b. A four (4)-hour shift length minimum will apply to all Joint Service.
- c. The parties agree that Automated Clearing House (ACH) shall be the preferred payment method by Joint Service clients.
- d. Live-in shifts may only be offered for a minimum of [16 hours pay per day outside CA][24/7 hours of pay in CA]

## EXHIBIT B: REPORTING

Honor will provide the following reporting to Franchisee:

- Honor will provide client and caregiver schedules and other care-related information to Franchisee via Honor's Owner Portal.
- Franchisee will receive a weekly revenue report as well as monthly summary of charges including [update].
- Franchisee will receive monthly revenue share payment reports including payment details.
- Honor will also hold periodic Joint Service business reviews.

The parties agree that the foregoing is subject to change as Honor continues to make updates to its technology platform and policies. No such change may reduce the amount of utility of the information provided to Franchisee.

~~CONFIDENTIAL “VISIONARY INVESTMENT PROGRAM” ADDENDUM TO HOME INSTEAD JOINT SERVICE AGREEMENT~~

~~THIS CONFIDENTIAL “VISIONARY INVESTMENT PROGRAM” ADDENDUM (THE “ADDENDUM”) TO THE HOME INSTEAD JOINT SERVICE AGREEMENT (“AGREEMENT”) IS MADE AS OF (“EFFECTIVE~~

~~DATE”), BY AND BETWEEN (“HONOR”) AND —, A —~~

~~LIMITED LIABILITY COMPANY/CORPORATION (“FRANCHISEE”) AND — (“GUARANTOR”), AS GUARANTOR OF THE FRANCHISE AGREEMENT BETWEEN FRANCHISEE AND HOME INSTEAD, INC. (“HI”).~~

~~RECITAL~~

~~• HONOR IS OFFERING A “VISIONARY INVESTMENT PROGRAM” TO CERTAIN FRANCHISE OWNERS WHO ARE EARLY ADOPTERS OF THE CARE PLATFORM, INCLUDING FRANCHISEE;~~

~~• THIS ADDENDUM SETS FORTH THE COMPENSATION FOR PARTICIPATION IN THE PROGRAM;~~

~~• CAPITALIZED TERMS NOT DEFINED HEREIN HAVE THE MEANING SET FORTH IN THE AGREEMENT.~~

~~• VISIONARY INVESTMENT PROGRAM.~~

~~FRANCHISEE:~~



~~• O IONS OF PROGRAM MEMBERS:  
B AS A PARTICIPANT IN THE  
L PROGRAM,~~

~~I  
G • RECOGNIZES THAT AS A  
A VISIONARY IT IS AMONG THE  
T FIRST WITHIN THE HOME~~

~~INSTEAD FRANCHISE NETWORK TO  
RECEIVE ACCESS TO THE CARE PLATFORM  
AND TO OFFER THE JOINT SERVICE~~

~~• ACKNOWLEDGES THAT THERE ARE  
ASPECTS OF THE CARE PLATFORM AND JOINT  
SERVICE THAT ARE STILL EVOLVING OR ARE  
EXPERIMENTAL;~~

~~• AGREES TO WORK COLLABORATIVELY  
WITH HONOR AND HHI TO HELP THEM BETTER  
UNDERSTAND AND STRUCTURE THE CARE  
PLATFORM AND JOINT SERVICE OFFERING FOR  
THE FRANCHISE NETWORK, INCLUDING  
WITHOUT LIMITATION BY PARTICIPATING IN  
SURVEYS, INTERVIEWS, AND FOCUS GROUPS;  
BEING FEATURED IN SPOTLIGHTS AND OTHER  
COMMUNICATIONS INITIATIVES TO THE  
FRANCHISE NETWORK; AND BY PROVIDING  
ONGOING CONSTRUCTIVE FEEDBACK TO  
HONOR AND HHI; AND~~

~~• ACKNOWLEDGES THAT THE  
CONSIDERATION PAID TO IT UNDER THIS~~

~~ADDENDUM IS IN COMPENSATION OF  
FRANCHISEE'S PARTICIPATION IN THE  
PROGRAM.~~

~~• DEFINITIONS.~~

~~• "ARR" OR "ANNUAL RECURRING  
REVENUE" FOR ANY GIVEN PERIOD MEANS  
TOTAL JOINT SERVICE REVENUE RECOGNIZED  
FOR THE PERIOD, DIVIDED BY THE NUMBER OF  
DAYS IN THE PERIOD, TIMES 365.~~

~~• "TRANSITIONED ARR" MEANS ANNUAL  
RECURRING REVENUE TRANSITIONED TO THE  
JOINT SERVICE, MEASURED DURING THE FIRST  
FULL BILLING WEEK FOLLOWING THE  
IMPLEMENTATION COMPLETION DATE.~~

~~• UPFRONT TRANSITION INVESTMENT  
PAYMENT. HONOR WILL PAY FRANCHISEE A  
PAYMENT EQUAL TO 2% OF TRANSITIONED  
ARR WITHIN THIRTY DAYS OF THE  
IMPLEMENTATION COMPLETION~~

~~DATE.~~

~~• SIX MONTH VISIONARY PAYMENT.~~

~~HONOR WILL PAY FRANCHISEE AN AMOUNT  
EQUAL~~

~~TO ONE PERCENT (1%) OF ANNUAL  
RECURRING REVENUE, MEASURED OVER THE  
FOURTH, FIFTH AND SIXTH FULL CALENDAR  
MONTHS FOLLOWING THE IMPLEMENTATION  
COMPLETION DATE. PAYMENT WILL BE MADE  
WITHIN FORTY FIVE (45) DAYS FOLLOWING  
THE END OF THE SIXTH FULL CALENDAR  
MONTH FOLLOWING THE IMPLEMENTATION  
COMPLETION DATE.~~

~~• TWELVE MONTH VISIONARY PAYMENT.~~

~~HONOR WILL PAY FRANCHISEE AN AMOUNT  
EQUAL TO ONE PERCENT (1%) OF ANNUAL  
RECURRING REVENUE, MEASURED OVER THE  
TENTH, ELEVENTH AND TWELFTH FULL  
CALENDAR MONTHS FOLLOWING THE  
IMPLEMENTATION COMPLETION DATE (“12-  
MONTH ARR”). PAYMENT WILL BE MADE  
WITHIN FORTY FIVE (45) DAYS FOLLOWING  
THE END OF THE TWELFTH FULL CALENDAR  
MONTH FOLLOWING THE IMPLEMENTATION  
COMPLETION DATE.~~

~~• VISIONARY GROWTH PAYMENT. IF 12-~~

~~MONTH ARR IS MORE THAN 20% HIGHER THAN  
TRANSITIONED ARR, THEN HONOR WILL PAY~~

~~FRANCHISEE AN AMOUNT EQUAL TO TEN PERCENT (10%) OF THE DOLLAR AMOUNT BY WHICH 12-MONTH ARR EXCEEDS TRANSITIONED ARR, UP TO A MAXIMUM PAYMENT OF \$50,000. SUCH PAYMENT WILL BE MADE AT THE SAME TIME AS PAYMENT UNDER SECTION 4(E).~~

~~• MISCELLANEOUS. THIS ADDENDUM SUPPLEMENTS THE AGREEMENT AND SHALL BE SUBJECT TO ALL OF THE TERMS AND CONDITIONS OF THE AGREEMENT, PROVIDED THAT THIS ADDENDUM MAY NOT BE ASSIGNED WITHOUT HONOR'S CONSENT. A BREACH OF THIS ADDENDUM SHALL BE CONSIDERED A BREACH OF THE AGREEMENT.~~

~~IN WITNESS WHEREOF, THE PARTIES BY  
THEIR DULY AUTHORIZED REPRESENTATIVES  
HAVE EXECUTED THIS ADDENDUM AS OF THE  
EFFECTIVE DATE.~~

~~“FRANCHISEE”:~~

**EXHIBIT C: CENTRAL OPERATIONS MANUAL**

**GUARANTOR**

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**NAME:**

**“HONOR”:**

**HONOR**

**BY:** \_\_\_\_\_

**PRINT NAME:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_