

## NON-TRADITIONAL LICENSE DISCLOSURE DOCUMENT

KFC US, LLC  
A Delaware Limited Liability Company  
[7100 Corporate Drive](#)  
[Plano, Texas 75024](#)  
~~1900 Colonel Sanders Lane~~  
~~Louisville, KY 40213~~  
502-874-8300  
[www.KFC.com/franchise-a-kfc](http://www.KFC.com/franchise-a-kfc)  
[KFCFranchiseFinance@yum.com](mailto:KFCFranchiseFinance@yum.com)



The licensee will operate a KFC ~~non-t~~[Non-T](#)raditional ~~e~~[O](#)utlet, which prepares and sells chicken and other menu items KFCLLC approves.

The total investment necessary to begin operation of a KFC ~~non-t~~[Non-T](#)raditional ~~e~~[O](#)utlet ranges from ~~\$302,825~~[318,075](#) to ~~\$1,434,000~~[2,258,500](#). This includes \$26,075 to \$28,000 that must be paid to the licensor or its affiliates.

This Disclosure Document summarizes provisions of the [Non-Traditional L](#)icense [a](#)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 licensor or an affiliate in connection with the proposed license sale. **Note, however, that no government 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 Chris Brown at (502) 874-8623.

The terms of your contracts will govern your license relationship. Don't rely on the Disclosure Document alone to understand your contracts. Read all of your contracts carefully. Show your contracts and this Disclosure Document to an advisor, like a lawyer or accountant.

Buying a license is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on licensing, 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, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on licensing.

There may also be laws on licensing in your state. Ask your state agencies about them.

DATE OF ISSUANCE: March ~~21~~20, ~~2025~~2026

## How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits, or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits G and H.
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit F includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised eOutlets.
<b>Will my business be the only KFC business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be a KFC franchisee?</b>	Item 20 or Exhibits G and H list current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should

look for. Review all 23 Items and all Exhibits in this [eDisclosure](#) [eDocument](#) to better understand this franchise opportunity. See the [eTable of Contents](#).

## What You Need To Know About Franchising *Generally*

**Continuing responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.

**Business model can change.** The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

**Supplier restrictions.** You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

**Operating restrictions.** The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

**Competition from franchisor.** Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

**Renewal.** Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

**When your franchise ends.** The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

## Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

## Special Risks to Consider About *This Franchise*

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in ~~Jefferson~~Dallas County, ~~Kentucky~~Texas. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in ~~Kentucky~~Texas than in your own state.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

## STATE OF MICHIGAN DISCLOSURE NOTICE

**THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.**

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise before the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on the terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of these assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

**The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.**

Any questions regarding this notice should be directed to: Michigan Attorney General's Office, ~~Consumer Protection~~ [Corporate Oversight](#) Division, Attn: Franchise Section, G. Mennen Williams Building – ~~1<sup>st</sup>~~ [5<sup>th</sup>](#) Floor, 525 West Ottawa Street, Lansing, Michigan ~~48933~~ [48913](#), Telephone Number: (517) ~~373-7117~~ [335-7567](#).

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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**ITEM 1**  
**THE LICENSOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

**The Licensor and its Parents and Predecessors**

KFC US, LLC, a Delaware limited liability company formed on March 31, 2016 (f/k/a KFC Franchisor, LLC), is the licensor, and will be referred to as “KFCLLC” throughout this [disclosure document](#) (“Disclosure Document”). KFCLLC conducts business under the trade names “KFC” and “Kentucky Fried Chicken.” The principal address of KFCLLC is ~~1900 Colonel Sanders Lane, Louisville, Kentucky 40213, though KFCLLC will relocate its principal place of business to~~ 7100 Corporate Drive, Plano, Texas 75024 ~~effective September 30, 2025~~. The buyer and guarantor of a license will be referred to as “you” throughout this Disclosure Document, even if you are a corporation, partnership or other entity, and includes your owners.

KFCLLC began offering licenses for Non-Traditional Outlets (as defined below) and Traditional Outlets (as defined below) in June 2016. From June 2016 to March 2019, KFCLLC sold licenses for Non-Traditional Outlets under the logo “KFC Express.” KFCLLC also offers franchises for Kentucky Fried Chicken Outlets that offer a full menu of KFC products, operate from traditional locations and operate using the “KFC®” and “Kentucky Fried Chicken®” marks (each a “Traditional Outlet”). KFCLLC offers franchises for Traditional Outlets under a separate Franchise Disclosure Document. KFCLLC does not own or operate any Traditional Outlets or Non-Traditional Outlets. Together, Non-Traditional Outlets and Traditional Outlets are known as “Outlets.”

KFCLLC’s predecessor and intermediate corporate parent is KFC Corporation (“KFCC”), a Delaware corporation incorporated on February 11, 1971. KFCC currently conducts business under the trade names of “KFC” and “Kentucky Fried Chicken.” KFCC's principal address is ~~1900 Colonel Sanders Lane, Louisville, Kentucky 40213.~~ [7100 Corporate Drive, Plano, Texas 75024](#). KFCC offered and sold franchises for Traditional Outlets in the United States from March 1971 until May 2016 and for Non-Traditional Outlets (identified under the “KFC Express” logo) from 1992 to May 2016, at which time KFCLLC became the sole franchisor or licensor of Outlets in the United States. KFCC and KFCLLC entered into a management agreement, under which KFCC provides certain support services to Outlets, including, but not limited to, managing the KFC franchise system, marketing, offering and negotiating franchise or license agreements, and otherwise fulfilling certain duties of KFCLLC under the franchise or license agreements. KFCC may, but is not obligated to, lease real estate to KFC franchisees [or licensees](#) for their KFC ~~o~~ Outlets. As of December ~~30~~[29, 2024](#)[2025](#), KFCC operated ~~80~~[86](#) Traditional Outlets (“Company-Owned Outlets”) ([14](#) of which are KFC/Taco Bell multi-brand restaurants), but did not own or operate any Non-Traditional Outlets. [From December 2024 until December 2025, KFCC operated one restaurant that offered boneless chicken tenders and related menu items under the trademark “Saucy! By KFC.” Under an intercompany services agreement with Saucy Restaurants LLC dated January 1, 2026, KFCC provides Saucy Restaurants LLC with certain administrative and support services in connection with its operation of Saucy! By KFC restaurants.](#) KFCC does not currently offer franchises or licenses for Outlets or any other concepts in the United States.

KFCLLC’s ultimate corporate parent is Yum! Brands, Inc., a North Carolina corporation incorporated on May 30, 1997 (“Yum”). Yum’s principal address is 1441 Gardiner Lane, Louisville, Kentucky 40213. Yum or one of its affiliates identified in the chart below may provide certain services to KFCLLC on a consolidated basis. Yum has never operated an Outlet, nor has it ever offered franchises or licenses for an Outlet or any other concept.

KFCLLC’s agents for service of process are listed in Exhibit A of this Disclosure Document.

## KFCLLC's Affiliates

The following are KFCLLC's affiliates that either (a) offer franchises or licenses within the United States or (b) may provide products or services to you, ~~if the Non-Traditional Outlet is located in the United States~~. The number of outlets that each affiliate operates or franchises, as described in the table below, includes multi-brand outlets at which more than one brand is operated:

Name and Address	Business
Yum Connect, LLC (“Yum Connect”) 1441 Gardiner Lane Louisville, KY 40213	Formed in Delaware on July 16, 2019. Yum Connect may provide certain technology support services, directly or indirectly, on behalf of KFCLLC under the Restaurant Technology Agreement. Yum Connect has never offered franchises for Outlets or any other concepts.
Pizza Hut, LLC 7100 Corporate Drive Plano, TX 75024 (“Pizza Hut”)	A Delaware limited liability company organized on May 20, 2016. Pizza Hut operates and franchises “Pizza Hut” restaurants, which specialize in the pizza distribution business. As of December <del>30</del> <u>29</u> , <del>2024</del> <u>2025</u> , Pizza Hut operated <del>23</del> <u>75</u> traditional Pizza Hut restaurants, <del>96</del> <u>99</u> franchisees operated <del>5,214</del> <u>4,956</u> traditional Pizza Hut restaurants and <del>162</del> <u>160</u> licensees operated a total of <del>1,332</del> <u>1,241</u> Pizza Hut <del>express</del> <u>non-traditional</u> restaurants. Pizza Hut has not offered franchises in any other line of business, except for the WingStreet franchises, but may do so in the future.
Taco Bell Franchisor, LLC 1 Glen Bell Way Irvine, CA 92618 (“Taco Bell”)	A Delaware limited liability company organized on February 23, 2016. Taco Bell operates and franchises “Taco Bell” restaurants offering Mexican-style food for take-out and on-premises seating. As of December <del>31</del> <u>30</u> , <del>2024</del> <u>2025</u> , Taco Bell operated approximately <del>498</del> <u>663</u> traditional Taco Bell restaurants and 14 non-traditional Taco Bell restaurants. A total of approximately <del>7,349</del> <u>7,335</u> traditional Taco Bell restaurants and <del>224</del> <u>221</u> Taco Bell <del>express</del> <u>non-traditional</u> restaurants were operated by approximately <del>233</del> <u>220</u> franchisees and <del>99</del> <u>94</u> licensees. Taco Bell has not offered franchises in any other line of business but may do so in the future.

Name and Address	Business
HBG Franchise, LLC 1 Glen Bell Way Irvine, CA 92618 (“HBG”)	A Delaware limited liability company organized on February 13, 2013. HBG franchises, and through its affiliates operates, “Habit Burger Grill” restaurants offering made-to-order chargrilled burgers, sandwiches and more for take-out and on-premises seating. As of December <del>31</del> <u>30</u> , <del>2024</del> <u>2025</u> , HBG’s affiliate operated <del>316</del> <u>383</u> Habit Burger Grill restaurants. A total of <del>52</del> <u>75</u> traditional Habit Burger Grill restaurants were operated by <del>8</del> <u>12</u> franchisees and <del>9</del> <u>7</u> non-traditional restaurants were operated by <del>7</del> <u>5</u> licensees. HBG has not offered franchises in any other line of business but may do so in the future.

Other than KFCC, none of KFCLLC’s affiliates described in this Item 1 have owned or operated Non-Traditional Outlets. KFCLLC has a number of additional affiliates that offer franchises, including ~~“KFC”~~ franchises in foreign countries, as well as affiliates that provide certain products and services to franchisees who are located and do business in these foreign countries. Unless otherwise stated, the information in this Disclosure Document does not include the international operations or franchising of ~~“KFC”~~ franchises.

**KFCLLC's Business and the License Offered**

If you are approved as a KFC non-traditional licensee, KFCLLC will grant you the right to operate one KFC outlet (each a “Non-Traditional Outlet”) at a specific location approved by KFCLLC. Non-Traditional Outlets offer a limited menu and primarily operate at locations captive in nature, including such venues as military bases, transportation terminals, colleges and universities, venues within business and industry locations, malls, high foot traffic locations, amusement parks, athletic stadiums, and similar sites. You will sign the Kentucky Fried Chicken Non-Traditional License Agreement, in the form attached as Exhibit B (the “Non-Traditional License Agreement”), for a license to operate a Non-Traditional Outlet. The Non-Traditional License Agreement grants you a license to use (i) certain KFC trademarks, trade names, service marks, logos and commercial symbols that KFCLLC periodically authorizes, including the “KFC®” and “Kentucky Fried Chicken®” marks (together, the “Marks”); and (ii) the proprietary business formats, methods, procedures, designs, layouts, standards and specifications (together the “System”) that KFCLLC authorizes, solely in connection with the operation of the Non-Traditional Outlet. ~~KFCLLC has not implemented any permanent System changes as a result of the COVID-19 pandemic; however, safety, cleaning and other operational guidelines implemented as a result of the pandemic must be followed.~~—The Non-Traditional Outlet will offer a menu of products primarily consisting of chicken items, including chicken strips and sandwiches, which are identified on Exhibit A of the Non-Traditional License Agreement (the “Approved Products”). KFCLLC may amend or remove any of the Approved Products ~~upon prior written notice to you.~~

Before you build ~~an~~ a Non-Traditional Outlet or sign the Non-Traditional License Agreement, you must sign a ~~“Non-Traditional Deposit Agreement”~~ in the form attached as Exhibit C (the “Non-Traditional Deposit Agreement”), under which you will apply for a site for the Non-Traditional Outlet. Once KFCLLC approves a proposed site under the Non-Traditional Deposit Agreement, then concurrently with signing the Non-Traditional License Agreement, you must sign a KFC Non-Traditional Option Agreement, in the form attached as Exhibit D (the “Non-Traditional Option Agreement”). The Non-Traditional Option Agreement provides you the option to develop the Non-Traditional Outlet at an

approved site. KFCLLC does not sign the Non-Traditional License Agreement until you have fulfilled the requirements of the Non-Traditional Option Agreement.

If KFCLLC renews your right to operate an existing Non-Traditional Outlet at the expiration of the term of the Non-Traditional License Agreement, you must sign the [then-current form of the Non-Traditional License Agreement](#) and the Successor Addendum to ~~Successor~~-KFC Non-Traditional License Agreement in the form attached as Exhibit K to this Disclosure Document.

### **Market Competition**

You will be competing with other restaurants and food-service businesses. The market for restaurants is highly developed in most areas and competition is intense. The Non-Traditional Outlet will face competition from an increasingly large number of other food-service businesses.

### **Regulations**

A variety of regulations, laws, and ordinances govern the operation of a restaurant business. Examples include laws relating to the sale of alcoholic beverages, health and sanitation codes, driver regulations; state and local codes and ordinances covering the discharge of waste and emissions; [extended producer liability concerning food service ware and/or food packaging materials that may impose reporting requirements, fees, and other obligations, and state laws, rules and regulations concerning "Truth in Menu" \(concerning regarding recyclability, compostability, and minimum post-consumer recycled content requirements;](#) menu item names and product labeling); ~~laws, rules and regulations concerning "Menu Labeling"~~ (requiring nutritional information on menus, menu boards and products); ~~laws, rules and regulations concerning~~ nutritional claims; ~~laws, rules, and regulations~~ banning hidden fees; and the Americans with Disabilities Act of 1990 ("ADA") governing public accommodations. There may be other laws applicable to your business and KFCLLC urges you to make further inquiries about these laws. You must comply with all local, state, and federal laws, regulations and government orders in the operation of your restaurants. In addition, the laws, rules and regulations ~~which~~[that](#) apply to businesses in general will affect you. Consult your lawyer about all these laws, rules and regulations.

## **ITEM 2** **BUSINESS EXPERIENCE**

### **President – KFCC & KFCLLC: Catherine Tan-Gillespie**

Ms. Tan-Gillespie is employed by KFCC and ~~effective April 1, 2025, she will~~[has served](#) as [the President of KFCC and KFCLLC since April 2025](#). From August 2024 through March 2025, she ~~has~~ served as the Chief Marketing Officer and Chief Development Officer for KFCC and KFCLLC. From January 2022 to August 2024, she was employed by Yum and served as President and General Manager, KFC Canada in Toronto, Canada. From October 2017 to December 2021, she was employed by Yum and served as Global Chief Marketing Officer in Dallas, Texas. Ms. Tan-Gillespie [served in various roles for KFC South Pacific including: \(i\) from October 2016 to October 2017 as Chief Marketing Officer; and \(ii\) from August 2015 to October 2016 as Marketing Director.](#) Ms. Tan-Gillespie is based in Plano, Texas.

### **Chief Operations Officer – KFCC & KFCLLC: Dennis Thuthuka Nxumalo**

Mr. Nxumalo ~~has been KFCC's~~[is employed by KFCC and has served as the](#) Chief Operations Officer [for KFCC and KFCLLC](#) since February 2024. From September 2020 to January 2024, he served as the Chief Operations Officer for KFC (Pty) Ltd. in Louisville, Kentucky. ~~From January 2017 to August~~

~~2020, he served as the Brewery Operations Director for ABInBe Africa in Johannesburg, Gauteng, South Africa.~~ Mr. Nxumalo is based in Plano, Texas.

**Chief ~~Financial~~Growth Officer – KFCC & KFCLLC: ~~Jonathan Ojany~~Tiffany Furman**

~~Mrs. Ojany. Furman~~ is employed by KFCC and has served as the Chief ~~Financial~~Growth Officer for KFCC and KFCLLC since ~~May 2023~~. ~~From July 2014 to February 2023, he was employed by The Coca-Cola Company in Atlanta, Georgia, and served in various positions including as Vice President Head of Center Strategy and Operations from May 2021 to February 2023, Chief of Staff to President and Chief Operations Officer from April 2019 to May 2021, and Director Strategy, Insights and Planning from September 2016 to April 2019.~~ July 2025. From October 2022 to July 2025, she was Chief Financial Officer of Habit Burger Grill in Irvine, California. Prior to that, she served as Sr. Director Franchising of Taco Bell Corp. from January 2008 to October 2022 in Irvine, California. ~~Mrs. Ojany. Furman~~ is based in ~~Louisville, Kentucky~~Plano, Texas.

**Chief Legal Officer – KFCC & KFCLLC: Sarah Crow**

Ms. Crow is employed by KFCC and has served as the Chief Legal Officer for KFCC and KFCLLC since March 2025. From May 2024 to March 2025, she was employed by Yum in Plano, Texas, and served as Head of Yum! Global Franchising. From January 2023 to May 2024, Ms. Crow was employed by Taco Bell and served as Senior Legal Director of Franchising and Development in Irvine, California. From October 2020 to December 2022, she served as Legal Director of Global Franchise Office for Yum in Plano, Texas. From May 2019 to October 2020, Ms. Crow served as Legal Director for Pizza Hut in Plano, Texas. Ms. Crow is based in Plano, Texas.

**Chief ~~Digital and~~ Technology Officer – KFCC & KFCLLC: ~~Pradeep Ramakrishnan~~NarayananFrancis Arrastia**

Mr. ~~Narayanan~~Arrastia is employed by KFCC and has served as ~~the~~Chief ~~Digital and~~ Technology Officer for KFCC and KFCLLC ~~in Louisville, Kentucky~~ since ~~August 2023~~September 2025. From ~~August 2010~~May 2020 to August ~~2023~~2025, he was ~~employed by Yum Restaurants India Pvt Ltd and served as its Chief Technology Officer in Gurgaon Haryana, India.~~ Mr. ~~Narayanan~~VP of Product Management and Experience Design for Levi Strauss & Company in San Francisco, California. Mr. Arrastia is based in Plano, Texas.

**Chief ~~New Concepts~~ Officer – KFCC & KFCLLC: ~~Christophe Poirier~~**

~~Mr. Poirier is employed by KFCC and has served as the Chief New Concepts Officer for KFCLLC since February 2024. From February 2019 to January 2024, he served as the Global Chief Brand Officer for Pizza Hut Global in Plano, Texas. Mr. Poirier is based in Louisville, Kentucky.~~

**Chief People & Culture Officer – KFCC & KFCLLC: Heather McCoyBecker**

Ms. McCoyBecker is employed by KFCC and has served as Chief People & Culture Officer for KFCC and KFCLLC since May 2024. From September 2022 to May 2024, she served as VP of Human Resources for Taco Bell in Irvine, California, and from March 2021 to September 2022, she served as Senior Director, Field and Franchisee Human Resources for Taco Bell in Irvine, California. ~~From May 2017 to December 2020, she served as Director of Talent for Dollar Tree & Family Dollar in Chesapeake, Virginia. From January 2021 through February 2021, Ms. McCoy was between positions.~~ Ms. McCoyMs. Becker is based in Plano, Texas.

**Chief DigitalMarketing Officer – KFCC: ~~Paul Sharad Tuscano~~ & KFCLLC: Melissa Cash**

~~Mr. Tuscano has been KFCC's Chief Digital Officer since August 2023. From February 2016 to June 2023, he was employed with Marriott International in Bethesda, Maryland and served in various positions including as the Vice President from September 2018 to June 2023 and the Senior Director from February 2016 to September 2018. Mr. Tuscano is based in Louisville, Kentucky.~~

Ms. Cash is employed by KFCC and has served as Chief Marketing Officer for KFCC and KFCLLC since September 2025. From May 2022 to August 2025, she served in various positions including VP, Global Brand Marketing and SVP, Chief Brand Officer at Wingstop Restaurants Inc. in Dallas, Texas. From April 2014 to April 2022, she held various positions including Director, Brand and Advertising and Director of Customer Activation at The Wendy's Company in Dublin, Ohio. Ms. Cash is based in Plano, Texas.

**ITEM 3  
LITIGATION**

**KFCLLC Action**

~~Chicken Shack Potsdam, LLC v. KFC US, LLC (United States District Court, Northern District of New York, Case No. 8:23-cv-00789-TJM-CFH)~~

~~On June 29, 2023, Chicken Shack Potsdam, LLC ("CSP"), a current franchisee of KFCLLC, filed a complaint against KFCLLC alleging breach of contract, breach of the implied covenant of good faith and fair dealing, bad faith, estoppel, and unjust enrichment, and is seeking damages, attorneys' fees, costs and expenses. CSP alleges that KFCLLC relied on an allegedly flawed impact study and allowed another franchisee to open a new Outlet close to CSP's Outlet, which allegedly depressed the sales of CSP's Outlet. CSP filed an amended complaint on September 15, 2023, which added purported claims for fraud and fraudulent nondisclosure. On October 13, 2023, KFCLLC filed a motion to dismiss all of CSP's claims. On March 10, 2025, the court granted KFCLLC's motion to dismiss in its entirety. CSP has thirty days to file an amended complaint.~~

~~Other than the above action, no~~No litigation is required to be disclosed in this Item.

**ITEM 4  
BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

## **ITEM 5** **INITIAL FEES**

### **Initial License Fee**

KFCLLC charges an initial license fee of \$22,500. The initial license fee is in consideration of KFCLLC providing you the right to develop the Non-Traditional Outlet. You must pay the initial license fee in two parts: (i) the Deposit Fee; and (ii) the Option Fee. The payment terms and conditions of the Deposit Fee and Option Fee are both described below. KFCLLC may discount or waive the initial license fee for a ~~franchisee's~~licensee's second or subsequent Non-Traditional Outlet.

### **Deposit Fee**

You will pay KFCLLC 50% of the initial license fee upon signing the Non-Traditional Deposit Agreement (the "Deposit Fee"). If KFCLLC does not approve the proposed site and terminates the Non-Traditional Deposit Agreement, you will be refunded the Deposit Fee, provided you execute a general release agreement on a form KFCLLC approves.

### **Option Fee**

You will pay KFCLLC the remaining balance of the initial license fee upon signing the Non-Traditional Option Agreement (the "Option Fee") in consideration of KFCLLC granting you the Option (as defined in Item 11) to build the Non-Traditional Outlet. The Option Fee is non-refundable, however, if the Non-Traditional Option Agreement terminates as a result of a bona fide zoning or building restriction beyond your control, KFCLLC will refund you half of the overall initial license fee, provided you execute a general release agreement on a form KFCLLC approves.

### **Training Fee**

In addition, you are required to pay a training fee of \$3,000. KFCLLC will charge you this training fee if you complete the restaurant portion of your initial training in a Company-Owned Outlets or if KFCLLC provides such training. If a third party provides the restaurant portion of your initial training, you will pay such third parties~~y~~ for KFCLLC's training program. The fee you pay third parties varies depending on the third parties' cost to train you. In either case, the training fee will be payable prior to beginning KFCLLC's initial training program and is not refundable under any circumstance.

### **Background Check Fee**

You will be required to pay a background check fee for each person that signs the ~~Franchise~~Non-Traditional License Agreement or Guaranty (defined in Item 15), which fee currently ranges from \$575 to \$2,500 per person. This fee is determined by the ~~third party~~third-party vendor and will be collected by KFCLLC and paid to the ~~third party~~third-party vendor on your behalf. You will pay the background check fee when you submit a consent form, and such fee is not refundable under any circumstances.

These fees are all uniformly imposed by KFCLLC.

**ITEM 6  
OTHER FEES**

<b>(1) Type of Fee (Note 1)</b>	<b>(2) Amount</b>	<b>(3) Due Date</b>	<b>(4) Remarks</b>
Licensing Fee	9.5% of Gross Revenues for each partial or full month of the term of the <a href="#">Non-Traditional License Agreement</a> .	Payable monthly by the 20th day of the next month.	See Note 2 for the definition of “Gross Revenues.”
Audit	Entire cost of audit, including expenses of auditing personnel.	Within 10 days after notice of deficiency.	Payable only if audit reveals a deficiency of at least 2% of the amount of licensing fees or other payment actually paid.
Costs, expenses, and attorneys' fees	Will vary.	After judgment is entered in KFCLLC's favor.	KFCLLC is entitled to collect these costs, expenses, and fees if KFCLLC wins a lawsuit between you and KFCLLC based on the Non-Traditional License Agreement for the location (if you win the case, you are entitled to these costs, expenses and fees).
Indemnification	Will vary.	As incurred.	You are required to indemnify KFCLLC for any claims, judgments, costs, losses, and damages, including attorneys' fees, resulting from your failure to comply with the Non-Traditional License Agreement (KFCLLC is required to indemnify you similarly).
Interest on Late Payments	18% per year or the highest rate allowed by law, whichever is less.	Upon demand.	If you fail to timely pay amounts due under the <a href="#">Non-Traditional License Agreement</a> , we may charge you interest on the late payments.
Additional or Refresher Training	\$500 per person per week.	As incurred.	If you send more than one person to the initial training program, you will pay this fee for each additional person that attends initial training. We may require you or your employees to attend additional or refresher training, and we may charge you this fee for such training. We may increase this fee, not to exceed \$5,000 per person per week.

<b>(1) Type of Fee (Note 1)</b>	<b>(2) Amount</b>	<b>(3) Due Date</b>	<b>(4) Remarks</b>
Administrative	\$500 administrative services fee for each transaction in which KFCLLC processes changes to your corporate structure, or when processing other approved modifications.	At time a request for change is made.	This fee is subject to change, not to exceed \$5,000.
Restaurant Operations Compliance Check (“ROCC”) – comprised of two categories: (1) Food Safety Compliance Check (“FSCC”) and (2) Operations Standards Compliance Check (“OSCC”) re-evaluation	ROCC evaluation: <del>\$216</del> <u>224.97</u> per evaluation <del>FSCC evaluation: \$156 per evaluation</del> (Note 3)	As incurred.	KFCLLC will pay for ROCC evaluation (which includes both FSCC and OSCC), <del>34</del> times per year. If <del>either an</del> OSCC <del>or FSCC</del> evaluation results in an underperforming (failure), then <del>an</del> FSCC and an OSCC <del>re-evaluation will be required and will be at your expense. If a FSCC assessment results in an underperforming (failure), then only a FSCC (and not a OSCC) re-evaluation</del> will be required and will be at your expense. If a re-evaluation is required at your expense, you will pay the vendor directly. The evaluation fees are subject to change by the vendor.
Technology Fees	Currently, \$297.39 per <u>Outlet per month</u> , (Note 4)	Payable monthly	The Technology Fee is payable for the ongoing subscription, maintenance, and support of, and provision of services related to, certain required technology platforms, software components, and mobile applications (“Restaurant Technology”) that KFCLLC will make available and require you to use in connection with the operation of the Non-Traditional Outlet. Technology Fees <del>does</del> <u>do</u> not include the purchase price and installation cost of any hardware or equipment that <del>are</del> <u>is</u> required to access Restaurant Technology. You may be required to add additional technology components for additional fees. KFCLLC may modify the amount of the <del>t</del> <u>echnology f</u> ees upon reasonable notice to you, <u>not to exceed \$3,000 per Outlet per month</u> .

<b>(1) Type of Fee (Note 1)</b>	<b>(2) Amount</b>	<b>(3) Due Date</b>	<b>(4) Remarks</b>
<u>Digital Fee</u>	<u>3.1% of Gross Revenue collected from all Digital Orders.</u>	<u>Payable monthly.</u>	<u>“Digital Orders” means orders placed via digital ordering platforms, channels, and third-party aggregators, such as KFC.com, GrubHub, DoorDash, UberEats, PostMates and other digital ordering services. Digital ordering service providers may be added or removed periodically. The use of digital ordering services is optional but if you elect to use digital ordering services, the Digital Fee is required. The Digital Fee will remain at 3.1% through the end of 2026, after which it will be subject to renegotiation.</u>
Transfer to a new KFCLLC licensee	\$3,000 for the first <u>Non-Traditional</u> Outlet and \$1,500 for each additional <u>Non-Traditional</u> Outlet in the same transaction. (Note 5)	Upon your execution of KFCLLC’s <u>Transfer Agreement.</u>	The transfer fee is subject to adjustment based upon the Consumer Price Index.
Transfer to an existing KFCLLC licensee	\$2,000 for the first <u>Non-Traditional</u> Outlet and \$1,000 for each additional <u>Non-Traditional</u> Outlet in the same transaction. (Note 5)	Upon your execution of KFCLLC’s <u>Transfer Agreement.</u>	The transfer fee is subject to adjustment based upon the Consumer Price Index.
<u>EPR Fees</u>	<u>Not currently charged, if implemented anticipated to be actual fees, plus reimbursement of costs and expenses.</u>	<u>Upon demand.</u>	<u>If we or an affiliate pay fees related to extended producer liability (“EPR”) programs, whether the fee is imposed by state law or regulation, a producer responsibility plan, and/or a producer responsibility or stewardship organization, you may be required to reimburse us the fees incurred resulting from your Non-Traditional Outlet, plus reimbursement of our or our affiliates’ costs and expenses to comply.</u>

**NOTES:**

1. Unless otherwise noted above, all fees are payable to KFCLLC or its designated ~~parents or~~ affiliates and are non-refundable. These fees may not be uniform for licensees signing the Non-Traditional License Agreement. Unless otherwise indicated, these fees are due under the Non-Traditional License Agreement.
2. “Gross Revenues” shall mean all monies and receipts (including cash, credit cards, checks, charge slips, gift certificates, gift cards, loyalty program vouchers and receipts, coupons, food stamps,

subsidies, and other promises to pay), services, property, other means of exchange, or the fair market value of any services or products received in barter transactions, derived from operating the Non-Traditional Outlet. Gross Revenues shall (a) not include any sales or other taxes which are required by law to be collected from customers, provided such taxes are added to the selling price and are in fact paid by Licensee to the appropriate governmental authority, and (b) be reduced by the amount of any documented discount Licensee gives in good faith to customers and employees. Cash refunded and credit given to customers shall be deducted from Gross Revenues, but only to the extent that such cash or credit represent amounts previously included in Gross Revenues. Gross Revenues are deemed received by Licensee at the earlier of when the products are provided or the monies or receipts are received. All Gross Revenues shall be permanently recorded on cash registers. If the Outlet is part of a multi-brand unit sharing a common beverage dispensing system, Gross Revenues shall include a proportionate amount of beverage sales based on the percent of total dollar food sales at the Outlet represented by KFC product sales.

3. If you acquire an existing co-branded KFC/Taco Bell restaurant, the fee will be ~~\$216~~224.97, plus food cost of \$7, per re-evaluation for the KFC portion of your co-branded restaurant.
4. KFCLLC anticipates that additional technology components will be required to be implemented within the next two years, with technology fees increasing as additional technology components are added to an Outlet. Currently, KFCLLC anticipates that the fees related to technology support services and software maintenance will increase within the next year to up to ~~\$411.23~~450.63 per Outlet per month when all anticipated technology components are implemented, but KFCLLC may increase that amount, not to exceed \$3,000 per Outlet per month. KFCLLC submits increases in the technology fee to the KFC National Council and Advertising Cooperative, Inc. (“National Co-Op”) technology advisory committee for advice and input, though such input is not binding on KFCLLC.
5. These amounts account for the current adjustment to reflect any 10% increase in the Consumer Price Index using June 1976 as the base period.

**ITEM 7**  
**YOUR INITIAL INVESTMENT**

(1) Type of Expenditures	(2) Amount	(3) Method Of Payment	(4) When Due	(5) To Whom Payment Is To Be Made
Initial License Fee (Note 1)	\$22,500	Electronic Funds Transfer	At signing of Non-Traditional License Agreement	KFCLLC or its designated parents or affiliates
Background Check Fee (Note 2)	\$575 to \$2,500 <u>per person</u>	As agreed	Upon submission of consent form	KFCLLC
Real Property (Note 3)	\$50,000 to <del>\$75,000</del> <u>375,000</u> <u>0</u>	See Note 3	See Note 3	See Note 3

Construction and Leasehold Improvements (Note 4)	\$75,000 to <del>\$900,000</del> <u>1,200,000</u>	As agreed	As agreed	<del>Contractors</del> <u>Various third parties</u>
Equipment/Signage (Note 5)	\$100,000 to <del>\$356,000</del> <u>550,000</u>	As agreed	As agreed	Various Suppliers
Opening Advertising (Note 6)	\$5,000 to <u>\$15,000</u>	As agreed	As agreed	Various Suppliers
Opening Inventory (Note 7)	<del>\$5,000</del> <u>12,000 to \$15,000</u>	As agreed	As agreed	Various Suppliers
Utility Deposits and Business Licenses (Note 8)	\$7,500 to \$10,000	As agreed	As agreed	Various Suppliers/ <del>Entities</del>
Training (Note 9)	\$5,000 to \$8,000	As agreed	As agreed	KFCLLC, its designated <del>parents or</del> affiliates or <del>T</del> third Party
Insurance (Note 10)	<del>\$7,250</del> <u>8,000 to \$10,000</u> <u>13,000</u>	As agreed	As agreed	Third Party
Miscellaneous Opening Costs (Note 11)	<del>\$5,000</del> <u>7,500 to \$10,000</u> <u>12,500</u>	As agreed	As agreed	Various Suppliers
Additional Funds (3 months) (Note 12)	<del>\$20,000</del> <u>25,000 to \$30,000</u> <u>35,000</u>	As agreed	As agreed	Various Suppliers
<b>Total Estimated Expenditures</b> (Note 13)	<del>\$302,825</del> <u>318,075 to \$1,434,000</u> <u>2,258,500</u>			

**NOTES:**

1. The initial license fee is discussed in detail in Item 5 and includes the Deposit Fee and Option Fee. The Deposit Fee is refundable under limited circumstances, as described in Item 5.
2. The background check fee is only payable if you are a new KFC licensee or if you add a new partner or owner. This fee may be higher for non-U.S. citizens and will vary depending on where you are located; some non-U.S. citizens have paid as much as \$3,700. The cost is determined by the third-party vendor, which ~~KFC~~ KFCLLC will collect and pay to such vendor.
3. Average sites for approved Non-Traditional Outlets vary depending upon available space within a mini travel plaza, airport, university, stadium, or other facility, as well as other factors, and should have good visibility and be easily accessible to customers. KFCLLC estimates college/university locations require a minimum of 500-900 square feet; ~~and,~~ airport and mall locations require a minimum of 880 square feet (does not include dining area space). Please note that these space requirements assume adequate area to allow installation of walk-in cooler/freezer and dish wash space. Both the location and the proposed unit are subject to KFCLLC's acceptance before you obtain permits or local approvals or start construction. These sites are

generally leased. The costs vary depending on size and location and are within your discretion, subject to KFCLLC's acceptance of the site and unit. Also, since Non-Traditional Outlets are intended to function within a larger facility (such as an airport, stadium, convention center, retail center, employee cafeteria, school, hotel, or resort owned and/or operated by the licensee), in many instances payment for space within these facilities will be based upon a negotiated percentage of sales, rather than on a set amount. In other instances (primarily involving contract feeders in employee cafeterias), there will be no real estate cost, as the licensees are being paid a fee to provide a service. Lease costs may be beyond KFCLLC's estimated range in some localities. Security deposits may be required.

4. You may need to install, among other things, wiring, flooring, plumbing, and lighting systems ~~which~~that meet KFCLLC's specifications. The costs will vary depending on the condition of the site and local costs.
5. You must install, among other things, restaurant equipment (including cookers, refrigeration, display/holding cabinets, warmers, and/or ovens), furniture, decor items, counters, cash registers, point-of-sale computer systems and other required computer software and technology components, smallwares, as well as indoor and outdoor signage.
6. Before opening the Non-Traditional Outlet, your initial advertising may include print media and in-store promotional items, such as point-of-sale displays and merchandising materials.
7. KFCLLC estimates that the amount given will be sufficient to cover initial supplies of food and beverage products, as well as packaging and other general supplies, such as cleaning and office materials. Initial inventory will vary depending upon expected grand opening volumes.
8. You may be required to obtain permits from various local regulatory agencies which may charge a fee for the permits. You also may need to provide deposits for utilities. The amount will vary depending upon the practices of the utility companies.
9. \$3,000 may be paid to KFCLLC or its affiliates~~u~~ if KFCLLC provides you with the restaurant portion of its training program. If a third-party conducts the restaurant portion of the training program, you will pay third parties for KFCLLC's training program. This includes an estimation of your food, lodging, travel, and other expenses you incur in attending KFCLLC's training program.
10. The estimated range consists of the annual insurance premium you will be charged to meet our minimum insurance requirements for the Non-Traditional Outlet. See Item 8 for a description of our current requirements.
11. These estimated costs consist of ~~such~~ items such as uniforms and professional fees (for example, attorneys and accountants).
12. You will need ~~capital~~cash to support on-going expenses, such as payroll; utilities; licensing fees; advertising; supplies; food and beverage products; and packaging, to the extent that these costs are not covered by sales revenue. New businesses often generate a negative cash flow. KFCLLC estimates that the listed amount will be sufficient to cover on-going expenses for the start-up phase of the business, which KFCLLC ~~calculates~~estimates to be 3 months.

13. Except as agreed upon by ~~third party~~third-party suppliers, none of these expenditures are refundable. KFCLLC relied upon its ~~its parent's, its~~ affiliate's<sup>2</sup> and its licensees' experience in the industry and operating Non-Traditional Outlets in compiling these estimates. You should review these figures carefully with a business advisor before making any decision to open a Non-Traditional Outlet. Other than described in Item 10, neither KFCLLC nor its affiliates offer direct or indirect financing for any part of the initial investment of a Non-Traditional Outlet. These estimates do not include any finance charge, interest, or debt service obligation.

## **ITEM 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

#### **Standards, Specifications and Approved Suppliers**

Equipment, inventory, advertising materials, training materials, uniforms, packaging, gift cards, certain computer hardware and software (including, point of sale system, cashless payment system, kitchen display system, drive-thru timers, thermometer and oil probes, back of the house table and software/applications, digital store network, and related products and services), as well as all food and beverage ingredients and products, including the Approved Products, that are used or sold at the Non-Traditional Outlet must be purchased from suppliers (manufacturers and distributors) approved by KFCLLC. In addition, these items must meet KFCLLC's specifications. KFCLLC and its affiliates do not provide material benefits to franchisees and licensees for purchasing particular products or services or using designated or approved suppliers. Currently, except for certain components of the Restaurant Technology and related services, you are not required to purchase or lease any product or service from KFCLLC or its affiliates in connection with the Non-Traditional Outlet. During the fiscal year ended December ~~3029, 2024~~2025, KFCLLC received \$~~13,578,525~~14,180,415 (or approximately ~~5.94~~6.27% of its total revenue of \$~~228,702,000~~225,987,947) from direct sales or leases of products and services to franchisees and licensees.

Our parent, KFCC, may lease real estate for some ~~franchised~~ Non-Traditional Outlets. There is not a general requirement that you lease real estate from KFCC, but some Non-Traditional Outlets may only be available under a lease from KFCC. Neither ~~we~~KFCLLC nor KFCC is obligated to lease real estate to you. During the fiscal year ended December ~~3029, 2024~~2025, KFCC received approximately \$~~13,639,125~~12,562,168 in revenue from leases of real estate to certain KFCLLC franchisees and licensees for their Outlets.

You must maintain, at your expense, the insurance coverage we require under policies that meet our terms and conditions. Currently, we require you to maintain the following insurance policies: fire, extended coverage and vandalism and malicious mischief at 80% of actual cash value of building, contents and improvements; employer's liability and workmen's compensation insurance as prescribed by applicable law; and comprehensive general liability insurance with a reputable insurance carrier, naming KFCLLC and its affiliates as additional insureds, covering at a minimum (i) property damage in the amount of \$500,000 per occurrence, and (ii) bodily injury, death, and product and public liability (intentional and unintentional) in the amount of \$1,000,000 per occurrence. These minimum amounts of insurance requirements may be increased by KFCLLC to reflect industry trends.

#### **Approval/Disapproval of Suppliers**

You must purchase, only from KFCLLC's approved suppliers, and at your expense, all fixtures, furnishings, equipment, food products, packaging, ~~and~~ signs, and other goods and supplies as KFCLLC may periodically require and you may not install or use any of these items at the Non-Traditional Outlet

without KFCLLC's approval. KFCLLC approves suppliers based on its determination of their ability to meet KFCLLC's standards and specifications ~~for the food, paper goods, packaging, advertising, point of sale materials, signs, equipment, smallwares, fixtures and other goods and supplies which are used in the operation of Non-Traditional Outlets~~, as well as their capacity and facilities to meet expected demand. Published specifications are available upon request from KFCLLC's designated Quality Assurance Department and are supplied to the approved Vendors and Distributors, as appropriate, in order to help preserve their confidentiality.

If you desire to purchase products from a supplier who is not approved by KFCLLC and [if](#) KFCLLC is willing to consider approving that supplier, you must provide KFCLLC with all information regarding that supplier that KFCLLC requests; and, the supplier may be required to provide KFCLLC with samples of the products you wish to purchase. KFCLLC may require tests to determine whether the products meet its standards. If KFCLLC does, the tests will be performed by KFCLLC or under its direction, with all of the costs (including direct testing costs and other indirect costs) being subject to payment by the proposed supplier. KFCLLC may require that its representatives be permitted to inspect the proposed supplier's facilities for quality control and sanitation. On completion of any tests or other procedures KFCLLC requires, including determining whether the proposed supplier possesses adequate capacity and facilities, KFCLLC will notify you and the supplier whether the supplier is approved to sell to licensees. It is estimated that the complete approval process will take approximately 120 days, but this can vary based on the complexity of the items, receipt of requested information, delays at testing agencies and other factors. KFCLLC is not required to approve suppliers who do not meet all of its standards and specifications, nor is KFCLLC required to approve other suppliers for any seasoning or other products or items which constitute a trade secret of KFCLLC. KFCLLC may re-inspect the facilities, equipment and products of any approved supplier, as well as monitor the production and use of any items used in the KFC business. On the basis of KFCLLC's review and monitoring, KFCLLC may revoke its approval of any approved supplier if that supplier fails to meet all of KFCLLC's standards and specifications. If KFCLLC does revoke approval of a supplier, KFCLLC will notify you and you must stop purchasing from any disapproved supplier. KFCLLC may periodically change its standards, specifications, and supplier approval process.

A list of approved suppliers is available to licensees upon request. This list may be amended by KFCLLC. [KFCLLC's online-portal](#), Team KFC, also contains KFCLLC's then-current standards and specifications regarding products ~~which~~[that](#) are required by KFCLLC to be used in establishing or operating the Non-Traditional Outlet; however, KFCLLC is not obligated to disclose any trade secrets. KFCLLC and its officers do not own any interest in any approved supplier.

### **Purchase Agreements and Revenue**

KFCLLC and its affiliates have negotiated purchase arrangements (including price terms) with various information technology vendors for certain products that benefit licensees. Yum and the Pepsi-Cola Company ("Pepsi") have also negotiated a purchase arrangement that may require you to sell and serve beverage products licensed by Pepsi. Participating Outlets must enter into a contract with Pepsi under which they will receive certain payments based on their purchases of Pepsi products. Additionally, Pepsi will (i) contribute to KFC's franchisee convention and the National Co-Op for the benefit of the KFC system; and (ii) contribute marketing funds for the benefit of the KFC system, based on such [participating](#) Outlets' purchases of Pepsi products.

Yum and Dr. Pepper/Seven Up, Inc.,- ("DPSU") have also negotiated a purchase arrangement that may require you to sell and serve beverage products licensed by DPSU. Participating Outlets must enter into a contract with DPSU under which they will receive certain payments based on their purchases of

DPSU products. Additionally, DPSU will contribute to KFC's franchisee and licensee convention and the National Co-Op for the benefit of the KFC system based on such participating Outlets' purchases of DPSU products.

KFCLLC or its affiliates will receive royalty payments or partner fees from various approved digital ordering and third party delivery service providers ranging from 1% to 2% of revenue from food orders sold by Outlets to customers, in consideration for a license of the Marks to such service providers to provide services to Outlets. You are not required to utilize those digital ordering and third party delivery services; however, in order for you to obtain the benefit of such license, you must enter into a participation agreement with the third party. During the fiscal year ended December ~~3029~~, ~~2024~~2025, Yum Restaurant Services Group, LLC received approximately ~~\$5,585,792~~6,507,510 in royalty fees and partner fees from digital ordering and third party delivery service providers as a result of franchisees' participation in such digital order and delivery service platforms.

Currently, Mastercard pays Yum Restaurant Services Group, LLC an annual rebate based on the amount of payment processing fees paid on certain qualifying transactions at KFC ~~e~~Outlets accepting Mastercard cards. During the fiscal year ended December ~~3029~~, ~~2024~~2025, Yum Restaurant Services Group, LLC received approximately ~~\$14,629~~21,440 from Mastercard as a result of KFC franchisees' and licensees' qualified transactions. That rebate amount was credited to franchisees and licensees pro rata on a per ~~e~~Outlet basis for all KFC traditional and ~~non-~~Non-Traditional ~~e~~Outlets open as of ~~October 28~~November 3, ~~2024~~2025.

KFCLLC and its affiliates do not derive any other revenue from any third party suppliers as a result of required purchases or leases by franchisees or licensees, nor do they receive lower prices or discounts from suppliers because of purchases by you from a particular supplier.

It is estimated that the cost of your required purchases from approved suppliers or that are subject to our standards and specifications will represent approximately 50% of your required purchases of products and services to establish the Outlet and approximately 90% of your required purchases of products and services to operate the Outlet. ~~No officer of KFCLLC owns an interest in any approved supplier.~~

### **Purchasing Cooperative**

Purchasing activities (including negotiation of pricing terms) for food, packaging and equipment used in the KFCLLC system are conducted primarily through Restaurant Supply Chain Solutions, LLC ("RSCS"). The members of RSCS are the KFC National Purchasing Co-~~Op~~, Inc. (the "KFC Co-~~Op~~"), and co-ops of KFCLLC's sister companies and their franchisees (Pizza Hut National Purchasing Co-~~Op~~, Inc. and Taco Bell National Purchasing Co-~~Op~~, Inc., collectively with the KFC Co-~~Op~~ the "Concept Co-~~Ops~~"). By contract, RSCS also provides purchasing programs and program management services for A&W National Purchasing Co-~~Op~~, Inc. Because RSCS is a shared resource organization, allocation costs and sourcing fees attributable to the KFC Co-~~Op~~ may vary. Each Concept Co-~~Op~~ has historically distributed substantially all of its net income not required for working capital or reserves to its members each year as a "patronage dividend." RSCS is the exclusive purchasing agent for all Company-Owned Outlets and franchised ~~or~~and licensed Outlets in the United States.

Once you obtain a license from KFCLLC, you will be eligible to join the KFC Co-~~Op~~ and, through that membership, participate in the purchasing program conducted on behalf of the KFC Co-~~Op~~ for KFC operators by RSCS. To join the KFC Co-~~Op~~, you must subscribe for and purchase from the KFC Co-~~Op~~ one share of "membership common stock" for \$10 per share, plus one share of "store

common stock” for each Non-Traditional Outlet that you own and operate in the U.S., currently priced at \$400 per share. If you later sell some or all of the Non-Traditional Outlets (or otherwise become ineligible for membership), the KFC Co-~~Op~~ may, but is not required to, redeem your store common shares in the amount equal to your original purchase price and, if you become ineligible for membership, will redeem your membership common share for \$10. KFCLLC does not require that you join the KFC Co-~~Op~~. Subject to the limitation described below, you may purchase through RSCS and the KFC Co-~~Op~~ as a non-member (in which case you will have no voting rights and will not be eligible to receive patronage dividends). The KFC Co-~~Op~~ may refuse to do business with KFC franchisees or licensees that are not members of the KFC Co-~~Op~~.

**ITEM 9**  
**LICENSEE'S OBLIGATIONS**

**This table lists your principal obligations under the license and other agreements. It will help you find more detailed information about your obligations in these agreements and in other Items of this Disclosure Document.**

	<b>Obligation</b>	<b>Section in Non-Traditional Option Agreement</b>	<b>Section in Non-Traditional License Agreement</b>	<b>Disclosure Document Item in LDD</b>
a.	Site selection and acquisition/ lease	2, 3	12.1f	7, 11
b.	Pre-opening purchases/ leases	2, 3	3, 4, 10	5, 7, 8
c.	Site development and other pre-opening requirements	2, 3, <u>45</u>	3	6, 7, 8, 11
d.	Initial and on-going training	Not Applicable	3	<u>5, 6, 7, 11</u>
e.	Opening	3, 5	3	11
f.	Fees	1	6	5, 6, 7
g.	Compliance with Standards and policies/ Standard Library	3	3	11, 14
h.	Trademarks and proprietary information	5, 6	1, 3, 8	13, 14
i.	Restrictions on products/ services offered	Not Applicable	1, 2, <u>3</u>	<u>8, 16</u>
j.	Warranty and customer service requirements	Not Applicable	3	Not Applicable
k.	Territorial development and sales quotas	Not Applicable	1	12
l.	Ongoing product/service purchases	Not Applicable	2, 3	8
m.	Maintenance, appearance, and remodeling requirements	Not Applicable	3	1, 11
n.	Insurance	Not Applicable	10	8
o.	Advertising	Not Applicable	5	6, 7, 11

	Obligation	Section in Non-Traditional Option Agreement	Section in Non-Traditional License Agreement	Disclosure Document Item in LDD
p.	Indemnification	Not Applicable	10	6
q.	Owner's participation/management staffing	Not Applicable	3	15
r.	Records and reports	Not Applicable	6	11
s.	Inspections and audits	Not Applicable	3, 6	6, 11
t.	Transfer	15	9	<a href="#">6</a> , 17
u.	Renewal	Not Applicable	1.4	<a href="#">1</a> , 17
v.	Post-termination obligations	7, 8	7, 12	17
w.	Non-competition covenants	Not Applicable	7	17
x.	Dispute resolution	13	13	17
y.	Signing of <del>license agreement</del> <a href="#">Non-Traditional License Agreement</a>	5	Not Applicable	1

## ITEM 10 FINANCING

~~Except as described below,~~ KFCLLC does not offer, directly or indirectly, any arrangements for financing your initial investment or the continuing operation of the Outlet. KFCLLC is unable to predict whether you can obtain financing for all or any part of your investment; and, if you are able to obtain financing, we cannot predict the terms of the financing. ~~Except as described below, n~~Neither KFCLLC nor ~~Yumits affiliates~~ [guarantees](#) your note, lease or other obligation.

### ~~Yum Lending Assistance for Qualified Licensee Applicants~~

~~Yum has entered into an arrangement with a third party, LS BDC Adviser, LLC, an affiliate of Lafayette Square Holding Company, LLC (“Lender”), pursuant to which Lender (through one or more of its managed or advised funds) may provide financing to qualified licensee applicants, including low to moderate income individuals in underserved American communities. This arrangement is open to all eligible applicants regardless of race, color, national origin, sex, disability, or age. Under such arrangement, KFCLLC will refer licensee candidates to Lender in its sole discretion and Lender will in good faith independently evaluate such candidates for one or more available credit products based on Lender’s then prevailing underwriting guidelines. The credit products will be term loans (including delayed draw term loans) and revolving loans. The financing covers acquisition, refinancing, and related costs of an Outlet. Lender will evaluate, underwrite, and approve candidates; however, as a further incentive to Lender to extend credit to licensee candidates referred by KFCLLC to Lender, Yum may, but is not obligated to, provide credit support in the form of limited guaranties. If Yum elects to provide credit support, then you, Lender, and Yum will sign a letter agreement in the form attached as Exhibit R in connection with which Yum will guaranty for the benefit of Lender up to 33% of the original principal~~

~~or commitment amount of your franchised business loan (up to a maximum guaranty amount of \$5,000,000). It is not Yum's general practice or intent to sell or assign the letter agreement.~~

~~If you are offered and accept financing from Lender as described above, you are required to agree to the terms of such financing with Lender, including as relates to the amount of the loan, the interest rate, finance charges, the repayment term, and any prepayment terms. Under the licensee financing arrangement with Lender, none of Yum, KFCLLC, or any of their affiliates are entitled to receive, and do not receive, any fee or other consideration from Lender when it makes a loan to a licensee. Further, Lender is not restricted under the arrangement from selling or assigning to an affiliate all or any part of any loan it makes to you.~~

#### **~~Required Terms-~~**

- ~~• The licensee must notify Yum within three days if the loan is more than thirty days past due.~~
- ~~• In the event of a default under the loan, Lender may accelerate the obligation to pay the entire principal balance plus interest and costs (including attorneys' fees), and Yum (or its designee) will have the right, but not the obligation, to buy out any licensee loan at any time for the then-outstanding principal balance of the loan plus the accrued interest and related fees.~~
- ~~• Licensee is not required to make payments to Yum under the letter agreement unless Yum makes a payment to Lender under the guaranty, following which licensee must reimburse Yum for all payments made by Yum to Lender and all related costs and expenses incurred by Yum.~~
- ~~• You are not required to grant a security interest under the letter agreement but if Yum purchases the loan following an event of default any security interest granted to Lender will be transferred to Yum (or its designee).~~
- ~~• In the event of a default under the loan or letter agreement, KFCLLC will have the right to terminate the Franchise Agreement and the Development Agreement, if executed.~~
- ~~• The guaranty signed by your owners in connection with the letter agreement provides for a waiver of diligence, presentment, demand protest, and notice of non-payment, protest, and suit.~~

~~In addition to Yum's arrangement with Lender, Yum may, but is not obligated to, provide similar lending assistance to qualified licensee applicants who receive financing from other lenders.~~

#### **ITEM 11**

#### **LICENSOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

**Except as listed below, KFCLLC (or its designee) is not required to provide you with any assistance.**

#### **A. Before you open the Non-Traditional Outlet, KFCLLC (or its designee) will:**

1. Furnish you with a description of the area in which you may establish the Non-Traditional Outlet (Non-Traditional Option Agreement, Section 1);
2. Notify you whether your proposed site and plot plans are acceptable (Non-Traditional Option Agreement, Section 2);
3. Furnish you with KFCLLC's standards and specifications regarding building type, access requirements, furnishings, and equipment (Non-Traditional Option Agreement, Section 3);

4. Countersign the Non-Traditional License Agreement and related documents upon your completion of your obligations under the Non-Traditional Option Agreement (Non-Traditional Option Agreement, Section ~~45~~);

5. Provide training and operating advice (Non-Traditional License Agreement, Section 3); and

6. Provide access to KFCLLC's Standards Library (as defined below)~~;~~ (Non-Traditional License Agreement, Section 3).

**B. During the on-going operation of the Non-Traditional Outlet, KFCLLC (or its designee) will:**

1. Notify you before requiring that a product be sold at your Non-Traditional Outlet (Non-Traditional License Agreement, Section 2);

2. Notify you before withdrawing KFCLLC's approval of an Approved Product (Non-Traditional License Agreement, Section 2);

3. Approve or disapprove advertising materials (Non-Traditional License Agreement, Section 5); and

4. At your request, approve or disapprove transfers and assignments (Non-Traditional License Agreement, Section 9).

**Computer and Electronic Point-of-Sale Systems**

You must keep records of your Gross Revenues from the Non-Traditional Outlet in a form satisfactory to KFCLLC. You must also submit to KFCLLC any other reports regarding your Gross Revenues that KFCLLC may request.

All sales made at the Non-Traditional Outlet must be recorded on ~~cash registers~~[point of sale systems](#). You may be required to obtain and use specified computer hardware, software, and other technology components that meet KFCLLC's standards and specifications. Currently, the following software, hardware, and technology components are required for all KFC Outlets (the "Computer System"):

- i. Approved Back of House ("BOH") System – All KFC locations are required to use a KFC-approved BOH PC and an approved printer, including the approved BOH software, and carry a valid manufacturer warranty service program.
- ii. Approved Point of Sale ("POS") System – Currently, there are ~~two~~[multiple](#) approved POS systems as KFCLLC transitions all KFC Non-Traditional Outlets to a new approved POS System; once the transition is complete, there will be one approved POS system. There are multiple KFC-approved POS hardware options available.
- iii. A Secure Store Network Environment – All ~~franchisees~~[licensees](#) will deploy and maintain a Secure Store Network Environment via a KFC-approved solution, including a secure wireless environment.

- iv. Broadband Connection – All ~~franchisees~~licensees must install and maintain a broadband connection using an approved broadband service provider or broadband management service provider. Currently, the only KFC-approved provider is Comcast Cable Communications Management, LLC.
- v. Kitchen Display Systems (“KDS”) – All KFC locations are required to install and use an approved kitchen display system. Currently there are two approved KDS systems as KFCLLC transitions all KFC Non-Traditional Outlets to a new approved KDS system; once the transition is complete, there will be one approved KDS system. Currently, Yum Connect is the only approved supplier for the KDS software. The related hardware components must be purchased from approved suppliers.
- vi. Approved mobile device – All KFC locations are required to have an approved mobile device, which must have certain mobile applications that are used for recommended ordering, and automating routines and tasks.

KFCLLC may change the required components and vendors identified above, and may add additional required technology components to the Computer System. Currently, the cost of the Computer System ranges from \$22,000 to ~~\$31,000~~\$37,000 per Outlet. You will pay a monthly fee (currently \$297.39 per Outlet per month; subject to further change and anticipated to increase to up to ~~\$411.23~~450.63 per Outlet per month within the next ~~two~~ years as additional technology components are added, but KFCLLC may increase that amount, not to exceed \$3,000 per Outlet per month). You must enter into the Restaurant Technology Agreement attached as Exhibit L. KFCLLC will have independent access to the information that will be generated or stored on your Computer System. There is no contractual limit on KFCLLC’s right to access this information. If you are in default under the Restaurant Technology Agreement and do not cure the default within any applicable cure period, KFCLLC may suspend or discontinue the services provided under the Restaurant Technology Agreement. You must either sign and pay for a hardware maintenance contract with a KFCLLC-approved hardware maintenance provider, or any other KFCLLC approved vendor, or agree to self-maintain those systems in the form attached as Exhibit M to this Disclosure Document. KFCLLC estimates the annual cost of maintenance, updating, upgrading and support for the Outlet’s Computer System to be ~~\$2,000~~\$3,000.

### **Standards Library**

The KFC confidential operating manual, referred to as the standards library (the “Standards Library”), explains the required standards for preparing products to be sold at the Non-Traditional Outlet. The Standards Library contains KFCLLC’s guidelines, standards and operating procedures, and may also include other information regarding your obligations under the Non-Traditional License Agreement (the “System Standards”). KFCLLC may change the System Standards at any time. You are provided confidential access to the Standards Library electronically through KFCLLC’s online-portal, Team KFC. You and your employees must keep the Standards Library and its contents confidential. The Table of Contents of the Standards Library is attached as Exhibit E. Because ~~T~~the Standards Library ~~has a total of 1,776~~is provided electronically, the pagination may differ than if it was provided in hard copy form. We estimate the Standards Library to be approximately 1,827 pages.

## Training

No later than 30 days before you open the Non-Traditional Outlet, you (or a principal) must attend and complete, to KFCLLC's satisfaction, the initial training program offered by KFCLLC on the operation of ~~an~~ Non-Traditional Outlet. You will designate a key operator, subject to KFCLLC's approval, to complete the Key Operator Restaurant training. With KFCLLC's permission, other principals or key operators of yours may attend and complete the initial training program at an additional cost to you (currently, \$3,000 per person). At KFCLLC's direction, other employees of yours must attend and complete the training program to KFCLLC's satisfaction. All training programs will be scheduled, as needed, at KFCLLC's designated national, regional or divisional offices or other places as KFCLLC may designate, such as at existing Non-Traditional Outlets. Training programs include computer-based training through our Learning Management System program (defined below), online learning, written material, on-the-job training at other Non-Traditional Outlets and classroom instruction. If you (or any principal, key operator, or other employee of yours) do not complete the training program to KFCLLC's satisfaction, KFCLLC may require that individual to be retrained, or that another principal, key operator, or employee be trained to operate the Non-Traditional Outlet. The initial training will be provided at a cost to you of approximately \$3,000 per person, which includes course materials and related costs for one person. You also will be responsible for salary, travel, hotel, meals and other expenses for those in attendance. The individual who completes the Key Operator Restaurant training will train your employees, which includes eLearning (online courses) and on-the-job training at the Non-Traditional Outlet. The week before you open the Non-Traditional Outlet, your employees at the Non-Traditional Outlet must complete all training for their role as designated by KFCLLC. KFCLLC may require you and your employees to attend and complete additional and ongoing refresher training courses, programs, and seminars to KFCLLC's satisfaction at such times and locations that KFCLLC reasonably requires.

~~KFC~~KFCLLC provides a web-based, learning-management system (the "Learning Management System") designed to deliver KFCLLC's core training processes and track completed training for restaurant employees. The Learning Management System is available to Non-Traditional Outlets. Online courses are required as part of initial job role training, and also in connection with the introduction of new products, technology, digital platforms, and promotions, as assigned by KFCLLC.

KFCLLC and/or its designated ~~parents and~~ affiliates maintain a ~~training staff for the purpose of ensuring~~learning and development team consisting of instructional designers responsible for the design, development, and continuous improvement of training materials and web-based training programs to support operational excellence, ~~developing. On-the-job training personnel and conducting training classes. Training personnel~~ are experienced in the subjects covered in the initial training program, in food-service operations and in conducting training programs. KFCLLC may increase or decrease the number of training personnel and/or change the required experience for these trainers to effectively deliver and support the training needs. The experience of the training instructors in the field and with KFCLLC and its designated parents and affiliates is from ~~1~~less than one year to 25 years. ~~Geoffrey Thornton is our Head of Learning and leads~~Kahler Rivers is our Director of Field & Restaurant Support Center Operations and oversees our training function. Mrs. ~~Thornton~~Rivers has ~~13~~less than one years' ~~of~~ experience with KFCLLC and/or its affiliates and ~~13~~has less than one years' ~~of~~ experience in the subject matters being taught.

The subjects covered in the initial training program are described below:

### TRAINING PROGRAM

Subject	Location	Length Of Classroom Training	Length Of On-The-Job Training
<p><b><u>Licensee Onboarding and Orientation:</u></b> Understand history of KFC, review the organizational structure of KFC, RSCS, and meet KFCLLC partners</p>	<p><del>Louisville</del><a href="#">Plano</a> RSC or virtual</p>	1-1.5 Days	Not applicable
<p><b><u>Key Operator Restaurant Training:</u></b></p> <ul style="list-style-type: none"> <li>• Work with Franchise Business Coach on onboarding plan</li> <li>• Restaurant visit and overview of training plan</li> <li>• Key operator training for next 5 weeks</li> </ul> <p>5-week schedule provided below.</p> <p>Team Member Learning (Week 1):</p> <ul style="list-style-type: none"> <li>• Service Mastery</li> <li>• Chicken Mastery*</li> <li>• Preparing Sides</li> <li>• Freezer to Fryer Products*</li> <li>• Compliance Hazard Communications</li> <li>• Current Promotional eLearning</li> <li>• Food Handler Training (per state requirements)</li> </ul> <p>Shift Supervisor Learning (Weeks 2-3):</p> <ul style="list-style-type: none"> <li>• <b>Week 2:</b> <ul style="list-style-type: none"> <li>○ eLearning: Food Safety, Mindset, Projections, Deployment, etc.</li> <li>○ BOH Tools Training eLearning*                             <ul style="list-style-type: none"> <li>▪ Labor management*</li> <li>▪ Inventory management*</li> </ul> </li> <li>○ Discussion Activities</li> <li>○ Practice Shifts Week 2</li> <li>○ eLearning: Cleaning, Safety, Security, Prep Routines, etc.</li> <li>○ BOH Tools Training eLearning*                             <ul style="list-style-type: none"> <li>▪ Opening your restaurant*</li> <li>▪ BOH Tools Scorecard*</li> <li>▪ Closing your restaurant*</li> </ul> </li> </ul> </li> <li>• <b>Week 3:</b></li> </ul>	KFC Training Restaurant Location TBD	1 week	5 weeks

Subject	Location	Length Of Classroom Training	Length Of On-The-Job Training
<ul style="list-style-type: none"> <li>○ Practice Shifts Week 3</li> <li>○ eLearning: Guest Service, Leading Training, Emergencies, Product QA, etc.</li> <li>○ BOH Tools Training eLearning* <ul style="list-style-type: none"> <li>▪ Shift change*</li> <li>▪ Shift management*</li> </ul> </li> <li>○ Discussion Activities</li> </ul> <p>Food Protection Manager Certification AUM &amp; RGM Fundamentals Learning (Weeks 4-5):</p> <ul style="list-style-type: none"> <li>● <b>Week 4:</b> <ul style="list-style-type: none"> <li>○ Introduction to Restaurant Management, Mindset, Culture, Communication, Heart-led Leadership, Trust, Coaching, Recognition, etc.</li> <li>○ Discussion Activities</li> <li>○ Practice Shifts Week 4</li> <li>○ The Guest Experience, Brand Protection, ROCC, Brand Standards, Reports, Inventory, etc.</li> </ul> </li> <li>● <b>Week 5:</b> <ul style="list-style-type: none"> <li>○ Financial Statements, Equipment Readiness, Labor and The Schedule, Conflict Resolution, Interviewing, Training, etc.</li> <li>○ Discussion Activities</li> </ul> </li> </ul>			

\* Subject may be omitted based on menu and technology required at the Non-Traditional Outlet.

### **Site Selection**

You select the site for the Non-Traditional Outlet. Before you lease or purchase a site for the Non-Traditional Outlet, you must submit a completed Non-Traditional Deposit Agreement, along with the Deposit Fee, and any other information that KFCLLC reasonably requests (the “Site Selection Package”). You will identify a proposed site for the Non-Traditional Outlet in the Non-Traditional Deposit Agreement. The factors KFCLLC considers in approving a proposed site include, general location and neighborhood; traffic patterns; parking facilities; size; ingress and egress; visibility; demographics; and competitive locations. You must secure the landlord’s consent to the addendum to lease for the Non-Traditional Outlet in the form attached as Exhibit O hereto.

### **Build-Out and Opening of the Outlet**

Under the terms of the Non-Traditional Option Agreement, you must submit a plan for the proposed site, including plot plans, specifications, and any other materials KFCLLC requires (the “Site Plans”) as well as the Option Fee. KFCLLC may provide you with market planning tools to assist you

with creating your Site Plans. Typically, KFCLLC will notify you whether it accepts the Site Plans within 30 days.

Although KFCLLC may provide you market planning tools and must approve your proposed site and Site Plans, approval does not imply that a Non-Traditional Outlet can be successfully operated at the proposed site or that any particular volume of sales can be expected from the proposed location, but only that the site meets the minimum standards based on KFCLLC's and its parent's and affiliate's<sup>2</sup> past experience. KFCLLC relies heavily on your knowledge of the local market in selecting a proposed site.

You may not commence construction of the Non-Traditional Outlet until you receive KFCLLC's approval of the site. You must materially commence construction of the Non-Traditional Outlet within 8 months of the effective date of the Non-Traditional Option Agreement (the "Construction Start Deadline"). If you fail to commence construction in a material way by the Construction Start Deadline, then the Non-Traditional Option Agreement will expire on the later of (i) the Construction Start Deadline; or (ii) the date that is 60 days following the date you receive notice from KFCLLC that you must comply with the Construction Start Deadline and the consequences of your failure to do so.

Construction of the Non-Traditional Outlet must be done in accordance with the System Standards, which KFCLLC may issue from time to time, including and without limitation, those relating to approved sites, plot plans, building types, ingress and egress requirements, and equipment. You must comply with all applicable laws, ordinances, restrictive covenants, regulations and other restrictions in connection with the construction and development of the Non-Traditional Outlet. You must complete construction of and open the Non-Traditional Outlet within 12 months (the "Non-Traditional Option Period") of signing the [Non-Traditional License Agreement](#) and Non-Traditional Option Agreement (you sign the [Non-Traditional License Agreement](#) when you sign the Non-Traditional Option Agreement, but, the [Non-Traditional License Agreement](#) will not become effective until you fulfill the requirements of the Non-Traditional Option Agreement by opening the Non-Traditional Outlet). If you fail to complete construction and open the Non-Traditional Outlet within the Non-Traditional Option Period, then the Non-Traditional Option Agreement will expire on the later of (i) the Non-Traditional Option Period; or (ii) the date that is 60 days following the date you receive notice from KFCLLC that the Non-Traditional Option Period is expiring and the consequences of such expiration.

If you fail to comply with any other obligation under the Non-Traditional Option Agreement, KFCLLC may terminate the Non-Traditional Option Agreement on 30 days' written ~~notice~~ [notice](#), unless you cure the default to the satisfaction of KFCLLC within those 30 days. If the Non-Traditional Option Agreement is terminated for any reason, you are not entitled to any refund of the initial ~~franchise~~ [license fee](#), except if you were unable, despite your best efforts, to build and open the Non-Traditional Outlet within 12 months because of building or zoning restrictions beyond your control. In that case, you will be entitled to a refund [of one-half the initial license fee, provided you execute a general release agreement on a form KFCLLC approves.](#)

KFCLLC estimates the typical length of time between your signing the Non-Traditional License Agreement and the Non-Traditional Option Agreement, and the opening of the Non-Traditional Outlet to be approximately 3 to ~~12~~ [15](#) months. Factors ~~which~~ [that](#) may affect this time period include obtaining a lease for or purchasing the proposed site; acceptable financing arrangements; any required approvals and zoning or building permits; as well as factors bearing on construction, such as weather and labor; completing required training; and your compliance with local laws and regulations.

## Advertising

### National Co-Op

KFCLLC does not presently require you under the Non-Traditional License Agreement to spend any particular amount for advertising purposes, although you are required to diligently market and promote the Approved Products you offer for sale at your Non-Traditional Outlet. Traditional Outlets currently contribute ~~4.5~~5.8% of their Gross Revenues to the National Co-Op. The National Co-Op has operational and decision-making power with respect to how the advertising contributions are allocated. KFCLLC does not have the power to dissolve, change or form the National Co-Op. ~~Contributions to the National Co-Op are not used to pay expenses of KFCLLC.~~ Any fees collected by the National Co-Op which are not spent in the fiscal year in which they accrue may be carried forward and spent in later years.

There is no advertising council composed of non-traditional licensees. Non-traditional licensees are not required to join the National Co-Op.

You are also not required to join any local or regional advertising cooperative, or any other advertising fund.

No marketing funds are used principally for the solicitation or the sale of licenses.

All advertising materials, except materials received from KFCLLC or the National Co-Op, must be approved by KFCLLC regarding the type, content, format, and media in which the advertising is to be used. These materials must be submitted to KFCLLC at least 15 days before use; and, KFCLLC has 5 business days to approve or disapprove the materials and the proposed use. You must, at all times, comply with KFCLLC's instructions regarding the use of advertising materials, including modifying or discontinuing the use of materials previously approved. KFCLLC will not establish the prices charged by you for the products or services you offer at the Non-Traditional Outlet. You may not establish or create any domain names, websites, email addresses, user names, profiles, screen names, social network accounts (such as LinkedIn®, X® f/k/a Twitter, Facebook®, Instagram® or YouTube®), other online presence or presence on any electronic medium of any kind related or connected to the KFC brand unless previously approved by us in writing.

The National Co-Op is not obligated to spend any amount on advertising in the area where the Outlet is located, or elsewhere.

### **ITEM 12** **TERRITORY**

You will not receive an exclusive territory. You may face competition from other licensees, from other Outlets, or from other channels of distribution or competitive brands that KFCLLC controls. You may not sell Approved Products or other products and services through any alternative channels of distribution. You may not solicit or accept orders from consumers using other channels of distribution (such as the Internet, catalog sales, telemarketing or other direct marketing) without KFCLLC's advance, written permission. KFCLLC may (i) operate or grant others the right to operate Outlets anywhere, including near the Non-Traditional Outlet, (ii) sell and grant others the right to sell KFC products, and (iii) use and grant others the right to use the Marks, at any location or through other channels of

distribution, such as the Internet, including near the Non-Traditional Outlet. You will receive no compensation if KFCLLC or those others solicit or accept orders near the Non-Traditional Outlet.

You may relocate the Non-Traditional Outlet only with KFCLLC's advance, written-approval. KFCLLC's approval is based upon a variety of factors, such as the demographics of the proposed new location, the presence of other Non-Traditional Outlets in the area, competition, availability of an acceptable site and your compliance with the Non-Traditional License Agreement.

Except what is described above, the Non-Traditional License Agreement does not provide you with any options, rights of first refusal or any other rights to open or acquire any other Non-Traditional Outlets anywhere, including near the [Non-Traditional](#) Outlet.

Neither KFCLLC nor any of its parents, affiliates or other licensees are prohibited from soliciting sales near the Non-Traditional Outlet.

KFCLLC's domestic, non-KFC affiliates operate, franchise/license others to operate, or both, restaurants that compete with Non-Traditional Outlets in the food-service industry. The principal trademarks used by these affiliates are Pizza Hut, Taco Bell and Habit Burger Grill. [In the future affiliates of KFCLLC may franchise/license others to operate Saucy-branded restaurants, and may also operate Saucy-branded restaurants themselves, which may compete with Non-Traditional Outlets.](#) One or more of these competing restaurants may already be located near the proposed Non-Traditional Outlet or may be established near the Non-Traditional Outlet in the future. Additionally, new concepts operating under different trademarks may be established, acquired or co-branded by KFCLLC's affiliates, and those may be located near the [Non-Traditional](#) Outlet. KFCLLC has no system or method for resolving conflicts between KFC franchisees or licensees and franchisees of any of these competing concepts, some of which compete more directly with KFC locations than do others. For the business addresses of KFCLLC's affiliates and other information on them, see Item 1. ~~None of these other~~ [Currently, Pizza Hut shares a principal business address with KFCLLC's headquarters.](#)

### **ITEM 13 TRADEMARKS**

KFCC owns a number of trademarks and service marks, including the active Marks set forth below, which are registered on the Principal Register of the United States Patent and Trademark Office. KFCC has granted KFCLLC a renewable 99 year license to use and sublicense the Marks to licensees. Under the Non-Traditional License Agreement, KFCLLC grants you the non-exclusive right to use certain Marks at the Non-Traditional Outlet.

Reg. No.	Date Issued	Mark
815,167	09/13/1966	Service Mark – KENTUCKY FRIED CHICKEN
838,895	11/14/1967	Trademark – KENTUCKY FRIED CHICKEN
1,209,310	09/14/1982	Service Mark – KFC
1,303,969	11/06/1984	Trademark – ORIGINAL RECIPE
1,798,046	10/12/1993	Trademark – KFC
1,807,753	11/30/1993	Trademark – KFC
3,348,337	12/04/2007	Service Mark – IT'S FINGER LICKIN' GOOD
5,590,595	10/23/2018	Service Mark – IT'S FINGER LICKIN' GOOD (Spanish)
5,415,727	03/06/2018	Trademark – IT'S FINGER LICKIN' GOOD
4,952,814	05/03/2016	Service Mark – IT'S FINGER LICKIN' GOOD
3,749,344	02/16/2010	Service Mark – KFC (Stylized in color)
5,601,764	11/06/2018	Service Mark – Colonel Image 2016
5,590,591	10/23/2018	Service Mark – Colonel's Ribbon Tie Design

5,680,956	02/19/2019	Service Mark – KFC Bucket Light Fixture (Trade Dress)
6,798,060	07/19/2022	Service Mark – Colonel Image 2018 in Bucket Design with KFC in Color
5,590,733	10/23/2018	Service Mark – Col. Harland Sanders Original Recipe Since 1940 & Design
5,568,700	09/25/2018	Service Mark – MADE THE HARD WAY. MADE BY HAND. SINCE 1940 w Colonel Image
5,261,962	08/08/2017	Trademark – \$20 FILL UP
4,369,964	07/16/2013	Trademark – CHICKEN LITTLE
1,543,768	06/13/1989	Trademark – CHICKEN LITTLES
4,933,769	04/05/2016	Trademark – FAMILY FILL UP
5,590,585	10/23/2018	Trademark – FILL UPS
4,601,841	09/09/2014	Trademark – FINGER LICKIN’ GOOD
3,321,359	10/23/2007	Trademark – KFC FAMOUS BOWLS
<a href="#">2,114,663</a>	<a href="#">11/18/1997</a>	<a href="#">Trademark - TWISTER</a>

All required affidavits and renewals have been filed for the primary Marks above.

There are no currently-effective determinations of the United States Patent and Trademark Office; the Trademark Trial and Appeal Board; the trademark administrator of any state or any court; nor is there any pending infringement, opposition or cancellation proceeding; nor any pending material litigation involving the Marks which may be relevant to their use in this or any other state.

Your right to use the Marks is non-exclusive and KFCC, KFCLLC and/or its affiliates retain the right, among others, (a) to use the Marks for selling products and services, (b) to grant others the right to use the Marks, and (c) to establish or acquire other systems and methods of distribution using the same or other marks, and to grant others the right to participate in those other systems or methods of distribution.

There are no agreements currently in effect ~~which~~that significantly limit KFCLLC’s rights to use or grant others the right to use the Marks in any manner material to the license.

Under the Non-Traditional License Agreement, you must inform KFCLLC of any unauthorized use of, or challenge to, the Marks and assist and cooperate in taking action which KFCLLC deems appropriate. KFCC, KFCLLC and/or its affiliates may take action against uses by others that may constitute infringement of the Marks. KFCC, KFCLLC and/or its affiliates may, at their election, defend you against any third-party claim regarding your authorized use of the Marks. KFCC, KFCLLC and/or its affiliates have the right to control any administrative proceedings or litigation involving any of the Marks licensed by KFCLLC to you.

KFCLLC may modify or discontinue your use of any Mark. In that event, you are responsible for all of the costs of changing items such as signs, menus and advertisements, as well as any other expense caused by this decision.

If you challenge the validity of any of the Marks or KFCC’s, KFCLLC’s and/or its affiliates’ ownership of them, the Non-Traditional License Agreement will terminate. Any action taken by KFCC, KFCLLC and/or its affiliates to protect the Marks is at their discretion; and, KFCC, KFCLLC and/or its affiliates have the right to control any administrative proceedings and litigation.

All of your use of the Marks and any goodwill you establish is to KFCLLC’s exclusive benefit; and, you have no right to use any of the Marks after the Non-Traditional License Agreement expires or is terminated. You must comply with all of KFCLLC’s requirements regarding the use of the Marks.

Currently, there are no infringing uses actually known to KFCLLC that could materially affect your use of the Marks in this or any other state.

#### **ITEM 14**

#### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

KFCLLC does not own any patents or pending patent applications that are material to the license offered. KFCLLC owns or is licensed to use or sublicense and, claims copyright protection of, its Standards Library and related materials; certain proprietary software, including certain proprietary software that is included in the Restaurant Technology; certain training materials; and advertising and promotional materials, even though these materials have not been registered with the United States Registrar of Copyrights. These materials are considered proprietary and confidential and are the property of KFCLLC. They may be used by you only as provided in the Non-Traditional License Agreement.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit KFCLLC's right to use or grant the right to use the copyrighted materials. Finally, there are no infringing uses actually known to KFCLLC ~~which~~that could materially affect your use of the copyrighted materials in any state. KFCLLC is not required by any agreement to protect or defend copyrights.

KFCLLC ~~will~~may disclose to you certain confidential or proprietary information, knowledge or know-how and trade secrets. Except as necessary in connection with the operation of the Non-Traditional Outlet and as KFCLLC approves during the term of the Non-Traditional License Agreement, you may not use for your own benefit or disclose to others any trade secrets; confidential information; or knowledge or know-how concerning ~~such~~-matters ~~as~~such as (but not limited to) the recipes, products, marketing or methods of operation of the Non-Traditional Outlet or the KFC business. All improvements, developments, derivative works, enhancements or modifications to the confidential information, and all ideas, concepts, techniques, or materials relating to a Non-Traditional Outlet, shall be owned solely by KFCLLC. Accordingly, KFCLLC may require you and your employees to sign a confidentiality agreement in a form KFCLLC approves.

#### **ITEM 15**

#### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE LICENSE BUSINESS**

During the term of the Non-Traditional License Agreement, you or a fully-trained and qualified manager must devote full time to the management and operation of the Non-Traditional Outlet.

You are responsible for hiring all managers and employees for the Non-Traditional Outlet; ~~and,~~ you must comply with all applicable laws. The manager will not be required to have an equity interest in your business. The manager and other employees must complete training programs that KFCLLC may require; and, you must pay the expenses for persons attending. You may be required to enter into agreements with your employees regarding the secrecy of KFCLLC's confidential information; ~~and,~~ you must comply with the confidentiality and non-competition provisions of the Non-Traditional License Agreement (See Items 14 and 17 for additional information).

If you are a corporation, entity or a partnership, each owner or partner owning 10% or more of the corporation or partnership must sign a personal guaranty, in the form attached as Exhibit J (“Guaranty”). Additionally, each owner’s or partner’s spouse must consent to the Guaranty by signing the spousal consent attached as Exhibit P hereto (the “Spousal Consent”). Individual owners and individual owners’ spouses must also sign the Guaranty or Spousal Consent (as applicable) in their individual capacities. The amount each individual owner guarantees will range from \$250,000 to \$5,000,000 depending on the number of Outlets each operates. The current personal guarantee amounts are as follows:

Number of Outlets	Personal Guarantee Cap
1	\$250,000
2-5	\$500,000
6-10	\$1,000,000
11-20	\$1,500,000
21-40	\$2,000,000
41-60	\$3,000,000
61-80	\$4,000,000
81+	\$5,000,000

**ITEM 16**  
**RESTRICTIONS ON WHAT THE LICENSEE MAY SELL**

You must sell all Required Products as KFCLLC periodically designates. The current Required Products are listed in an exhibit to the Non-Traditional License Agreement; and, no other product may be designated a Required Product unless KFCLLC gives you at least 60 days’ notice. KFCLLC may withdraw its approval of your right to sell any product at the Non-Traditional Outlet by giving you at least 60 days’ notice. You may offer for sale, or prepare at the Non-Traditional Outlet, only products which have been approved by KFCLLC. KFCLLC may authorize you to sell some products only on a seasonal or temporary basis. In addition, you must participate in any loyalty and gift card programs we establish if participation is required under System Standards.

You may not sell any products to any buyer for resale by that buyer. You may not deliver any product from the Non-Traditional Outlet or anywhere else; and, you may not sell KFC products at any location except the Non-Traditional Outlet.

**ITEM 17**  
**RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

These tables list certain important provisions of the license and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

**THE LICENSE RELATIONSHIP**

**NON-TRADITIONAL LICENSE AGREEMENT**

	Provision	Section in Non-Traditional License Agreement	Summary
a.	Length of license term	1	10 years upon signing the Non-Traditional License Agreement.
b.	Renewal or extension of the term	1	No right to renew or extend
c.	Requirements for you to renew or extend	Not Applicable	Not Applicable.
d.	Termination by you	Not Applicable	Not Applicable.
e.	Termination by KFCLLC without cause	Not Applicable	Not Applicable.
f.	Termination by KFCLLC with cause	11	KFCLLC can terminate if you commit one of several listed violations listed in Section 11.1 or otherwise breach the Non-Traditional License Agreement.
g.	"Cause" defined - defaults which can be cured	11.2	You will have 30 days from the notice of default to cure any breach of <u>the</u> Non-Traditional License Agreement other than violations listed in Section 11.1.
h.	"Cause" defined - defaults which cannot be cured	11.1	Immediate termination for listed violations: your insolvency, bankruptcy, etc.; you contest validity or KFCLLC's ownership of Marks, or make unauthorized use of Marks; you knowingly falsify records, reports or information; you try to make <u>an</u> unauthorized transfer without KFCLLC's prior written consent; if there is any action to merge, consolidate, dissolve or liquidate licensee, or if there is any action resulting in a change of effective ownership or control of you without KFCLLC's prior written consent; you (or your partner, officer or director involved in operation of the business) <u>is/are</u> convicted of a felony or commit acts likely, in KFCLLC's reasonable business judgment, to impair <u>the</u> goodwill of Marks or <u>the</u> System; you, your key operator, or your management personnel knowingly make any unauthorized use or disclosure of any part of the Standards Library or KFCLLC's confidential information; you stop selling Required Products at your <u>Non-Traditional</u> Outlet for 7 consecutive days when underlying facility is operating; you fail to maintain insurance and do not correct the failure within 10 days <del>upon written notice of such failure</del> ; you fail to pay to any amounts due to KFCLLC and/or its affiliates and do not correct the failure within 10 days upon notice of such failure; you fail to pay any federal and/or state taxes related to the operation of the <u>Non-Traditional</u> Outlet, except in case of any good faith challenge to such liabilities; you fail to operate the <u>Non-Traditional</u> Outlet for 2 or more days

	Provision	Section in Non-Traditional License Agreement	Summary
			without KFCLLC's written consent; you lose the right to occupy the premises for the <u>Non-Traditional</u> Outlet; you fail to cure your violation of any applicable law, ordinance, rule or regulation in connection with the operation of the <u>Non-Traditional</u> Outlet within 72 hours of receipt of a notice of such violation, regardless of the time granted under law to cure such violation; you fail to comply with any anti-terrorism laws, ordinances, regulations and Executive Orders; or you fail to comply with any other agreement with KFCLLC and/or its affiliates and do not correct such failure within the applicable cure period, if any. Also, within the preceding 6 months, you committed 2 breaches of the Non-Traditional License Agreement with notice or 3 breaches with notice at any time within <u>the license</u> <del>Term</del> , whether of the same or different provisions.
i.	Your obligations on termination/non-renewal	12	Immediately cease operations and close the <u>Non-Traditional</u> Outlet; pay KFCLLC and its affiliates all amounts due under the Non-Traditional License Agreement and <del>or</del> otherwise incurred in connection with the operation of the <u>Non-Traditional</u> Outlet, including any damages owed; immediately discontinue use of all of Marks; <del>upon request from KFCLLC</del> <u>destroy or</u> return all supplies and any other materials bearing the Marks to KFCLLC in exchange of fair market value for such items; immediately return to KFCLLC or upon KFCLLC's direction destroy the Standards Library and all copies of confidential information; at your own expense immediately de-identify the exterior and interior of the <u>Non-Traditional</u> Outlet's premises; dispose of any personal information that is in your and your employee's possession in accordance with Standards Library; immediately cease using the telephone numbers and <del>or</del> the online presence for the <u>Non-Traditional</u> Outlet, and if required by KFCLLC, take all necessary steps to disable or transfer the control of such online presence and telephone numbers to KFCLLC at your own expense; within 30 days of the expiration or termination provide KFCLLC satisfactory evidence of your compliance with these obligations; and you must comply with its post-term non-compete obligations.
j.	Assignment of contract by KFCLLC	9.1	No restrictions on KFCLLC's right to assign.
k.	"Transfer" by you – definition	9.3	Includes a voluntary, involuntary, direct or indirect, by operation of law or otherwise, assignment, sale, gift, or other disposition of any interest in the Non-Traditional License Agreement, you or all of the <u>Non-Traditional</u> <del>e</del> Outlet's assets; your bankruptcy; or death or permanent disability of you, any of your owners or the key operator.
l.	KFCLLC's approval of transfer by licensee	9.3	KFCLLC has the right to approve all transfers.
m.	Conditions for KFCLLC's approval of transfer	9.4	Transferee qualifies; transferee assumes your outstanding obligations; transferee signs then-current Non-Traditional

	Provision	Section in Non-Traditional License Agreement	Summary
			License Agreement; you and transferee sign other required documents (which may include a general release); you pay the transfer fee; and refurbishment of <del>unit</del> <a href="#">the Non-Traditional Outlet</a> .
n.	KFCLLC's right of first refusal to acquire your business	9.5	KFCLLC can match any offer, except for some intra-family or business partner transfers.
o.	KFCLLC's option to purchase your business	Not Applicable	Not Applicable.
p.	Your death or disability	9.3, 9.4	License must be assigned to an approved buyer.
q.	Non-competition covenants during the term of the license	7	No interest in any business similar to the Non-Traditional Outlet.
r.	Non-competition covenants after the license is terminated or expires	7	No interest in any business similar to the Non-Traditional Outlet.
s.	Modification of the agreement	14.5	Must be in writing and signed by both parties.
t.	Integration/merger clause	14.5	Only the terms of the Non-Traditional License Agreement and all agreements signed with it (except for obligations under the Non-Traditional Option Agreement) are binding (subject to state law). Any representations or promises outside of this Disclosure Document and the Non-Traditional License Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable.
v.	Choice of forum	13.1	State and federal courts in <del>Jefferson</del> <a href="#">Dallas</a> County, <del>Kentucky</del> <a href="#">Texas</a> (subject to state law – see state-specific addenda to the <a href="#">Non-Traditional</a> License Agreement and this Disclosure Document).
w.	Choice of law	13.1	<del>Kentucky</del> <a href="#">Texas</a> law governs (subject to state law – see state-specific addenda to the <a href="#">Non-Traditional</a> License Agreement and this Disclosure Document).

### NON-TRADITIONAL OPTION AGREEMENT

	Provision	Section in Non-Traditional Option Agreement	Summary
a.	Length of the option term	3	1 year
b.	Renewal or extension of the term	4	No renewal. Extension, not to exceed 90 days, is available for causes beyond <del>O</del> <a href="#">optionee's</a> control.
c.	Requirements for you to renew or extend	4	Optionee to make written request and specify reasons.
d.	Termination by you	Not Applicable	Not Applicable.
e.	Termination by KFCLLC without cause	Not Applicable	Not Applicable.
f.	Termination by KFCLLC with cause	7	Breach of Non-Traditional Option Agreement or, if you are an existing licensee, breach of your existing KFC <a href="#">Non-Traditional</a> <del>H</del> <a href="#">License</a> <del>a</del> <a href="#">Agreement</a> .

	Provision	Section in Non-Traditional Option Agreement	Summary
g.	"Cause" defined – defaults which can be cured	7	Breach of Non-Traditional Option Agreement.
h.	"Cause" defined – defaults which cannot be cured	7	If you are an existing franchisee or licensee, termination of your existing KFC franchise or license agreement.
i.	Your obligations on termination/non-renewal	7	You must comply with the Non-Traditional License Agreement as if it had been effective.
j.	Assignment of contract by KFCLLC	15	No restrictions on KFCLLC's right to assign.
k.	"Transfer" by you – definition	15	Includes transfer of any interest in Non-Traditional Option Agreement.
l.	KFCLLC's approval of transfer by licensee	15	KFCLLC has the right to approve all transfers.
m.	Conditions for KFCLLC's approval of transfer	Not Applicable	Not Applicable.
n.	KFCLLC's right of first refusal to acquire your business	Not Applicable	Not Applicable.
o.	KFCLLC's option to purchase your business	Not Applicable	Not Applicable.
p.	Your death or disability	Not Applicable	Not Applicable.
q.	Non-competition covenants during the term of the license	Not Applicable	Not Applicable.
r.	Non-competition covenants after the license is terminated or expires	Not Applicable	Not Applicable.
s.	Modification of the agreement	14	Must be in writing and signed by both parties.
t.	Integration/merger clause	14	Only the terms of the Non-Traditional Option Agreement and all agreements signed with it are binding (subject to state law). Any representations or promises outside of <del>the LDD</del> and <a href="#">this Disclosure Document</a> and the Non-Traditional Option Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable.
v.	Choice of forum	13	<del>Jefferson</del> <a href="#">Dallas</a> County, <del>Kentucky</del> <a href="#">Texas</a> (subject to state law – see state-specific addenda to <del>LDD</del> <a href="#">this Disclosure Document</a> ).
w.	Choice of law	13	<del>Kentucky</del> <a href="#">Texas</a> law governs (subject to state law – see state-specific addenda to <del>LDD</del> <a href="#">this Disclosure Document</a> ).

**ITEM 18  
PUBLIC FIGURES**

KFCLLC does not use any public figure to promote our licenses.

**ITEM 19  
FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC’s Franchise Rule permits a licensor to provide information about the actual or potential financial performance of its licensed outlet and/or licensor-owned outlets, if there is a reasonable basis for the information and if the information is included in this Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a licensor provides the actual records of an existing outlet you are considering buying or (2) a licensor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

~~The financial information contained in the chart below represents 16 Single Brand Non-Traditional Outlets that were owned and operated by KFCLLC’s licensees for the entirety of such licensee’s fiscal year ending in or around December 2024 (the “FYE 2024”).~~

**FYE 2024 Net Sales Average Performance (Non-Traditional Outlet Locations)**

Average Net Sales	Median Net Sales	Lowest Net Sales	Highest Net Sales
\$1,094,921	\$873,053	\$96,119	\$5,282,226

**NOTES:**

- ~~1. This financial performance representation reflects the averages for all 16 Single Brand Non-Traditional Outlets open for the entirety of the FYE 2024. Of the 29 Non-Traditional Outlets that were open at the 2024 FYE, 13 Non-Traditional Outlets were excluded, including 2 that opened during FYE 2024, 6 that are multi-brand Non-Traditional units, and 5 that were not open continuously throughout the year (such as those located in arenas or at colleges). Also excluded are the 3 Non-Traditional Outlets that closed during FYE 2024.~~
- ~~2. Characteristics of the included Non-Traditional Outlets vary based on type of location, which may be a travel plaza, airport, gas station, or other facility, and may vary further from other types of locations not included, such as arenas or colleges. Characteristics of the included Non-Traditional Outlets may differ materially from the characteristics of the Non-Traditional Outlet(s) that you may develop or acquire depending on your experience; competition in your trade area; the physical condition of the included locations as compared to the Non-Traditional Outlet(s); employment and labor conditions in your trade area; and the length of time that the included locations have operated as compared to the Non-Traditional Outlet(s).~~
- ~~3. “Net Sales” is the total annual cash or other payments received after discounts and promotions for the sale or use of any products, goods or services that were sold from the Non-Traditional Outlets included within the group, and “Average Net Sales” is the mathematical average of the “Net Sales” for the group. Please note that Net Sales is defined differently than how “Gross Revenues” is defined under the License Agreement, and as such, the amount of license fees you pay under the License Agreement may be different if applied to the Average Net Sales data provided above. Of the 16 Non-Traditional Outlets included in this Item 19, 5 or 31.25% attained or exceeded the stated average result.~~
- ~~4. Sales are reported by licensees to KFCLLC based on the licensee’s fiscal period; therefore, fiscal period begin dates and end dates, as well as the number of days in the fiscal period, may vary slightly from licensee to licensee. A full fiscal year of sales have been included for each of the 16 Non-Traditional Outlets included in this Item 19, with each licensee’s FYE 2024 running from approximately January 2024 through December 2024.~~

**GENERAL NOTES:**

~~The numbers provided in this Item 19 are historic numbers for certain Non Traditional Outlets. Written substantiation of the financial performance representations will be available to prospective licensees upon reasonable request. This analysis is intended to be used as a reference when you conduct due diligence before signing the Non Traditional License Agreement. KFCLLC recommends that you conduct your own independent investigation, including consulting with the appropriate legal and financial advisors, to determine whether a Non Traditional Outlet may be profitable.~~

~~Some franchisees have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.~~

~~A new licensee's financial results may differ from the stated financial performance representation. Each licensee's experience is unique and may vary depending on a number of factors, such as the quality of individual management skills, experience and business acumen, demographics of the territory and other local economic and market conditions.~~

~~Except as disclosed in this Item 19, KFCLLC does~~We do not make any representations about a licensee's future financial performance ~~representations.~~ ~~KFCLLC~~or the past financial performance of company-owned or licensed Outlets. We also ~~does~~do not authorize ~~its~~our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing Outlet, however, we may provide you with the actual records of that Outlet. If you receive any other financial performance information or projections of your future income, you should report it to ~~KFCLLC's Corporate Counsel, Sarah Pennington Richards, 1900 Colonel Sanders Lane, Louisville, Kentucky 40213~~the licensor's management by contacting KFCLLC's Legal Counsel, Franchise, Rylan Turner, 7100 Corporate Drive, Plano, Texas 75024, at (502) 874-8300, rylan.turner@yum.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20  
LOCATIONS AND LICENSEE INFORMATION**

**Table No. 1  
System-wide Location Summary  
for Years ~~2022~~2023 to ~~2024~~<sup>1</sup>2025<sup>1</sup>**

Column 1 Location Type	Column 2 Year	Column 3 Locations at the Start of the Year	Column 4 Locations at the End of the Year	Column 5 Net Change
<del>Non-Traditional Outlet</del>	<del>2022</del>	<del>34</del>	<del>30</del>	<del>-4</del>
<u>Non-Traditional Outlet</u>	2023	30	30	0
	2024	30	29	-1
<del>Company Owned</del>	<del>2022</del> <u>2025</u>	<del>0</del> <u>29</u>	<del>0</del> <u>29</u>	0
<u>Company-Owned</u>	2023	0	0	0
	2024	0	0	0
<del>Total Locations</del>	<del>2022</del> <u>2025</u>	<del>34</del> <u>30</u>	<del>30</del> <u>29</u>	<del>-4</del> <u>0</u>
<u>Total Locations</u>	2023	30	30	0
	2024	30	29	-1
	<u>2025</u>	<u>29</u>	<u>29</u>	<u>0</u>

1. The figures in Tables No. 1 to 4 of this Item 20 are as of the following fiscal year-end dates: December ~~29, 2025~~, December 30, 2024, and December 25, 2023, ~~and December 26, 2022~~.

**Table No. 2**  
**Transfer of Licensed Outlets to New Owners (Other than the ~~Franchisor~~ Licensor)**  
**for Years ~~2022~~2023 to ~~2024~~2025**

Column 1	Column 2	Column 3
State	Year	Number of Transfers
<del>All States</del>	<del>2022</del>	<del>0</del>
<u>Colorado</u>	2023	0
	2024	<del>0</del> <u>1</u>
<del>Total</del>	<del>2022</del> <u>2025</u>	0
<u>Total</u>	2023	<b>0</b>
	2024	<del>0</del> <u>1</u>
	<u>2025</u>	<b>0</b>

**Table No. 3**  
**Status of Licensed Outlets**  
**for Years ~~2022~~2023 to ~~2024~~2025**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	<u>Units</u> <del>Outlets</del> at Start of Year	<u>Units</u> <del>Outlet</del> <u>s</u> Opened	Terminations	Non-Rene wals	Reacquired by KFCLLC	Ceased Operations -Other Reasons	<u>Units</u> <del>Outlet</del> <u>s</u> at End of the Year
<del>Arizona</del>	<del>2022</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
<u>Arizona</u>	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
<del>California</del>	<del>2022</del> <u>2025</u>	<del>5</del> <u>1</u>	1	0	0	0	<del>+0</del> <u>0</u>	<del>5</del> <u>2</u>
<u>California</u>	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
<del>Colorado</del>	<del>2022</del> <u>2025</u>	<del>2</del> <u>5</u>	0	0	0	0	0	<del>2</del> <u>5</u>
<u>Colorado</u>	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
<del>Florida</del>	<del>2022</del> <u>2025</u>	<del>5</del> <u>3</u>	<del>+0</del> <u>0</u>	0	0	0	<del>+0</del> <u>0</u>	<del>5</del> <u>3</u>
<u>Florida</u>	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
<del>Georgia</del>	<del>2022</del>	<del>1</del>	<del>0</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
	<del>2023</del> <u>2025</u>	<del>0</del> <u>5</u>	0	0	0	0	0	<del>0</del> <u>5</u>
	<del>2024</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
<del>Illinois</del>	<del>2022</del>	<del>4</del>	<del>0</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>3</del>
<u>Illinois</u>	2023	3	0	0	0	0	1	2
	2024	2	0	0	0	0	0	2
<del>Kentucky</del>	<del>2022</del> <u>2025</u>	<del>5</del> <u>2</u>	0	0	0	0	0	<del>5</del> <u>2</u>
<u>Kentucky</u>	2023	5	0	0	0	0	0	5
	2024	5	1	0	0	0	0	6
<del>Louisiana</del>	<del>2022</del> <u>2025</u>	<del>1</del> <u>6</u>	0	0	0	0	0	<del>1</del> <u>6</u>
<u>Louisiana</u>	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Units/Outlets at Start of Year	Column 4 Units/Outlet s Opened	Column 5 Terminations	Column 6 Non-Rene wals	Column 7 Reacquired by KFCLLC	Column 8 Ceased Operations -Other Reasons	Column 9 Units/Outlet s at End of the Year
<del>Maryland</del>	<del>2022</del> 2025	1	<del>0</del> 1	0	0	0	0	<del>1</del> 2
<del>Maryland</del>	2023	1	0	0	0	0	0	1
<del>Maryland</del>	2024	1	0	0	0	0	0	1
<del>Nebraska</del>	<del>2022</del> 2025	1	0	0	0	0	0	1
<del>Nebraska</del>	2023	1	0	0	0	0	0	1
<del>Nebraska</del>	2024	<del>1</del> 1	0	0	0	0	0	1
<del>Nevada</del>	<del>2022</del> 2025	1	0	1	0	0	0	0
<del>New Jersey</del>	2023	<del>0</del> 1	0	0	0	0	0	<del>0</del> 1
<del>New Jersey</del>	2024	<del>0</del> 1	0	<del>0</del> 1	0	0	0	0
<del>New Jersey</del>	<del>2022</del> 2025	<del>1</del> 0	0	0	0	0	0	<del>0</del> 1
<del>Pennsylvania</del>	2023	<del>1</del> 2	0	0	0	0	<del>0</del> 1	1
<del>Pennsylvania</del>	2024	1	0	<del>1</del> 0	0	0	0	<del>0</del> 1
<del>Pennsylvania</del>	<del>2022</del> 2025	<del>2</del> 1	0	0	0	0	0	<del>1</del> 2
<del>South Carolina</del>	2023	<del>2</del> 0	0	0	0	0	<del>0</del> 1	<del>0</del> 1
<del>South Carolina</del>	2024	<del>0</del> 1	0	0	0	0	0	<del>0</del> 1
<del>Tennessee</del>	<del>2022</del> 2025	<del>1</del> 0	<del>0</del> 1	0	0	0	0	1
<del>Tennessee</del>	2023	1	0	0	0	0	0	1
<del>Tennessee</del>	2024	1	0	1	0	0	0	0
<del>Texas-2</del>	<del>2022</del> 2025	<del>3</del> 0	0	0	0	0	0	<del>0</del> 3
<del>Texas</del>	2023	3	0	0	0	0	0	3
<del>Texas</del>	2024	3	0	0	0	0	0	3
<del>West Virginia</del>	<del>2022</del> 2025	<del>1</del> 3	0	<del>1</del> 2	0	0	0	<del>0</del> 1
<del>West Virginia</del>	2023	0	1	0	0	0	0	1
<del>West Virginia</del>	2024	1	0	1	0	0	0	0
<del>Total</del>	<del>2022</del> 2025	<del>34</del> 0	<del>2</del> 0	<del>4</del> 0	0	0	<del>2</del> 0	<del>30</del> 0
<del>Total</del>	2023	30	2	0	0	0	2	30
<del>Total</del>	2024	30	2	3	0	0	0	29
<del>Total</del>	2025	29	3	3	0	0	0	29

1. This Outlet was terminated on December 31, 2024.

2. One Outlet included in the total as of the 2024 fiscal year-end remained temporarily closed, but plans to re-open in 2025.

**Table No. 4**  
**Status of Company-Owned Outlets**  
**for Years ~~2022~~2023 to ~~2024~~2025**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Licensee	Outlets Closed	Outlets Sold to Licensee	Outlets at End of Year
All States	<del>2022</del>	0	0	0	0	0	0
	<del>2023</del>	0	0	0	0	0	0
	<del>2024</del>	0	0	0	0	0	0
	2025	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Licensee	Outlets Closed	Outlets Sold to Licensee	Outlets at End of Year
Totals	<del>2022</del> 2023	0	0	0	0	0	0
	<del>2023</del> 2024	0	0	0	0	0	0
	<del>2024</del> 2025	0	0	0	0	0	0

**Table No. 5**  
**Projected Openings as of December ~~30~~29, ~~2024~~2025, for the ~~2025~~2026 Fiscal Year**

Column 1 State	Column 2 <u>Non-Traditional</u> License Agreements Signed But Non-Traditional Outlet Not Opened	Column 3 Projected New Non-Traditional Outlet in the Next Fiscal Year	Column 4 Projected New Company-Owned Locations in the Next Fiscal Year
<del>Arizona</del> <u>Georgia</u>	0	<del>1</del> <u>3</u>	0
<del>California</del> <u>New York</u>	0	<del>2</del> <u>1</u>	0
<del>Louisiana</del> <u>Washinton</u>	0	1	0
<del>South Carolina</del> <u>Wisconsin</u>	0	1	0
<b>Total</b>	<b>0</b>	<del>5</del> <u>6</u>	<b>0</b>

If you buy this license, your contact information may be disclosed to other buyers when you leave the KFC system.

A list of all licensees as of December ~~30~~29, ~~2024~~2025, as well as the addresses and telephone numbers of their Non-Traditional Outlets is attached as Exhibit G to this Disclosure Document. A list of the names, cities, states, business telephone numbers or, if unavailable, the last known home telephone numbers of all licensees who have had a Non-Traditional Outlet terminated, cancelled, or not renewed; who otherwise voluntarily or involuntarily ceased to do business under their license agreements during the last fiscal year; or who have not communicated with ~~the~~ KFC LLC within 10 weeks of the date of issuance, is attached as Exhibit H.

In some instances, current and former licensees sign provisions restricting their ability to speak openly about their experience with the KFC license system. You may wish to speak with current and former licensees, but, be aware that not all such licensees will be able to communicate with you.

The following lists the name, address (to the extent the licensee organization has informed us of it), telephone number, email address and Web address of the only trademark-specific, licensee organizations associated with the KFC license system which are incorporated or otherwise organized under state law and have asked us to be included in our Disclosure Document during the next fiscal year:

Association of Kentucky Fried Chicken Franchisees  
PO Box 269  
Columbus Junction, Iowa 52738  
319-728-3282  
michelle.hunt@akfcf.com  
www.akfcf.com

CARIBLA Franchisee Association  
7750 NW 46<sup>th</sup> Street  
PTY 1495  
Doral, Florida 33166  
~~305-384-4242~~[+506-8889-1939](tel:+506-8889-1939)  
zguevara@caribla.com  
www.caribla.com

Greater Midwest KFC Franchisee Association  
P.O. Box 269  
Columbus Junction, Iowa 52738  
319-728-3282  
kevin@centraliowakfc.com  
<https://akfcf.com/great-midwest-kfc-franchise-association/>

Greater Southwestern KFC Franchisee Association, Inc.  
3128 Flora St. SW  
Albuquerque, New Mexico 87121  
~~505-801-1299~~[505-463-5686](tel:505-463-5686)  
swkfcfa@gmail.com  
~~www.swkfcfa.org~~[www.swkfcfa.org](http://www.swkfcfa.org)

KFC Northeast Franchisee Association  
~~7868 Eastern~~[4 West Mountain Ave-](#)  
~~Baltimore, MD 21224~~[South Williamsport, PA 17702](#)  
[kfc.nefa@gmail.com](mailto:kfc.nefa@gmail.com)  
~~kfc.nefa@gmail.com~~

Northwest KFC Franchisee Association  
PMB 1964  
Healdsburg, California 95448  
707-570-7350  
shannonprediville@nwkfc.com  
www.nwkfc.com

Southeastern KFC Franchisee Association  
P.O. Box 10090  
Danville, Virginia 24543  
434-251-6848  
jenn.thomas@sekfcfa.com  
www.sekfcfa.com

Southern California KFC Franchisee Association  
P.O. Box 4518  
Culver City, California 90231  
310-422-6464  
~~ossanlokfc@aol.com~~ [ossanlokfc@gmail.com](mailto:ossanlokfc@gmail.com)  
[www.socalkfc.com](http://www.socalkfc.com)

## **ITEM 21** **FINANCIAL STATEMENTS**

Exhibit F contains KFCLLC's audited financial statements, which comprise the balance sheets as of December 29, 2025, and December 30, 2024 ~~and December 25, 2023~~, and the related statements of income, member's equity, and cash flows for each of the years in the three-year period ended December ~~30, 2023~~, 2024, 2025, and the related notes to the financial statements.

KFCLLC operates using a fifty-two week fiscal calendar that ends on the Monday preceding Yum's fiscal year end, whose fiscal year ends on December 31 each year. As a result, there is a fifty-third week added to ~~the Company's~~ KFCLLC's fiscal calendar every few years.

## **ITEM 22** **CONTRACTS**

The following agreements are attached as Exhibits to this Disclosure Document in the following order:

1. KFC Non-Traditional License Agreement – Exhibit B
2. Non-Traditional Deposit Agreement – Exhibit C
3. Non-Traditional Option Agreement – Exhibit D
4. State Addendum – Exhibit I
5. Guaranty – Exhibit J
6. Successor Addendum to ~~Successor~~ KFC Non-Traditional License Agreement – Exhibit K
7. Restaurant Technology Agreement – Exhibit L
8. Restaurant Technology Hardware Self Maintenance Agreement – Exhibit M
9. Sample General Release – Exhibit N
10. Addendum to Lease – Exhibit O
11. Spousal Consent – Exhibit P
12. Representations and Acknowledgement Statement – Exhibit Q
- ~~13. Letter Agreement – Exhibit R~~

## **ITEM 23** **RECEIPTS**

Exhibit SR contains detachable documents acknowledging your receipt of this Disclosure Document.

**EXHIBIT A**  
**(TO NON-TRADITIONAL LICENSE DISCLOSURE DOCUMENT)**  
**STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS**

**EXHIBIT A**

**STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS**

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

**CALIFORNIA**

Department of Financial Protection &  
Innovation:  
Toll Free: 1 (866) 275-2677

***Los Angeles***

Suite 750  
320 West 4<sup>th</sup> Street  
Los Angeles, California 90013  
(213) 576-7505

***Sacramento***

~~2101 Arena Blvd.~~  
[651 Bannon Street](#)  
Sacramento, California ~~95834~~[95811](#)  
(916) 445-7205

***San Diego***

1455 Frazee Road, Suite 315  
San Diego, California 92108  
(619) 610-2093

***San Francisco***

One Sansome Street, Suite 600  
San Francisco, California 94104  
(415) 972-8559

**HAWAII**

(state administrator)

Business Registration Division  
335 Merchant Street, Room 205  
Honolulu, Hawaii 96813  
(808) 586-2722  
[www.investing.hawaii.gov](http://www.investing.hawaii.gov)

**ILLINOIS**

Franchise Bureau  
Office of the Attorney General  
500 South Second Street  
Springfield, Illinois 62706  
(217) 782-4465

**INDIANA**

(state administrator)

Indiana Secretary of State  
Securities Division, E-111  
302 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6681

**MARYLAND**

(state administrator)

Office of the Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2020  
(410) 576-6360

**MICHIGAN**

(state administrator)

Michigan Attorney General's Office  
~~Consumer Protection~~ [Corporate Oversight](#)  
Division  
Attn: Franchise Section  
G. Mennen Williams Building, ~~1<sup>st</sup>~~ [5<sup>th</sup>](#) Floor  
525 ~~West~~ [W.](#) Ottawa Street  
Lansing, Michigan ~~48909~~ [48913](#)  
(517) ~~373-7177~~ [335-7567](#)

**MINNESOTA**

(state administrator)

Minnesota Department of Commerce  
85 7th Place East, Suite 280  
Saint Paul, Minnesota 55101  
(651) 539-1600

(agent for service of process)

Commissioner of Commerce  
Minnesota Department of Commerce  
85 7th Place East, Suite 280  
Saint Paul, Minnesota 55101  
(651) 539-1600

**NEW YORK**

(state administrator)

~~NYS~~ [New York State](#) Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21<sup>st</sup> Floor  
New York, New York 10005  
(212) ~~416-8236~~ [416-8222](#) Phone  
(212) 416-6042 Fax

(agent for service of process)

~~New York~~ Secretary of State  
[of](#) ~~New York~~ ~~Department of State~~  
~~One Commerce Plaza~~  
99 Washington Avenue, ~~6<sup>th</sup> Floor~~  
Albany, NY ~~12231-0001~~ [12231](#)  
(518) 473-2492

**NORTH DAKOTA**

[\(state administrator\)](#)

North Dakota [Insurance & Securities Department](#)  
600 East Boulevard Avenue, [Dept. 401](#)  
~~State Capitol—Fourteenth Floor—Dept 414~~  
Bismarck, North Dakota ~~58505-0510~~ [58505](#)  
(701) ~~328-4712~~ [328-2910](#)

[\(agent for service of process\)](#)

[Insurance Commissioner](#)  
[600 East Boulevard Avenue, Dept. 401](#)  
[Bismarck, North Dakota 58505](#)  
[\(701\) 328-2910](#)

**OREGON**

Department of Insurance and Finance  
Corporate Securities Section  
Labor and Industries Building  
Salem, Oregon 97310  
(503) 378-4387

**RHODE ISLAND**

Department of Business Regulation  
Division of Securities  
John O. Pastore Complex  
Building 69-1  
1511 Pontiac Avenue  
Cranston, Rhode Island 02920  
(401) 462-9645

**SOUTH DAKOTA**

Division of Insurance  
Securities Regulation  
124 S. Euclid, 2nd Floor  
Pierre, South Dakota 57501  
(605) 773-3563

**VIRGINIA**

(state administrator)

State Corporation Commission  
Division of Securities  
and Retail Franchising  
1300 East Main Street, Ninth Floor  
Richmond, Virginia 23219  
(804) 371-9051

**WASHINGTON**

(state administrator)

Department of Financial Institutions  
Securities Division  
P.O. Box 41200  
Olympia, Washington 98504-1200  
(360) 902-8760

(agent for service of process)

Director  
Department of Financial Institutions  
Securities Division  
150 Israel Road, S.W.  
Tumwater, Washington 98501

**WISCONSIN**

Securities and Franchise Registration  
Wisconsin Department of Financial Institutions  
4822 Madison Yards Way, North Tower  
Madison, Wisconsin 53705  
(608) 266-1064

**EXHIBIT B**  
**(TO NON-TRADITIONAL LICENSE DISCLOSURE DOCUMENT)**

**KENTUCKY FRIED CHICKEN**  
**NON-TRADITIONAL LICENSE AGREEMENT**

## KFC NON-TRADITIONAL LICENSE AGREEMENT

This License Agreement (the "**Agreement**") is made and entered into by and between KFC US, LLC, with offices at ~~1900 Colonel Sanders Lane, Louisville, KY 40213~~ 7100 Corporate Drive, Plano, Texas 75024 ("**Licensor**") and [Legal Entity Name], a/an [State of Organization] [Entity Type] with offices at [City, State of Entity's Principal Place of Business] ("**Licensee**"). This Agreement is effective [Date Non-Traditional Unit Opens for Business] (the "**Effective Date**").

### **PRELIMINARY RECITALS.**

A. Licensor has developed and owns a unique system for preparing, marketing, and selling fried chicken and other food products (the "**System**") pursuant to its trade secrets, trademarks, trade names and service marks (collectively the "**Marks**").

B. Licensor's System has a national reputation for distinctive high quality and uniformly prepared products and services, and Licensee recognizes the value thereof.

### **AGREEMENT.**

#### **1 License.**

1.1 Licensor grants to Licensee for a term of ten years from the Effective Date (the "**Term**") a license to use the Marks in connection with the System (the "**License**") at the following location: [Address of Non-Traditional Unit] (the "**Location**"), which is located within [identify/describe greater venue within which the Location is located, e.g. airport, mall, travel center] (the "**Venue**"). Licensee may not relocate the Location without Licensor's prior written approval, which Licensor may withhold in its sole discretion.

1.2 Licensee will comply with Licensor's requirements regarding the use and protection of the Marks, including those Marks which Licensor hereafter authorizes for use by Licensee at the Location. The Marks and the goodwill associated therewith are and shall remain the exclusive property of Licensor.

1.3 The License grants Licensee the right to sell products using the Marks at the Location only. Licensor and its affiliates may use or license others to use the Marks at any location other than the Location, subject to Licensor's applicable policies and the contractual rights of other franchisees and licensees of Licensor.

1.4 Licensee agrees that it has no rights to renew this Agreement. Licensee further agrees that KFC's compliance with pre-existing KFC policies and agreements would constitute "good cause" for non-renewal under any applicable law.

#### **2 Approved Products.**

2.1 Approved Products consist of Required Products and Optional Products which are to be sold to customers in a ready to eat form, and which comprise a limited menu compared to the menu of traditional KFC outlets. Licensee may sell only Approved Products at the Location. Notwithstanding the foregoing, if the Location is part of a Venue that requires the use of a shared beverage dispensing system, the Location may sell such shared beverages.

2.2 Licensee must sell at the Location all Required Products throughout the Term. Licensor periodically may modify the list of Required Products during the Term, and Licensee will take all actions necessary to begin selling such Required Products within the time prescribed by Licensor, which shall not be less than sixty days. The current Required Products are listed on Exhibit A.

2.3 The current Optional Products are also listed on Exhibit A. Licensor may designate additional products as Optional Products. Licensee may, in its discretion, sell at the Location any then-current Optional Products and any additional Optional Products which Licensor approves in writing for sale at the Location.

2.4 Licensor may, in its reasonable business judgment, withdraw its approval of any Approved Product, in which event Licensee shall cease selling such product within the time prescribed by Licensor, which shall not be less than sixty days. Licensor may approve certain Approved Products for sale on a seasonal or temporary basis only, and Licensee may only sell such Approved Products during such permitted period, unless otherwise approved in writing by Licensor.

2.5 Licensee shall diligently sell, market and promote the Approved Products sold by Licensee at the Location. Licensee may not, without the written consent of Licensor, prepare or sell any Approved Products at any location, or deliver any Approved Products to any location, other than the Location.

### 3 **Standards.**

3.1 Throughout the Term, Licensee shall comply with all reasonable standards, specifications, processes, procedures, and requirements established by Licensor from time to time regarding the operation of the Location and the use of the Marks in connection with the System at the Location (the “**Standards**”), including all those contained in the KFC Standards Library, or any successor or similar publication or otherwise communicated to Licensee in writing, as promulgated by Licensor from time to time. Licensee shall also comply with all reasonable requirements regarding the conduct of business at the Location (taking into account any rules of operation adopted by the Venue). The cost of such compliance shall be borne by Licensee. During the Term, Licensee will take such actions and precautions as necessary to assure that:

- a. The Location remains open and in continuous operation, unless Licensor grants prior written approval, except that the Location may be temporarily closed for up to five (5) days, upon notice to Licensor, to complete repairs, cleaning, remodeling or refurbishments (per Licensor’s Standards) or to resolve an emergency situation related to service, product quality, food safety, health or sanitation, so long as Licensee diligently takes all actions reasonably necessary to resume operations in light of the circumstances presented;
- b. Only signs and menuboards, advertising and promotional materials, equipment, supplies, uniforms, paper goods, packaging, furnishings, fixtures, recipes, and food ingredients which meet Licensor's Standards (as established from time to time) are used at the Location or in connection with its business-;
- c. all equipment, signs, menuboards, supplies and other items necessary in connection with adding new Approved Products are acquired, installed and utilized (and that the marketing of such new Approved Products begins) at the Location as soon as possible consistent with the reasonable requirements of Licensor-;

- d. all equipment, interior and exterior signage at the Location, interior and exterior KFC-branded signage at the Venue, menuboards, supplies, computers and other technology-driven systems (as further provided in Section 4 of this Agreement), including but not limited to point of sale systems and other hardware, software and applications, and other items, are added, eliminated, substituted and modified at the Location as soon as practicable in accordance with reasonable changes in Licensor's Standards-;
- e. the Location and everything located at the Location are maintained in first-class condition and repair and are kept clean, neat and sanitary; the Location is adequately lighted and is operated in a clean, wholesome and sanitary manner consistent with Licensor's Standards; all maintenance, repairs, refurbishments, replacements, remodeling, and asset upgrades reasonably requested or required by Licensor or needed in connection with the Location are promptly made; and all employees are clean and neat in appearance-;
- f. to the extent it is within Licensee's control, or Licensee has a contractual right to enforce the same under a third-party agreement, the Venue, including all interior and exterior consumer facing spaces within the Venue (i.e. parking lots, shared food court, beverage station, signage bearing the marks, building façade (collectively, the "**Venue Common Areas**")), are maintained in first-class condition and repair and are kept clean, neat and sanitary and are adequately lighted; and all maintenance, repairs and replacements needed or reasonably requested by Licensor in the Venue Common Areas shall be promptly made. In the event that Licensor establishes a standard or requirement related to appearance, image or design of the Location or that impacts a Venue Common Area which conflicts with Licensee's obligations under a third-party agreement, provided Licensee timely notifies Licensor of the conflict, Licensor will work with Licensee on an alternative solution that does not conflict and is acceptable to Licensor-;
- g. no alterations of the Location affecting the image are made except at Licensor's request or with Licensor's approval, and that any such alterations strictly conform to specifications and requirements established or approved by Licensor. Licensee must immediately inform Licensor of any regulations, or requests by the Venue which are contrary to the Standards-;
- h. the employees, and the supplies and other items on hand at the Location, are at all times sufficient to meet the anticipated volume of business-;
- i. all debts and taxes in connection with the Location and its business, except those duly contested in a bona fide dispute, are paid when due, including but not limited to debts payable to Licensor and its affiliates-;
- j. all necessary and appropriate measures are taken to avoid an unsatisfactory or equivalent safety, sanitation or health rating at any time from any governmental agency or authority, and that conditions or practices disapproved by any such agency or authority are promptly corrected except that, after consultation with Licensor by Licensee, Licensee may contest the action by such agency or authority as being arbitrary, capricious, unfair and unwise-;
- k. it strictly complies with all reasonable specifications deemed appropriate by Licensor with respect to ingredients, product groupings, storage, and handling, method of

preparation and service, weight and dimensions of products served, and standards of cleanliness, health, and sanitation;

- l. upon Licensor's direction, it ceases using any ingredients or withdraws from supply in the Location, any Approved Product or any other food, beverage, product or service, which Licensor determines in its reasonable discretion: (i) does not conform or no longer conforms with Licensor's quality standards, controls or specifications for food, beverages, products or services; or (ii) may be a health or safety risk or may adversely impact the brand image of KFC. In such case, Licensee must immediately cease using any ingredients or withdraw any food, beverages or products from sale or supply when required to do so by Licensor;
- m. it promptly, upon request of Licensor, provides Licensor with copies of all health inspection reports or violations issued by local authorities; and
- n. it participates in all customer loyalty and gift card programs that Licensor implements, whether for all of Licensor's franchisees and licensees, or for all of Licensor's similarly situated franchisees and licensees.

3.2 Licensee agrees that, prior to constructing the KFC outlet at the Location, it will prepare and submit to Licensor plans showing the interior and exterior design, layout and specifications of the Location, and secure Licensor's written approval of such plans, which approval will not be unreasonably withheld.

3.3 Licensee agrees to participate in Licensor's Restaurant Operations Compliance Check ("ROCC") program, or any successor program adopted by Licensor for the KFC system generally to evaluate Licensee's compliance with Licensor's Standards, including without limitation, Standards for operations, maintenance, food safety, cleanliness and quality. The ROCC has two components, the Food Safety Compliance Check ("FSCC") and the Operations Standards Compliance Check ("OSCC"). Licensee acknowledges that one failure to achieve a passing score on either the FSCC (or equivalent) or the OSCC (or equivalent) will result in a default under Section 11.2 hereof, and that two consecutive failures will result in a termination of this Agreement.

3.4 Licensee shall comply with all applicable laws and regulations, including but not limited to, health, safety, sanitation, and employment requirements as well as any reporting obligations, fees, or requirements regarding recyclability, compostability, or minimum recycled content. Licensee acknowledges that Licensor's standards may exceed those required by any applicable governmental authority. Licensee shall obtain and is responsible for maintaining all necessary permits and licenses for operation of the Location.

3.5 Licensee may only use suppliers and distributors that have been approved in advance by Licensor with respect to all goods, products, supplies, equipment and materials used or to be used in connection with the System at the Location. Licensor may withdraw its previously granted approval of any supplier or distributor that fails to comply with any of Licensor's standards or requirements.

3.6 Licensor shall have the right, during normal business hours and at all other reasonable times, to enter and inspect the Location and all other facilities used for the preparation, storage and transportation of any Approved Products, to discuss with the Licensee, Key Operator (as defined below), and/or such other people as the Licensee may designate, concerning all matters that may pertain to compliance with this Agreement and with the Standards, to take photographs of the Location and such other facilities, and to sample food products and other items at the Location and other points-of-sale.

Licensor shall also have the right, under the supervision of the Licensee, Key Operator, and/or Licensee's designee, to collect samples at any other facilities under the control of the Licensee. Licensor also may use any other reasonable operational and facility inspection procedures to measure Licensee's compliance with this Agreement and the Standards. The Licensee will in all respects cooperate with Licensor in its exercise of rights under this subsection. "**Key Operator**" means the individual designated by Licensee in writing to Licensor, and approved by Licensor, who has the authority to and actively directs the day-to-day business affairs of Licensee with respect to the Location, including the Location's operating budget, marketing plans, and other operational matters, such person must have managerial experience in quick-service restaurant operations. If during the Term the Key Operator is no longer employed by Licensee or is otherwise unable to serve in such capacity, then within 30 days of the date the Key Operator ceases to act in such capacity Licensee will notify Licensor in writing of the new individual Licensee designates as Key Operator; such individual must be approved by Licensor, and must complete the initial training program (if not previously completed by such individual) within 30 days of Licensor's approval.

3.7 Licensee, its Key Operator (if someone other than Licensee), its management personnel, and its employees shall attend and successfully complete such initial and continuing training programs as Licensor shall reasonably require from time to time; provided, however, that existing KFC franchisees will not be required to attend the initial introductory training program. Licensee must appoint at least one manager who will be responsible for the full-time, on-site supervision of the Location. During the Term, any new Key Operator or manager must attend Licensor's initial training program. Licensor may charge a fee for any such training. Licensee shall be responsible for its employees' salary, travel and living expenses while attending all training. Licensee shall at all times have a manager and one additional employee at the Location who have been certified as having successfully completed all of Licensor's required training. At least one manager must devote his or her full-time and attention to the management of the Location.

3.8 Licensee must implement all administrative, physical and technical safeguards necessary to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information ("**Personal Information**") in accordance with applicable law and industry best practices. It is entirely Licensee's responsibility (even if Licensor provides Licensee any assistance or guidance in that regard) to confirm that the safeguards Licensee uses to protect Personal Information comply with all applicable laws and industry best practices related to the collection, access, use, storage, disposal and disclosure of Personal Information. If Licensee becomes aware of a suspected or actual breach of security or unauthorized access involving Personal Information, Licensee will notify Licensor immediately and specify the extent to which Personal Information was compromised or disclosed.

#### 4 **Technology.**

4.1 Licensee agrees to obtain and use the point-of-sale ("**POS**") and back-of-house ("**BOH**") hardware and software, and e-commerce platforms Licensor periodically designates and agrees to sign the license agreements and service and support agreements as may be required by Licensor, its affiliates or the designated vendors for use and maintenance of such POS and BOH systems, e-commerce platforms and other technology related products and services at the Location. Licensor disclaims any warranties with respect to the POS and BOH system, whether express or implied, including, without limitation, the implied warranties of merchantability and fitness for a particular purpose. Licensor's modification of specifications for the POS, BOH and e-commerce platforms, and/or other technological developments or events, might require Licensee to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the computer system and other technology

equipment, and Licensee agrees to obtain such new or modified components within the timeframe required by Licensor. Licensor may charge Licensee a monthly or other fee for any technology that Licensor (or its affiliates) licenses to Licensee and for other technology related maintenance and support services that Licensor or its affiliates provide during the Term. Licensee will pay such fees at the times, and in the manner, designated by Licensor.

## 5 **Advertising.**

5.1 Licensee shall not use any advertising or marketing materials, methods, placement, media or agencies in connection with the System or the Marks without Licensor's prior written approval. Any advertising materials furnished by Licensor to Licensee shall be used only in the manner and during the period specified by Licensor.

5.2 Licensee will submit to Licensor or its designee, for its prior approval, all promotional and advertising materials proposed to be used by Licensee, including, but not limited to, newspaper, radio, television, internet and digital advertising, direct mail advertising, specialty and novelty items, signs, boxes, napkins, bags and wrapping papers, as well as any advertisement for the sale of the Location. If Licensor does not provide written approval of said advertising and promotional materials within fifteen (15) days after receiving such materials, said materials shall be deemed disapproved. Failure by Licensee to conform with the provisions in this Agreement and subsequent non-action by Licensor to require Licensee to cure or remedy this failure and default shall not be deemed a waiver of future or additional failures and defaults or any other provision of this Agreement.

5.3 Licensee may not establish or create any domain names, websites, email addresses, user names, profiles, screen names, social network accounts (such as LinkedIn®, Twitter®, Facebook®, Instagram® or YouTube®), other online presence or presence on any electronic medium of any kind related or connected to the KFC brand unless previously approved by Licensor in writing.

## 6 **Fees and Records.**

6.1 The initial license fee is \$22,500, which Licensee previously paid at the time it entered into the Option Agreement with Licensor. In addition, Licensee shall pay to Licensor 9.5% of Gross Revenues each partial or full month of the Term as licensing fees.

6.2 Licensing fees are due solely for the right from Licensor to use its Marks, and are payable irrespective of any services which may be provided by Licensor, and Licensor's failure to provide any services shall not relieve Licensee from its obligation to pay licensing fees. Licensee's monthly licensing fee payment must be received by Licensor by the twentieth day of the month for the immediately preceding month. Payments shall be made via Licensor's designated portal (currently, K-Rise), or by direct monthly withdrawals in the form of electronic, wire, automated transfer or similar funds transfer in the appropriate amount(s) from a bank or other financial institution account designated by Licensee, or other electronic means as Licensor designates. Each payment shall be accompanied by a statement of the respective month's Gross Revenues in the form reasonably required by Licensor from time to time.

6.3 Licensor periodically may provide required or optional services to Licensee, at Licensor's option, including, without limitation, merchandising materials. Licensee must pay to Licensor the fees imposed by Licensor for the required services, and if Licensee elects to utilize the optional services for such optional services, at the times and in the manner designated by Licensor.

6.4 "**Gross Revenues**" shall mean all monies and receipts (including cash, credit cards, checks, charge slips, gift certificates, gift cards, loyalty program vouchers and receipts, coupons, food stamps,

subsidies and other promises to pay), services, property, other means of exchange, or the fair market value of any services or products received in barter transactions, derived from operating the Location. Gross Revenues shall (a) not include any sales or other taxes which are required by law to be collected from customers, provided such taxes are added to the selling price and are in fact paid by Licensee to the appropriate governmental authority, and (b) be reduced by the amount of any documented discount Licensee gives in good faith to customers and employees. Cash refunded and credit given to customers shall be deducted from Gross Revenues, but only to the extent that such cash or credit represent amounts previously included in Gross Revenues. Gross Revenues are deemed received by Licensee at the earlier of when the products are provided or the monies or receipts are received. All Gross Revenues shall be permanently recorded on cash registers. If the Location is part of a multi-brand unit sharing a common beverage dispensing system, Gross Revenues shall include a proportionate amount of beverage sales based on the percent of total dollar food sales at the Location represented by KFC product sales.

6.5 Licensee shall prepare and maintain complete and accurate records concerning Gross Revenues and all financial, operating, marketing and other aspects of the business conducted at the Location, in a manner and form satisfactory to Licensor. Such records shall include but not be limited to books of account, tax returns, daily reports, statements of Gross Revenues (to be prepared each month for the preceding month and year-to-date for each fiscal year, recorded on cash registers, and preserved for no less than three years), profit and loss statements (to be prepared at least annually), and balance sheets (to be prepared at least annually) and shall be preserved for no less than three years. Licensee shall also submit to Licensor such other reports as Licensor may reasonably request to evaluate or compile research data on any aspects of the Location or its business. Licensee shall also submit to Licensor annually financial statements, reviewed by a third-party certified public accountant, within 90 days of the end of Licensee's fiscal year, capital plans as Licensor reasonably requests, and any loan documents related to Licensee or the Location.

6.6 From the Effective Date until three years after the expiration or termination of this Agreement, Licensor shall have the right to inspect, audit and obtain copies of the records which Licensor requires Licensee to maintain. In the event any audit reveals a deficiency in any payment required under this Agreement, Licensee shall within ten days after notice of such deficiency remit the amount thereof. If the deficiency is greater than two percent of the amount which was paid, Licensee shall reimburse Licensor for the cost of the audit (which includes, but is not limited to, travel, living expenses and salaries of Licensor's employees conducting the audit). Licensor also may charge Licensee interest on late payments in the amount of 18% per annum or the highest rate allowed by law, whichever is less. If an audit reveals an overpayment of licensing fees, Licensor will credit the amount of overpayment against Licensee's future licensing fee obligations.

6.7 Licensee acknowledges and agrees that if Licensor or any of its affiliates is required to pay fees or expenses in connection with extended producer responsibility ("EPR") programs, whether imposed by applicable law, regulation, a producer responsibility plan, or a producer responsibility or stewardship organization, Licensee may be required to reimburse Licensor or its affiliate for all such fees and expenses attributable to the Location, including Licensor's or its affiliate's reasonable costs and expenses incurred in complying with the EPR program on Licensee's behalf.

## 7 **Competitive Activities.**

7.1 During the Term and for one (1) year thereafter, Licensee shall not, directly or indirectly, at the Location or anywhere at the Venue or within ten (10) miles of the Venue, engage in, perform any services for, have any interest in or have any interest based on the profits or revenues of any other quick

service, food service or restaurant business specializing in chicken or offering for sale entrée items that primarily feature chicken.

7.2 For the purposes of this Section 7.2 only, if Licensee is an entity, the term "Licensee" shall also include Licensee's direct and indirect stockholders (unless publicly traded) or members, subsidiaries, affiliates, partners, officers, directors, principal employees, and each owner's spouse and children, and if Licensee is an individual, "Licensee" shall also include Licensee's spouse and children.

## 8 **Confidential Information.**

8.1 Licensor and its affiliates possess (and may continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the "**Confidential Information**"), relating to developing and operating KFC outlets, whether or not marked confidential, including (without limitation): (a) site selection criteria; (b) the KFC Standards Library, and all supplements and revisions thereto; (c) training and operations materials and manuals; (d) the Standards and other methods, formats, specifications, standards, systems, procedures, processes, techniques, recipes, trade secrets, knowledge, and experience used in developing, promoting and operating KFC outlets; (e) sales and marketing techniques, market research, and promotional, marketing and advertising programs for KFC outlets; (f) knowledge of specifications for, and suppliers of, furniture, fixtures, equipment, Approved Products, and other products and supplies; (g) any computer software or similar technology which is proprietary to Licensor, its affiliates, or the System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology; (h) knowledge of the operating results and financial performance of KFC outlets, other than your Location; and (i) customer data.

All Confidential Information acquired by Licensee or furnished to Licensee by Licensor or on its behalf, whether orally or by means of written material, (i) shall be deemed proprietary, (ii) shall be held by Licensee in strict confidence, (iii) shall not be copied, disclosed or revealed to or shared with any other person except to Licensee's employees or contractors who have a need to know such Confidential Information for purposes of this Agreement and who are under a duty of confidentiality no less restrictive than Licensee's obligations hereunder, or to individuals or entities specifically authorized by Licensor in advance, (iv) shall not be used in connection with any other business or capacity, and (v) all copies of all such written information shall be promptly returned to Licensor upon the expiration or termination of this Agreement. Licensee will not acquire any interest in Confidential Information other than the right to use it as Licensor specifies in operating the Location during the Term. Licensee agrees to protect the Confidential Information from unauthorized use, access or disclosure in the same manner as Licensee protects its own confidential or proprietary information of a similar nature and with no less than reasonable care. Licensor reserves the right to require that any employee, agent or independent contractor that Licensee hires execute a confidentiality and non-disclosure agreement to protect the Confidential Information. Licensor reserves the right to regulate the form of confidentiality and non-disclosure agreement that Licensee uses and to be a third-party beneficiary of those agreements with independent enforcement rights. Licensee acknowledges that any form of confidentiality and non-disclosure agreement that Licensor approves for use by Licensee, provides to Licensee, or regulates the terms of, may or may not be enforceable in a particular jurisdiction. Licensee agrees that Licensee is solely responsible for obtaining its own professional advice with respect to the adequacy of the terms and provisions of any confidentiality and non-disclosure agreement that Licensee's employees, agents and independent contractors sign.

8.2 Licensee acknowledges and agrees that, as between Licensor and Licensee, Licensor is the sole owner of all right, title, and interest in and to the System and any Confidential Information. All improvements, developments, derivative works, enhancements, or modifications to the System and any

Confidential Information (collectively, “**Innovations**”) made or created by Licensee, Licensee’s employees or contractors, whether developed separately or in conjunction with Licensor, shall be owned solely by Licensor. Licensee represents, warrants, and covenants that Licensee’s employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to Licensee. To the extent that Licensee, its employees or contractors are deemed to have any interest in such Innovations, Licensee hereby agrees to assign, and does assign, all right, title and interest in and to such Innovations to Licensor. To that end, Licensee shall execute, verify, and deliver such documents (including assignments) and perform such other acts (including appearances as a witness) as Licensor may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof. The obligations of this Section 8.2 shall survive the expiration or termination of this Agreement.

## 9 **Transfers.**

9.1 Licensor may transfer this Agreement without Licensee’s consent.

9.2 The rights and duties created by this Agreement are personal to Licensee, and Licensor is granting the License in reliance on the current and continuing individual or, in the case of a licensee which is not a sole proprietorship, collective character, skill, aptitude, and business and financial capacity of Licensee and its principals.

9.3 Neither this Agreement, the License nor any interest herein or therein, nor any direct or indirect ownership interest in Licensee or any owner of Licensee (if such owners are legal entities), may be transferred or assigned, in whole or in part, without Licensor's prior written consent, which shall not be unreasonably withheld. The term “transfer” includes a voluntary, involuntary, direct or indirect, by operation of law or otherwise, assignment, sale, gift or other disposition of any interest in this Agreement, Licensee or substantially all of the assets of the Location, including upon the bankruptcy of Licensee, or the death or permanent disability of Licensee, any owner of Licensee, the Key Operator. None of Licensee's rights under this Agreement or the License may be pledged, mortgaged or otherwise encumbered, and no such rights or interests may be obtained through execution, foreclosure or the like. Any purported transfer or assignment not in accordance with this Section shall be void and of no effect.

9.4 Any proposed transferee or assignee, in addition to meeting the requirements established by Licensor for new licensees generally (including, without limitation, appropriate experience, character, personal commitment and financial resources) must sign Licensor’s then-current form of Franchise Agreement or License Agreement, as applicable, and must agree to remodel and upgrade the Location to the extent Licensor may reasonably require. Licensor will not be deemed to have unreasonably withheld consent if the transferee does not meet its then-current requirements for new licensees. Licensee shall be required to pay Licensor’s transfer fee and execute a general release in favor of Licensor and its affiliates and their respective owners, officers, directors, employees, representatives and agents.

9.5 Notwithstanding anything to the contrary, Licensor shall have the right of first refusal with respect to any transfer or assignment of the License (other than a transfer or assignment between Licensee's spouse or children or existing owners, whether by way of a partnership share or a corporate equity interest, provided any such person or persons are qualified under Licensor's then current standards for new licensees generally and also provided that the transferee has been actively involved in the operation and management of Licensee’s KFC business during the Term hereof), on reasonably equivalent terms and conditions, except as provided in the next sentence. Licensor must elect to exercise its right of first refusal within thirty days of its receipt of a copy of an executed binding agreement for any such transfer or assignment, which shall be subject only to Licensor's rights under this Section 9.5 and which shall, in any event, contain representations and warranties reasonably equivalent to those

customarily obtained by Licensor in connection with transactions of the same, or substantially same, type; and such agreement shall not require the payment of any kind of brokerage or finder's fee and, if it does, Licensee shall be required to pay same if Licensor elects to exercise its right of first refusal, irrespective of what such agreement may provide to the contrary.

## 10 **Insurance and Indemnity.**

10.1 During the Term, Licensee shall maintain the following insurance policies with respect to the Location:

- b. Fire and extended coverage insurance equal to at least eighty percent of the replacement value of the Location, contents and improvements; and
- b. Employer's liability and workers' compensation insurance as required by applicable law; and
- c. Comprehensive general liability insurance with a reputable insurance carrier, covering at a minimum (i) property damage in the amount of five hundred thousand dollars per occurrence, and (ii) bodily injury, death, and product and public liability (intentional and unintentional) in the amount of one million dollars per occurrence.

Licensor periodically may increase the minimum amounts of coverage required under these insurance policies and/or require different or additional insurance coverages at any time to reflect industry trends, inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances.

10.2 Licensee must name Licensor and its parent company as additional insureds under all liability insurance policies using a form of endorsement that Licensor has approved. Licensee shall provide Licensor with certificates evidencing such insurance annually, or otherwise upon request of Licensor, and shall not change, cancel or allow such insurance to expire without thirty days advance notice to Licensor.

10.3 Licensee is an independent contractor responsible for all obligations and liabilities arising out of the ownership, operation or existence of the Location, including all claims and demands regarding any damage, injury, illness or death resulting therefrom. Each party shall defend, indemnify and hold the other and its affiliates and their respective owners, officers, directors, employees, representatives, agents, predecessors, successors and assigns ("**Indemnified Parties**") harmless from all claims, demands, costs, judgments, obligations, losses and liabilities (including reasonable attorneys' fees) ("**Claims**") arising out of the failure of such party to perform in accordance with this Agreement, including, without limitation, any liabilities resulting from any misrepresentations made by such party in this Agreement. Further, Licensee shall defend, indemnify and hold Licensor and its Indemnified Parties harmless from all Claims arising out of Licensee's operation of the Location (except for Claims determined to be caused solely by Licensor's intentional misconduct in a final, unappealable ruling issue by a court with competent jurisdiction). Licensor may elect to defend itself at Licensee's expense and agree to settlements or take any other remedial, corrective or other action. Licensee's obligation to indemnify Licensor shall not be limited in any way by or to the amounts specified in Section 10.1, and shall survive the expiration or termination of this Agreement.

## 11 **Termination.**

11.1 Licensor may terminate this Agreement immediately upon the occurrence of any of the following events:

- a. Licensee becomes insolvent, makes a general assignment for the benefit of creditors, a trustee or receiver is appointed for Licensee or its property, or a voluntary petition under any bankruptcy law is filed by Licensee or an involuntary petition is filed against Licensee and such involuntary petition is not dismissed within thirty days; or
- b. Licensee contests in any court or proceeding the validity or Licensor's ownership of any of the Marks, or knowingly uses the Marks in a manner not authorized by Licensor; or
- c. Licensee knowingly falsifies any records required to be kept pursuant to this Agreement, or knowingly falsifies any information or report required to be provided to Licensor under this Agreement; or
- d. Any purported transfer or assignment contrary to the provisions of Section 9 takes place; or
- e. If Licensee is a legal entity, any action is taken which purports to merge, consolidate, dissolve or liquidate Licensee, or any action is taken which results in a change of effective ownership or control of Licensee, in any case without Licensor's prior written consent; or
- f. Licensee (or an owner, officer or director of Licensee involved in the operation of the business) is (i) convicted of a felony, or (ii) engages in any dishonest or unethical conduct, or commits any act which is likely, in Licensor's reasonable business judgment, to impair the goodwill of any of the Marks or the System; or
- g. Licensee (or any of its owners), Key Operator, or other management personnel knowingly makes any unauthorized use or disclosure of any part of the KFC Standards Library or any other Confidential Information; or
- h. Licensee ceases the sale of any Required Product at the Location for seven consecutive days during which the underlying facility is operating; or
- i. Licensee fails to maintain the insurance Licensor requires and does not correct the failure within ten days after Licensor delivers written notice of that failure to Licensee; or
- j. Licensee fails to pay Licensor (or its affiliates) any amounts due and does not correct the failure within ten days after Licensor delivers written notice of the failure to Licensee; or
- k. Licensee fails to pay when due any federal or state income, services, sales or other taxes due on the Location's operation, unless Licensee is in good faith contesting its liability for those taxes; or
- l. Licensee fails to operate the Location for two or more consecutive days without the prior written approval of Licensor; or
- m. Licensee loses the right to operate at the Location or occupy the premises; or

- n. Licensee violates any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Location and fails to correct such violation within 72 hours after Licensee receives notice from Licensor or any other party, regardless of any longer period of time that any governmental agency may have given Licensee to cure such violation; or
- o. Licensee (or any of its owners) fail to comply with anti-terrorism laws, ordinances, regulations and Executive Orders; or
- p. Licensee fails to comply with any other agreement with Licensor or its affiliates and does not correct such failure within the applicable cure period, if any.

11.2 Except with respect to any of the events described in Section 11.1 (which events shall be governed by the provisions of that Section), Licensor may terminate this Agreement in the event of any breach of any term hereof, provided Licensee has not cured such breach within 30 days of written notice from Licensor specifying the breach. Notwithstanding the foregoing, Licensor may terminate this Agreement immediately upon the occurrence of any material breach of this Agreement if within the preceding six months Licensee has committed two breaches of this Agreement of which Licensee has been given notice by Licensor, or three such breaches of which Licensee has been given notice at any time within the Term, whether of the same or different provisions of this Agreement.

11.3 If (a) Licensee fails to maintain or operate the Location in accordance with the requirements of the KFC Standards Library and all other Standards established from time to time by Licensor as to service, product quality and food safety, cleanliness, health and sanitation (collectively “Health or Safety Violation”) and (b) Licensee’s default under the previous clause (a) is deemed by Licensor, in its reasonable discretion, to be of a nature so serious as to threaten (i) the immediate safety or health of customers or employees of Licensee or the general public or (ii) the reputation of the KFC brand, then Licensee will, after notice from Licensor to Licensee, immediately cease operation of the Location until such time as the serious Health or Safety Violation is rectified to Licensor’s reasonable satisfaction. Failure to close the Location under these circumstances shall be an act of default; if such act of default occurs, Licensee shall have no opportunity to cure, and Licensor shall have the right to terminate the License, effective immediately upon notice to Licensee but with no opportunity to cure.

## 12 Post-Term Obligations.

12.1 Upon termination or expiration of the License, Licensee (and, if Licensee is a corporation, the officers, directors and shareholders and agents of Licensee) shall:

- a. Immediately close the Location for business to customers and cease to directly or indirectly sell any products or services of any kind and in any manner from the Location;
- b. Within 15 days of the expiration or termination of this Agreement, pay to Licensor and its affiliates all amounts due under this Agreement or otherwise incurred in connection with the operation of the Location, ~~including Damages owed under Section 12.2, if applicable;~~
- c. Immediately discontinue use of all KFC trademarks, service marks, trade names, trade secrets, and know-how and processes developed and owned by Licensor;

- d. At Licensor's option, upon payment of the fair market value thereof by Licensor, return to Licensor all supplies and any other materials bearing the trademarks, service marks or trade names of Licensor;
- e. Immediately return to Licensor, or at Licensor's direction destroy, the KFC Standards Library and all copies of Confidential Information;
- f. Immediately and at no cost to Licensor remove signs, menuboard inserts, point-of-sale materials, and otherwise change the Location's exterior and interior appearance so that it is no longer confusingly similar to a KFC outlet and no longer bears any KFC trademarks, service marks or trade names or designations or marks similar thereto. Immediately and at no cost to Licensor, remove or cause to be removed from the Venue all interior and exterior signage bearing the KFC trademarks, service marks or trade names. If Licensee fails to immediately remove the signs and make such changes, Licensor may do so by entering the premises of the Location and Venue, and Licensee shall pay to Licensor the costs it so incurs. If Licensee is the owner of the Location and Venue, Licensee hereby grants Licensor the right to enter the Location and Venue and exercise such right. Licensee acknowledges and agrees that it will obtain Landlord's consent in the lease agreement for the Location to allow Licensor to exercise such right pursuant to our then-current standard form of lease addendum;
- g. Immediately cease using and, at Licensor's direction, either disable or instruct the registrar of any online presence or telephone number used for the Location to transfer exclusive control of and access to such online presence or telephone number to Licensor (or its designee), and pay any outstanding amounts due to, and any transfer fees imposed by, such registrar;
- h. Comply with all other Standards Licensor periodically establishes in connection with the closure and de-identification of KFC outlets, including as relates to disposing of Personal Information, in any form, in Licensee's possession or the possession of its employees;
- i. Provide to Licensor within 30 days of the expiration or termination of this Agreement evidence satisfactory to Licensor of Licensee's compliance with these obligations; and
- j. Licensee must comply with its post-term non-compete obligations described in Section 7.

### 13 **Dispute Resolution.**

13.1 This Agreement shall be governed by and interpreted in accordance with the substantive laws of ~~Kentucky~~Texas, without regard to conflict of laws rules. Nothing in this Agreement is intended to impair the applicability of a franchise law in Licensee's state which, by its own terms, is applicable to this Agreement. Any dispute regarding the terms of this Agreement shall be exclusively brought in the state and federal courts in ~~Jefferson~~Dallas County, ~~Kentucky~~Texas.

13.2 If Licensor prevails entirely in any action at law or in equity against Licensee, Licensor shall be entitled to recover, in addition to any judgment entered in its favor, reasonable attorneys' fees, court or alternative dispute resolution costs, and Licensor's reasonable expenses in connection with the litigation or arbitration. If Licensee prevails entirely in any action at law or in equity against Licensor, Licensee will be entitled to recover, in addition to any judgment entered in its favor, reasonable attorneys'

fees, court or alternative dispute resolution costs, and Licensee's reasonable expenses in connection with the litigation or arbitration. If neither side prevails entirely, each will bear its own costs.

13.3 Nothing in this Agreement bars Licensor's right to obtain specific performance of the provisions of this Agreement and injunctive relief under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions, in the event Licensee: breaches its noncompete obligations under Section 7 of this Agreement; breaches its confidentiality obligations under Section 8 of this Agreement; fails to comply with Licensor's requirements regarding the use and protection of the Marks in accordance with Section 1.2 of this Agreement or otherwise engages in conduct that threatens to injure or harm the Marks; fails to comply with its post-term obligations under Section 12.1 of this Agreement; or, engages in conduct that threatens the health or safety of customers or employees in violation of Sections 3.1.i, 3.1.k(ii), 3.4 or 11.3. Licensee agrees that Licensor may obtain such injunctive relief. Licensee agrees that Licensor will not be required to post a bond to obtain injunctive relief and that Licensee's only remedy if an injunction is entered against Licensee will be the dissolution of that injunction, if warranted, upon due hearing, and Licensee hereby expressly waives any claim for damages caused by such injunction.

13.4 LICENSOR AND LICENSEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY.

## 14 Miscellaneous

14.1 Neither Licensee nor Licensor is, or shall be considered as, the principal, agent, employer, employee, or partner of the other, and neither shall have the power to bind or obligate the other, except as may be otherwise expressly permitted under this Agreement. No fiduciary relationship exists between Licensor and Licensee.

14.2 Licensor shall not have any right to control the day-to-day managerial operations of the Location or its business, including without limitation the hiring and firing of Licensee's employees.

14.3 The following provisions shall survive the expiration or termination of this Agreement: Sections 7, 8, 10.3, and 12 through 14.

14.4 No failure, forbearance, neglect or delay of any kind or extent on the part of Licensor in connection with the enforcement or exercise of any rights under this Agreement shall affect or diminish Licensor's right to strictly enforce and take full benefit of each provision of this Agreement at any time, whether at law for damages, in equity for injunctive relief or specific performance, or otherwise. No custom, usage, concession or practice with regard to this Agreement, the Licensee or Licensor's other franchisees or licensees shall be admissible to explain, modify or contradict the terms of this Agreement, or preclude at any time the strict enforcement of this Agreement (upon due notice) in accordance with its literal terms. No waiver by Licensor of performance of any provision of this Agreement shall constitute or be implied as a waiver of Licensor's right to enforce such provisions at any future time.

The following provision applies if Licensee or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

14.5 This Agreement constitutes the entire understanding and agreement of the parties concerning the Location, and all prior disclosures, understandings and agreements, written and oral, between the parties which in any way pertain to the Location are superseded hereby. Nothing in this or in any related agreement, however, is intended to disclaim the representations Licensor made in any franchise disclosure document that Licensor furnished to Licensee. This Agreement may not be modified or supplemented, and no approval required under this Agreement granted, except by a writing executed by Licensee and Licensor's President or General Counsel (or such other officer as Licensor expressly authorizes in writing for such purpose).

14.6 All provisions of this Agreement shall be severable and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially invalid and enforceable provisions shall be enforced to the extent valid and enforceable.

14.7 Any notice required or permitted to be given under this Agreement shall be in writing and shall be either personally delivered or mailed by certified, receipted overnight express or any other receipted mail to the other party at the address first specified above. Any notice to be given to Licensor shall be directed to the attention of Licensor's Chief ~~Development~~Growth Officer, with a copy to

Licensor's Chief Legal Officer. Notices shall be deemed to be given when delivered personally or, if mailed, on the next business day following the date of mailing. Either party may change its address for receiving notice by giving the other party notice thereof in the manner required under this Agreement. If Licensee does not personally oversee the day-to-day operation of the Location, then the Key Operator that has been approved by Licensor shall also receive copies of notices pertaining to the day-to-day operation of the Location. Should Licensee desire for its Key Operator to receive notices in accordance with this Section 14.7, Licensee shall provide the Key Operator's contact information to Licensor, in accordance with this Section 14.7.

14.8 Any reference to "affiliates" of Licensor shall mean all entities that directly or indirectly control, are controlled by or are under common control with Licensor. It is understood that any specific reference in this Agreement to a "material" term or requirement shall not be deemed to mean that any other terms or requirements which are not specifically so referred to are not "material."

14.9 Licensee acknowledges and agrees that Licensor has the right to delegate the performance of any portion or all of its obligations under this Agreement to third-party designees, whether those designees are present or future owners, subsidiaries, affiliated entities, Licensor's agents or independent contractors with whom Licensor has contracted to perform these obligations.

14.10 The headings in this Agreement are provided for convenience of reference only and shall not be considered in construing any of the provisions herein.

14.11 Licensee agrees that, at Licensor's request, it shall cause each of its shareholders (if Licensee is a corporation that is not publicly held) holding at least a 10% equity interest in Licensee, each partner (if Licensee is a partnership) or each member (if Licensee is a limited liability company) to sign a guaranty of Licensee's obligations under this Agreement in substantially the form used by Licensor for the KFC system generally. If Licensee is an individual, at Licensor's request, Licensee shall cause his/her spouse to sign such guaranty. Licensee's organizational documents shall be satisfactory to Licensor in its reasonable business judgment, and shall provide that (i) Licensee shall be a single purpose entity, the primary purpose of which shall be to own or operate one or more of YUM! Brands' restaurant concepts; and (ii) nothing in such organizational documents shall adversely impact Licensor's rights or remedies under this Agreement. Licensee shall also execute such other documents as Licensor requires of licensees generally.

14.12 This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. This Agreement and all other documents related to this Agreement may be executed by manual or electronic signature. Either party may rely on the receipt of a document executed or delivered electronically, as if an original had been received.

14.13 Licensee represents that:

- a. Licensee has received a copy of this Agreement at least fourteen days prior to signing it and has had the opportunity to consult with an attorney of its choice with respect to this Agreement; and
- b. Licensee has had the opportunity to contact other KFC licensees or franchisees regarding the operation of a KFC outlet.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

**LICENSEE:**

**LICENSOR:**

(LEGAL ENTITY'S NAME/IF APPLICABLE)

**KFC US, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT C**  
**(TO NON-TRADITIONAL LICENSE DISCLOSURE DOCUMENT)**  
**DEPOSIT AGREEMENT**

**DEPOSIT FEE AGREEMENT (NON-TRADITIONAL)**

Applicant Information (“Applicant”):

Contact Name: \_\_\_\_\_

Title: \_\_\_\_\_

Legal Entity Name: \_\_\_\_\_

Legal Entity Address: \_\_\_\_\_  
\_\_\_\_\_

Proposed KFC Site Information (“Site”):

Address: \_\_\_\_\_  
\_\_\_\_\_

Applicant acknowledges and agrees:

- (a) To submit eleven thousand two hundred fifty dollars (\$11,250) (“Deposit Fee”) to KFC US, LLC (“KFC”) via K-Rise contemporaneous with the execution of this Deposit Fee Agreement;
- (b) Except as otherwise provided for in this Deposit Fee Agreement, the Deposit Fee will be applied exclusively toward the Initial Fee required to be paid under the KFC Non-Traditional License Agreement for the Site;
- (c) If the Site is not approved, the Deposit Fee will be refunded to Applicant; provided, however, any refund will be subject to execution of a form of general release required by KFC;
- (d) Except as provided above, the Deposit Fee is not refundable under any circumstances; and
- (e) Site review and approval, including a review of the financial parameters related to the deal, has not been completed and approval is at KFC’s sole discretion.

Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_

K-Rise Instructions

*When submitting this payment via K-Rise, if you have any questions related to viewing and paying your invoice, please contact KRISE administrator at (502) 874-1978 or KFCPayments@yum.com. PAYMENT DETAILS: please remit via K-Rise online or P.O. Box 203805, Dallas, TX 75320-3805.*

**EXHIBIT D**  
**(TO NON-TRADITIONAL LICENSE DISCLOSURE DOCUMENT)**  
**KENTUCKY FRIED CHICKEN OPTION AGREEMENT**

## KFC LICENSE OPTION AGREEMENT

THIS OPTION AGREEMENT is effective as of <<Date KFC issues Option Agreement>> \_\_\_\_\_ (the “**Agreement Date**”), by and between KFC US, LLC, a Delaware limited liability company having its principal place of business at ~~1900 Colonel Sanders Lane, Louisville, Kentucky 40213~~ 7100 Corporate Drive, Plano, Texas 75024 (“**KFC**”), and <<Optionees\_Name>>, a <<Indiv\_Corp\_Partner>> having its principal place of business in <<CityState\_of\_Office>> (“**Optionee**”).

WHEREAS, Optionee desires to receive from KFC, and KFC desires to grant to Optionee, an option to obtain a KFC license pursuant to the terms hereof.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### 1. License Fee.

(a) Optionee shall pay KFC a license fee in the amount of \$22,500 (the “License Fee”) which is due no later than five (5) business days from the Agreement Date. In consideration of the payment of the License Fee, KFC hereby grants Optionee an Option (the “Option”) to obtain a KFC license for an outlet (the “**Outlet**”) in the following described area: <<Site\_or\_City\_Street>> (the “**Option Area**”), subject to Optionee’s performance of all of the conditions contained in this Agreement. **This Agreement shall not be effective until KFC receives full payment of the License Fee from Optionee.**

(b) Should this Agreement terminate pursuant Section 7 herein, Optionee shall not be entitled to any refund of the License Fee; provided, however, that in the event Optionee is unable to locate, construct and open the Outlet within the Option Area during the Option Period (as defined below) due to a bona fide zoning or building restriction beyond Optionee’s control, and this Agreement is terminated solely as a result thereof, Optionee shall be entitled to a refund of one-half of the License Fee upon execution of a mutual release limited to all claims arising from or related to the proposed development of an Outlet within the Option Area in the form required by KFC.

2. Site Plans. Optionee will submit to KFC proposed site and plot plans (together, the “**Site Plans**”), which Optionee believes are suitable for the Outlet, and KFC will notify Optionee whether the Site Plans are acceptable to KFC. Until Optionee receives written approval from KFC of the Site Plans, Optionee may not commence construction of the Outlet. Optionee acknowledges that KFC is relying in substantial part on Optionee's independent knowledge of the Option Area in reviewing any site which Optionee submits.

3. Build-Out and Opening of Outlet. Optionee shall commence construction of the Outlet in a material way within eight (8) months of the Agreement Date (the “**Construction Start Deadline**”) and shall complete construction and open the Outlet for business within the Option Area within twelve (12) months following the Agreement Date (the “**Option Period**”).

Optionee shall construct the Outlet in accordance with the standards and specifications issued from time to time by KFC, including, without limitation, those relating to approved sites, plot plans, building types, ingress and egress requirements, and equipment, and in compliance with all applicable laws, ordinances, restrictive covenants, regulations and other restrictions.

4. **Extension of Option Period.** The Option has been granted in reliance on Optionee's representations and assurances that it will duly and timely perform the conditions and requirements set forth in this Agreement. Failure to construct and open the Outlet pursuant to the schedule outlined in Section 3 of this Agreement (including any extensions granted hereunder) is a material breach of this Agreement. The time for completing such obligations may be extended by such time as completion is delayed or prevented by a cause or causes beyond the reasonable control of Optionee and which Optionee could not reasonably have foreseen, provided that (i) Optionee makes a written request for an extension of time, setting forth the reason for delay and the amount of extension requested (not to exceed 90 days); and (ii) KFC approves such extension in writing, which approval shall not be unreasonably withheld. Upon the opening of the Outlet, Optionee shall have no further rights under this Agreement.

5. **License Agreement and Other Related Documents.** Simultaneously with Optionee's execution of this Agreement, Optionee shall execute the then current Kentucky Fried Chicken's Non-Traditional License Agreement and any applicable amendments thereto (the "**Non-Traditional License Agreement**"), as well as any other related documents as may be required by KFC (collectively, the "**Other Related Documents**"). The License Agreement and Other Related Documents will be held by KFC until Optionee satisfies the conditions of this Agreement. Upon completing construction and preparations for the opening of the Outlet in accordance with KFC's standards and specifications, Optionee shall notify KFC, and in the event Optionee shall be in full compliance with its obligations hereunder, KFC shall return one fully executed electronic copy of the Non-Traditional License Agreement and Other Related Documents (as applicable) to Optionee.

6. **Confidential Information.** KFC and its affiliates possess certain confidential and proprietary information relating to developing, opening and operating Outlets, including without limitation the Confidential Operating Manual, trade secrets, training materials, restaurant plans and designs, and KFC know-how (collectively the "**Confidential Information**"), and may provide Optionee with access to the Confidential Information. Optionee will treat the Confidential Information as confidential, and will not disclose any such information to anyone except employees of the Optionee as necessary for the proper development and operation of the Outlet and except other persons authorized by KFC to receive such information.

Optionee will take reasonable precautions to cause its employees to keep such Confidential Information confidential by entering into appropriate agreements, in such form as approved by KFC, with those employees who have access to such information. The Confidential Information and other information furnished by KFC in connection with the business of KFC or the Outlet will be and remain the property of KFC and, if in tangible form, will be returned to KFC upon termination of this Agreement pursuant Section 7 below. Optionee shall not copy, duplicate, record or otherwise reproduce all or any part of the Confidential Information concerning KFC or its trademarks or processes, and shall take all reasonable precautions to

prevent his employees from doing so.

7. **Termination.**

(a) **Termination without Cure.**

- i. **Failure to Commence Construction.** In the event Optionee fails to commence construction in a material way before the Construction Start Deadline (including any failure to commence construction in a material way prior to the expiration of any extensions granted hereunder), then, provided KFC sends written notice to Optionee of the Construction Start Deadline and consequence of expiration, this Option Agreement shall automatically expire and be of no further force and effect as of the later of: (a) the Construction Start Deadline (as the same may be extended pursuant to the express terms contained herein) or (b) the date that is 60 days following the date of such written notice from KFC.
- ii. **Failure to Complete Construction and Open for Business.** In the event Optionee fails to complete construction and open the Outlet for business within the Option Period (including any failure to complete construction or open for business before the expiration of any extensions granted hereunder), then, provided KFC sends written notice to Optionee of the end of the Option Period and consequence of expiration, this Option Agreement shall automatically expire and be of no further force and effect as of the later of: (a) the end of the Option Period (as the same may be extended pursuant to the express terms contained herein) or (b) the date that is 60 days following the date of such written notice from KFC.

(b) **Termination without Notice.** Additionally, if Optionee (or its affiliates<sup>1</sup>) is an existing licensee or franchisee of KFC, in the event any of Optionee's (or its affiliates) existing KFC franchise or license agreements is terminated in accordance with the terms of such KFC franchise or license agreement or any other agreement between Optionee (or its affiliates) and KFC (or its affiliates), then KFC may terminate this Agreement without notice to Optionee and Optionee will have no further rights hereunder, except that this Section 7(b) shall not apply if Optionee has commenced construction of the Outlet in a material way.

(c) **Termination with Notice.** Except as provided for in Paragraph 7(a), in the event Optionee fails to comply with any of its obligations as set forth herein, this

<sup>1</sup> Affiliate, as used in Sections 7 and 8, means any entity which directly or indirectly holds a license to operate a KFC franchise (a) where one or more owners of a majority interest of the equity in the entity also holds the majority interest in Optionee or (b) which has substantially the same ownership as Optionee or (c) that shares the same **Control Person** Key Operator (as the term is defined in the **Franchise** Non-Traditional License Agreement) with Optionee.

Agreement shall automatically terminate on thirty (30) days written notice from KFC unless Optionee cures the default within thirty (30) days of delivery of written notice of the default.

- (d) **Effect of Termination or Expiration.** Upon termination of this Agreement (i) Optionee shall have no further rights in the Option, any KFC licensee relating to the Outlet, the Non-Traditional License Agreement or the Other Related Documents; and (ii) Optionee shall immediately comply with all of the post-termination obligations under the Non-Traditional License Agreement (as if the Non-Traditional License Agreement had been fully executed), including, without limitation, (a) discontinuance of the use of KFC's trademarks, service marks, trade names, trade secrets and know-how, (b) renovation and refurbishment of the exterior and interior appearance of the Outlet so that it is not confusingly similar to a KFC outlet, and (c) return of all Confidential Information to KFC.

8. **Section 19 Waiver Upon Termination.** In the event that Optionee (or its affiliate) is already a franchisee ~~or licensee~~ of KFC on the date of this Agreement, and Optionee fails to complete construction and open the Outlet for business within the Option Period, then Optionee agrees that such failure shall constitute a waiver and release for one (1) year of all of Optionee's rights, if any, which Optionee or any affiliate of Optionee may have under Section 19 of any existing franchise ~~or license~~ agreement with KFC to apply for a franchised ~~or licensed~~ outlet within the Option Area (and only the Option Area as described in Section 1) (the "Waiver"); provided, however, if KFC has already provided written approval for a specific site, then the Waiver will only apply to that portion of the Option Area that lies within a one and one-half mile radius of the circumference of the approved site.

9. **Photographs of Completed Outlet and Build Cost Form.** Within twenty (20) business days of opening the Outlet, Optionee must provide KFC with photographs of the completed Outlet. These photographs must provide multiple views of the interior and exterior of the completed Outlet and be consistent with the angles and format shown in the attached KFC Digital Photo Guide. Additionally, within sixty (60) days of opening the Outlet for business, Optionee shall complete and submit to KFC the attached build cost form which provides details regarding Optionee's costs to build the Outlet.

10. **Acknowledgment.** The acceptance by KFC of any site or plot plan in no way creates or implies any assurance or representation that a KFC outlet can be successfully operated on the site in question or that any particular volume of sales or earnings can be expected from such location.

11. **Independent Contractors.** Neither Optionee nor KFC is, or shall be considered as, the principal, agent, employer, employee, or partner of the other, and neither shall have the power to bind or obligate the other, except as may be otherwise expressly permitted under this Agreement. No fiduciary relationship exists between KFC and Optionee.

12. **Non-Waiver.** The failure by either party to enforce at any time one or more of the terms of this Agreement shall not be a waiver of any such terms or either party's right to

thereafter enforce each term in strict accordance therewith. No custom, practice or course of dealing shall prevent either party from enforcing the specific terms of this Agreement.

13. **Governing Law; Consent to Jurisdiction.** This Agreement shall be governed by and interpreted in accordance with the substantive laws of [KentuckyTexas](#) without giving effect to the principles of conflict of laws thereof. Optionee consents and waives any objection to the jurisdiction and venue of any state or federal court of general jurisdiction in [JeffersonDallas](#) County, [KentuckyTexas](#) regarding any action relating to this Agreement (including, without limitation, the construction, interpretation and enforcement of this Agreement); and the parties agree that any action brought by either against the other relating to this Agreement must be brought and maintained in federal court in [JeffersonDallas](#) County, [KentuckyTexas](#), unless subject matter jurisdiction is lacking, in which event such action shall be brought in state court in [JeffersonDallas](#) County, [KentuckyTexas](#). If either party substantially prevails against the other in any action brought regarding this Agreement, such party shall be entitled, in addition to any judgment entered in its favor, to recover from the other its reasonable costs and expenses, including attorneys' fees.

14. **Entire Agreement.** This Agreement constitutes the entire understanding and agreement of the parties concerning the Option, and all prior understandings, agreements and settlement agreements, written and oral, between the parties which in any way pertain to such subject matter are superseded hereby. Nothing in this or in any related agreement, however, is intended to disclaim the representations KFC made in any franchise disclosure document that KFC furnished to Optionee. This Agreement may not be modified or supplemented, and no approval required under this Agreement granted, except by a writing executed by Optionee and KFC.

15. **Assignment.** Optionee may not assign or transfer, in whole or part, this Agreement, nor any interest herein, without KFC's prior written-consent.

16. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement or any counterpart may be executed via facsimile or electronic transmission, and any such executed facsimile or electronic copy shall be treated as an original.

EXECUTED as of the Agreement Date.

KFC US, LLC

By: \_\_\_\_\_  
Vice President

OPTIONEE  
<<CorpName\_ifAppl>>

By: \_\_\_\_\_  
<<Option\_Owners\_Name>>

Title: \_\_\_\_\_

**EXHIBIT E**  
**(TO NON-TRADITIONAL LICENSE DISCLOSURE DOCUMENT)**  
**KFC STANDARDS LIBRARY TABLE OF CONTENTS**

# Standards Library Table of Contents

Category	# <u>Estimated Number</u> of Pages
Equipment	<del>767</del> 800
Facilities and Locations	<del>46</del> 15
Food	<del>705</del> 700
<del>Restaurant Ops</del> <u>Laws and Regulations</u>	<del>229</del> 2
<u>People</u>	<u>5</u>
<u>Programs and Processes</u>	<u>2</u>
<del>Technology and Training</del> <u>Restaurant Operations</u>	<del>56</del> 250
<u>Technology</u>	<u>50</u>
<del>Laws, Regulation, and People</del> <u>Training</u>	<del>3</del>
<b>TOTAL</b>	<del>1776</del> 1827

**EXHIBIT F**  
**(TO NON-TRADITIONAL LICENSE DISCLOSURE DOCUMENT)**  
**FINANCIAL STATEMENTS**

**KFC US, LLC**

Financial Statements

December 29, 2025 and December 30, 2024

(With Independent Auditors' Report Thereon)

**KFC US, LLC**  
Financial Statements  
December 29, 2025 and December 30, 2024

**Table of Contents**

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Balance Sheets	3
Statements of Income	4
Statements of Member's Equity	5
Statements of Cash Flows	6
Notes to Financial Statements	7



KPMG LLP  
Suite 2400  
400 West Market Street  
Louisville, KY 40202

## Independent Auditors' Report

Management and Those Charged with Governance  
KFC US, LLC:

### *Opinion*

We have audited the financial statements of KFC US, LLC (the Company), which comprise the balance sheets as of December 29, 2025 and December 30, 2024, and the related statements of income, member's equity, and cash flows for each of the years in the three-year period ended, December 29, 2025, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 29, 2025 and December 30, 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 29, 2025, in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*KPMG LLP*

Louisville, Kentucky  
March 20, 2026

**KFC US, LLC**

## Balance Sheets

December 29, 2025 and December 30, 2024

(In thousands)

<b>Assets</b>	<b>2025</b>	<b>2024</b>
Current assets:		
Accounts receivable, net of expected credit losses of \$4,795 in 2025 and \$2,237 in 2024	\$ 31,615	\$ 28,486
Current portion of franchise incentives	<u>6,550</u>	<u>7,645</u>
Total current assets	38,165	36,131
Non-current portion of franchise incentives	36,836	10,016
Non-current note receivable due from affiliate	<u>30,049</u>	<u>30,057</u>
Total assets	<u>\$ 105,050</u>	<u>\$ 76,204</u>
<b>Liabilities and Member's Equity</b>		
Current liabilities:		
Accrued franchise incentives	\$ 26,568	\$ 1,412
Current portion of deferred revenue	<u>2,901</u>	<u>3,389</u>
Total current liabilities	29,469	4,801
Non-current portion of deferred revenue	15,239	18,857
Non-current accrued franchise incentives	5,530	—
Other non-current liabilities	<u>1,947</u>	<u>3,363</u>
Total liabilities	<u>52,185</u>	<u>27,021</u>
Member's equity:		
Member's equity	<u>52,865</u>	<u>49,183</u>
Total member's equity	<u>52,865</u>	<u>49,183</u>
Total liabilities and member's equity	<u>\$ 105,050</u>	<u>\$ 76,204</u>

See accompanying notes to financial statements.

**KFC US, LLC**

## Statements of Income

Fiscal years ended December 29, 2025, December 30, 2024 and December 25, 2023

(In thousands)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenues:			
Franchise and license fees	\$ 183,358	\$ 189,040	\$ 199,422
Franchise contributions for other services	<u>42,630</u>	<u>39,662</u>	<u>32,924</u>
Total revenues	<u>225,988</u>	<u>228,702</u>	<u>232,346</u>
Costs and expenses:			
Provision (recovery) for expected credit losses	2,558	1,825	(40)
Franchise and license expenses	12	17	12
Other (income) expense	<u>—</u>	<u>—</u>	<u>(850)</u>
Total costs and expenses	<u>2,570</u>	<u>1,842</u>	<u>(878)</u>
Operating profit	223,418	226,860	233,224
Interest income	<u>1,306</u>	<u>1,074</u>	<u>—</u>
Net income	<u>\$ 224,724</u>	<u>\$ 227,934</u>	<u>\$ 233,224</u>

See accompanying notes to financial statements.

**KFC US, LLC**

Statements of Member's Equity

Fiscal years ended December 29, 2025, December 30, 2024 and December 25, 2023

(In thousands)

Balance at December 26, 2022	\$ 26,845
Net income	233,224
Due from Yum! Brands, Inc.	(268,236)
Due to member	<u>30,739</u>
Balance at December 25, 2023	\$ <u>22,572</u>
Net income	227,934
Due from Yum! Brands, Inc.	(235,705)
Due to member	<u>34,382</u>
Balance at December 30, 2024	\$ <u>49,183</u>
Net income	224,724
Due from Yum! Brands, Inc.	(250,328)
Due to member	<u>29,286</u>
Balance at December 29, 2025	\$ <u>52,865</u>

See accompanying notes to financial statements.

**KFC US, LLC**

Statements of Cash Flows

Fiscal years ended December 29, 2025, December 30, 2024 and December 25, 2023

(In thousands)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:			
Net income	\$ 224,724	\$ 227,934	\$ 233,224
Adjustments to reconcile net income to net cash provided by operating activities:			
Incentive and deferred fees amortization	4,695	7,300	7,081
Changes in operating assets and liabilities:			
Increase in accounts receivable	(3,129)	(2,224)	(5,510)
(Increase) decrease in note receivable due from affiliate	8	(57)	—
Increase in franchise incentives	(34,438)	(1,312)	—
Increase (decrease) in accrued franchise incentives	30,686	(1,683)	1,130
Increase (decrease) in deferred revenue	(1,504)	1,365	2,466
Decrease in other liabilities	—	—	(895)
Cash provided by operating activities	<u>221,042</u>	<u>231,323</u>	<u>237,497</u>
Cash flows from financing activities:			
Distribution to Yum! Brands, Inc.	(221,042)	(201,323)	(237,497)
Payments of notes receivable due from affiliate	(30,000)	(60,000)	—
Proceeds of note receivable due from affiliate	<u>30,000</u>	<u>30,000</u>	<u>—</u>
Cash used in financing activities	<u>(221,042)</u>	<u>(231,323)</u>	<u>(237,497)</u>
Net increase (decrease) in cash	—	—	—
Cash - Beginning of Year	<u>—</u>	<u>—</u>	<u>—</u>
Cash - End of Year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Cash earned for interest	\$ 1,306	\$ 1,074	\$ —

See accompanying notes to financial statements.

## **KFC US, LLC**

### Notes to Financial Statements

December 29, 2025 and December 30, 2024

(all tabular amounts in thousands)

#### **(1) Description of the Business**

KFC US, LLC (the Company) is a single-member, Delaware limited liability company formed on March 31, 2016 and is a wholly owned subsidiary of KFC Corporation, which is a wholly owned subsidiary of KFC Holdings, Inc. and Yum! Brands, Inc. (“Yum”). The Company’s primary objective is to serve as the franchisor under current and future U.S. franchise agreements relating to the KFC brand. On May 23, 2016, the Company entered into a management agreement under which KFC Corporation will carry out certain of the Company’s duties and obligations under the franchise and license agreements governing U.S. KFC restaurants as directed by the Company.

On August 1, 2016, the Company and KFC Corporation entered into an Assignment and Assumption Agreement (the Assignment Agreement) under which KFC Corporation assigned all of its existing U.S. franchise agreements to the Company. The Company had no rights to any existing franchise agreements prior to this assignment. As such, there were no franchise and license fee revenues earned or related expenses incurred prior to August 1, 2016, by the Company.

The activities of the Company include:

- acting as the franchisor under existing U.S. franchise agreements;
- entering into new franchise agreements and other related agreements with U.S. franchisees; and
- maintaining one or more capital accounts and any funds on deposit therein.

The Company is required to maintain a minimum of \$15 million in net worth in order to qualify for the large franchisor exemption under certain state and U.S. franchise registration laws. As of December 29, 2025, the Company had \$52.9 million of net worth reflected as Member’s equity.

The terms “franchise” or “franchisee” within these financial statements are meant to describe third parties that operate units under either franchise or license agreements and KFC US, LLC affiliated restaurants operating under master franchise and license agreements.

#### **(2) Summary of Significant Accounting Policies**

##### **(a) Basis of Presentation**

The accompanying financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America (“GAAP”) and include the accounts of the Company, which has no subsidiaries.

## **KFC US, LLC**

### Notes to Financial Statements

December 29, 2025 and December 30, 2024

(all tabular amounts in thousands)

#### **(b) Use of Estimates**

Our preparation of the accompanying financial statements in conformity with GAAP requires us to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### **(c) Fiscal Year**

The Company was formed on March 31, 2016 and operates using a fifty-two week fiscal calendar that ends on the Monday preceding Yum's fiscal year end. Yum's fiscal year begins on January 1 and ends December 31 of each year. As a result, there is a 53<sup>rd</sup> week added to the Company's fiscal calendar every five to six years.

Fiscal year 2024 included 53 weeks which added \$2.9 million to Total revenues and Net income in our 2024 Statement of Income.

The next fiscal year scheduled to include a 53<sup>rd</sup> week is 2030.

#### **(d) Accounts Receivable**

The Company's receivables are primarily generated from ongoing business relationships with our franchisees as a result of franchise agreements. Trade receivables consisting of royalties from franchisees are generally due monthly by the 20<sup>th</sup> day of the next month and are classified as Accounts receivable, net of expected credit losses on our Balance Sheets. Expected credit losses for uncollectible franchisee receivable balances consider both current conditions and reasonable and supportable forecasts of future conditions. Current conditions we consider include pre-defined aging criteria as well as specified events that indicate we may not collect the balance due. Reasonable and supportable forecasts used in determining the probability of future collection consider publicly available data regarding default probability. While we use the best information available in making our determination, the ultimate recovery of recorded receivables is dependent upon future economic events and other conditions that may be beyond our control. We recorded \$2.6 million and \$1.8 million in net provisions within Costs and expenses in 2025 and 2024, respectively, and recorded \$40 thousand in net recoveries in 2023. Trade receivables that are ultimately deemed to be uncollectible, and for which collection efforts have been exhausted, are written off against expected credit losses. We recorded \$0 of net write offs in 2025 and \$30 thousand of net write offs in 2024.

#### **(e) Fair Value of Financial Instruments**

The carrying amount of accounts receivables approximate fair value because of the short-term nature of these instruments.

## **KFC US, LLC**

### Notes to Financial Statements

December 29, 2025 and December 30, 2024

(all tabular amounts in thousands)

#### **(f) Franchise and License Operations**

Subsequent to entering into the cross-license and management agreements with KFC Corporation, the Company executes franchise and license agreements for units operated by third parties that set out the terms of arrangement with the franchisee. The franchise and license agreements typically require the franchisee to pay an initial, nonrefundable fee and continuing fees based upon a percentage of sales. Subject to our approval and their payment of a renewal fee, a franchisee may generally renew the franchise agreement upon its expiration.

Certain direct costs of our franchise and license operations are charged to Franchise and license expenses. Franchise and license expenses also include other miscellaneous costs.

#### **(g) Revenue Recognition**

Below is a discussion of how our revenues are earned, our accounting policies pertaining to revenue recognition under ASC Topic 606, Revenue from Contracts with Customers ("Topic 606") and other required disclosures.

##### *Franchise and License Fees*

Our most significant source of revenues arises from the operation of our stores by our franchisees. Franchise rights may be granted through a store-level franchise agreement that sets out the terms of our arrangement with the franchisee. Our franchise agreements require that the franchisee remit continuing fees to us as a percentage of the applicable restaurant's sales in exchange for the license of the intellectual property associated with our Concepts' brands (the "franchise right"). Our franchise agreements also typically require certain, less significant, upfront franchise fees such as initial fees paid upon opening of a store, fees paid to renew the term of the franchise right and fees paid in the event the franchise agreement is transferred to another franchisee.

Continuing fees represent the substantial majority of the consideration we receive under our franchise agreements. Continuing fees are typically billed and paid monthly and are usually 4%-5.25% for store-level franchise agreements.

Upfront franchise fees are typically billed and paid when a new franchise agreement becomes effective or when an existing agreement is transferred to another franchisee. We have determined that the services we provide in exchange for upfront franchise fees, which primarily relate to pre-opening support, are highly interrelated with the franchise right and are not individually distinct from the ongoing services we provide to our franchisees. As a result, upfront franchise fees are recognized as revenue over the term of each respective franchise agreement. Revenues for these upfront franchise fees are recognized on a straight-line basis, which is consistent with the franchisee's right to use and benefit from the intellectual property. Based on the application of the sales-based royalty exception within ASC Topic 606, continuing fees are recognized as the related restaurant sales occur. Revenues from

## KFC US, LLC

### Notes to Financial Statements

December 29, 2025 and December 30, 2024

(all tabular amounts in thousands)

continuing fees and upfront franchise fees are presented within Franchise and license fees in our Statements of Income.

Additionally, from time-to-time we provide non-refundable consideration to franchisees in the form of cash or other incentives (e.g. cash payments to incent new unit openings, free or subsidized equipment, etc.). The Company's intent in providing such consideration is to drive new unit development or same-store sales growth that will result in higher future revenues for the Company. In 2025, the Company agreed to provide cash consideration to franchisees primarily in exchange for an increase in the continuing fees they are required to remit. Such payments are capitalized and presented within Current portion of franchise incentives or Non-current portion of franchise incentives. These assets are being amortized as a reduction in Franchise and license fees over the period of expected cash flows from the franchise agreements to which the payment relates.

#### *Franchise Contributions for Other Services*

On a much more limited basis, we provide goods or services to certain franchisees. The vast majority of these revenues relate to charges for information technology. In instances where we rely on third parties to provide goods or services to franchisees at our direction, we have determined we act as a principal in these transactions. The extent to which we provide such goods or services varies by franchisee. These revenues are recognized as the goods or services are transferred to the franchisee and are distinct from the franchise right when they do not require integration with other goods or services we provide.

#### **(h) Franchise Incentives**

Franchise incentives paid to franchisees are recorded as assets and amortized over the life of the expected future cash flows of the related franchise agreements. Such amounts are reflected in the balance sheets, with the current portion representing amounts to be amortized within the next 12 months from the balance sheet date. Total additions to franchise incentives were \$34.4 million, \$1.3 million and \$0 million in 2025, 2024, and 2023, respectively.

## KFC US, LLC

### Notes to Financial Statements

December 29, 2025 and December 30, 2024

(all tabular amounts in thousands)

#### (i) **Other Non-Current Liabilities**

Other non-current liabilities are comprised primarily of deferred revenue related to upfront fees received from franchisees, which are recognized as revenue over the term of the related franchise agreements. Total additions to deferred revenue were \$0.6 million, \$1.9 million, and \$2.7 million in 2025, 2024, and 2023, respectively. Also included in Other non-current liabilities are Prepaid franchise fees not yet amortizing, which includes initial fee deposits for new or existing franchisees seeking a new unit. Such amounts are reflected in the balance sheet as follows, with the current portion representing amounts to be amortized within the next 12 months from the balance sheet date:

	<u>2025</u>	<u>2024</u>
Total deferred revenue	\$ 18,140	\$ 22,246
Less: current portion of deferred revenue	<u>(2,901)</u>	<u>(3,389)</u>
Non-current portion of deferred revenue	15,239	18,857
Non-current portion of accrued franchise incentives	5,530	—
Prepaid franchise fees not yet amortizing	1,902	3,318
Other	45	45
Other non-current liabilities	<u>\$ 22,716</u>	<u>\$ 22,220</u>

#### (j) **Income Taxes**

The Company was formed as a single member LLC that is disregarded for income tax purposes and is not subject to U.S. federal and state income taxes. The income of the Company is taxed and attributable to income tax filings at KFC Corporation, and Yum! Brands, Inc. entities. Therefore, the accompanying statements of income do not include a provision for U.S. income taxes nor have current or deferred U.S. income tax assets or liabilities been recorded in the accompanying balance sheet.

#### (k) **New Restaurant Incentive Programs**

The Company began offering a new restaurant incentive program in December 2016 for all qualified new franchise restaurants opened by December 1, 2018 and the program, though not contractually required to be, has historically been extended annually. These restaurants receive a royalty rebate which is equal to or less than the royalty rate. The rebate is initially 4% declining to zero by the end of the 30-month incentive period. Beginning December 28, 2021 for all qualified new restaurants opened by December 27, 2023, the incentive period is reduced and the rebate is initially 4% declining to zero by the end of the 24-month incentive period. The incentive rebate is accrued based on sales as royalties are earned and is recorded as a reduction of Franchise and license fees. The initial fees of \$45 thousand per restaurant are being amortized over the 20-year life of the franchise agreement.

## KFC US, LLC

### Notes to Financial Statements

December 29, 2025 and December 30, 2024

(all tabular amounts in thousands)

The aforementioned incentive program was succeeded by the KFC Bridge Incentive Program for any qualified stores opened July 1, 2023 through December 28, 2026. For qualified stores opened July 1, 2023 through December 27, 2023, only one incentive program could be elected. Each new qualified store will receive a royalty rebate between 3.5% and 4% declining to zero by the end of the three or four year period, depending on the franchisee's growth over the stated development period. Additionally, the \$45 thousand initial fee will be refunded for certain qualified new stores.

### (3) Related Party Transactions

All start-up costs of the Company have been expensed and paid by Yum! Brands, Inc. The officers of the Company are employees of Yum! Brands, Inc. or its subsidiaries and compensation for these officers is expensed and paid by Yum! Brands, Inc. or its subsidiaries. All ongoing general and administrative costs of the Company are paid by KFC Corporation and are not reflected in the accompanying financial statements.

The Due to member of \$29.3 million and \$34.4 million in 2025 and 2024, respectively, included in Member's equity represents amounts collected by the Company on behalf of KFC Corporation. Such amounts include franchise and license fees earned by KFC Corporation prior to the effective date of the Assignment Agreement and other amounts received from franchisees and other third parties on behalf of KFC Corporation, such as rent, advertising dues and sales tax.

The Due from Yum! Brands, Inc. of \$250.3 million and \$235.7 million in 2025 and 2024, respectively, included in Member's equity represents cash collected that was subsequently transferred from the Company to Yum! Brands, Inc. These amounts include \$29.3 million and \$34.4 million collected in 2025 and 2024, respectively, on behalf of KFC Corporation as discussed above.

On April 24, 2024, the Company established a \$30 million note receivable with Yum Restaurant Services Group, LLC, which is a wholly owned subsidiary of Yum. On December 13, 2024, the loan was repaid and renewed at the same principal amount with an interest rate of 4.3% per annum. The loan was then repaid on December 15, 2025 and renewed at the same principal amount, maturing on December 12, 2027. The interest rate on the new loan is 3.66% per annum and interest is due at the end of the note's term.

As discussed in Note 1, on May 23, 2016, KFC Corporation and the Company entered into a management agreement that defined the relationship and responsibilities of each entity. Neither the expenses incurred by KFC Corporation to fulfill its responsibilities under the Management Agreement, nor any management fees to compensate KFC Corporation for those services provided, are allocated to the Company, because no fee is required by the Management Agreement and there is no reasonable basis for such allocation. Therefore, franchise and license expenses in the accompanying statements of income include only those expenses incurred directly by the Company. Yum! Brands, Inc. consolidates KFC Corporation and the Company. Yum! Brands, Inc. is a public company and files periodic reports with the U.S. Securities and Exchange Commission (SEC) as required by the rules of the SEC. Consolidated financial information of Yum! Brands, Inc. as of December 31, 2025 and for the year then ended is available in Yum! Brands, Inc.'s Annual Report on Form 10-K, as filed with the SEC.

## **KFC US, LLC**

### Notes to Financial Statements

December 29, 2025 and December 30, 2024

(all tabular amounts in thousands)

#### **(4) Member's Equity**

The Company is authorized to issue a single class of limited liability interest. As the Company's sole member, KFC Corporation made contributions to the Company of \$1 on March 31, 2016, and \$15 million on April 26, 2016. Because the Company has satisfied the \$15 million net worth requirement, \$10 million was returned to KFC Corporation in the first quarter of 2018 and \$5.1 million was returned in the second quarter of 2021. In total, the aforementioned returns settled the initial contribution.

The Due from Yum! Brands, Inc. and Due to member discussed in Note 3 are presented in Member's equity as these amounts will be net settled with a noncash distribution of the Company's excess earnings.

#### **(5) Subsequent Events**

The Company has evaluated subsequent events occurring through March 20, 2026, the issuance date of the accompanying financial statements and related notes thereto and determined no other items require disclosure.

**EXHIBIT G**  
**(TO NON-TRADITIONAL LICENSE DISCLOSURE DOCUMENT)**

**LIST OF CURRENT FRANCHISEES**

KFC License Units Open at End of Fiscal Year End ~~2024~~ 2025

Outlet ID	Legal Entity	Address	City	State	Postal	Phone	Multibrand
C036001	LVP QSR 4 Development LLC	950 W Old Highway 66	Ash Fork	AZ	86320	702/522-8513	
C036002	LVP QSR 4 Development LLC	3225 Rincon Road	Littlefield	AZ	86432	<del>928</del> 702/347-4514	522-8513
C032004	Happy Day, Inc.	72922 Baker Blvd.	Baker	CA	92309	<del>760</del> 310/733-1****	
0000082	Host International, Inc.	380 World Way	Los Angeles	CA	90045	<del>302</del> 201/521-9729	390-9907
C032002	Happy Avenue 7 L.P.	32603 Avenue 7	Madera	CA	93637	<del>559</del> 310/214-2444	748-1348
C032001	Salton City Petroleum, Inc.	2084 S. Marina Drive	Salton City	CA	92274	<del>760</del> 310/394-1024	748-1348
I771001	SASS Foods, Inc.	100 Universal City Plaza	Universal City	CA	91608	<del>818</del> 980-4532	****
E720530	Harman Management Corporation	5550 East Woodmen Road	Colorado Springs	CO	80920	<del>719</del> 801/247-0706	313-8000
I675001	Mission Yogurt, Inc.	8500 Pena Blvd.	Denver	CO	80249	<del>303</del> 342-3379	****
C036004	<del>LVP Food Service Concept, QSR 4</del> Development LLC	708 North Main Street	Lamar	CO	81052	<del>719</del> 702/691-2300	522-8513
I878001	Master Concessionair, LLC	4200 NW 21 Street (MIA Terminal 5, Pre-S)	Miami	FL	33122	<del>305</del> 871-0559	218-1910
0000068	Areas USA FLTP, LLC	Mile Post 263	Ocoee	FL	34761	<del>407</del> 305/300-2477	267-8510
0000070	Areas USA FLTP, LLC	Mile Marker 184	Okeechobee	FL	34972	<del>863</del> 305/216-5743	267-8510
0000069	Areas USA FLTP, LLC	Mile Post 94	West Palm Beach	FL	33414	<del>561</del> 305/907-2826	267-8510
0000081	Areas USA FLTP, LLC	Mile Post 299, Florida Turnpike	Wildwood	FL	34785	<del>352</del> 305/399-0251	267-8510
026028	Alfarah Restaurant Group of IL, Inc.	444 Chicago Ridge Mall	Chicago Ridge	IL	60415	<del>708</del> 423-5510	****
I571001	Bell Great Lakes LLC	13783 West Oasis Service Road	Lake Forest	IL	60045	<del>847</del> 417/482-0****	
I000000	ARAMARK Services, Inc.	1441 Gardiner Lane	Louisville	KY	40213	215/238-3000	
I824001	The Tinsley Family Concessions, Inc.	600 Terminal Drive	Louisville	KY	40209	863/299-7177	
0000058	Service America Corporation	One Arena Plaza	Louisville	KY	40202	<del>502</del> 690-9000	690-9065
0000059	Service America Corporation	One Arena Plaza	Louisville	KY	40202	<del>502</del> 690-9000	690-9065
0000060	Service America Corporation	One Arena Plaza	Louisville	KY	40203	<del>502</del> 690-9000	690-9065
I000000	ARAMARK Services, Inc.	1441 Gardiner Lane	Louisville	KY	40213	502/874-8288	
I824001	The Tinsley Family Concessions, Inc.	600 Terminal Drive	Louisville	KY	40209	502/363-3000	
I881002	TA Operating LLC	145 Richwood Road	Walton	KY	41094	<del>859</del> 440/485-4111	617-8931
I881001	TA Operating LLC	8560 Greenwood Road	Greenwood	LA	71033	<del>318</del> 440/938-5411	617-8931
I881003	TA Operating LLC	10405 East Airline Highway	Saint Rose	LA	70087	440/617-8931	
0000065	Areas USA MDTP, LLC	I-95 at Mile Marker 96.8	North East	MD	21901	<del>443</del> 305/674-1****	
I5200011	Rigel Corp. d/b/a Rigel Airport Service	4501 Abbott Drive	Omaha	NE	68110	<del>402</del> 422-6376	
I625265	Morgan's Restaurants of Pennsylvania, Inc.	20245 Route 19	Cranberry Township	PA	16066	<del>724</del> 469/305-8130	917-3800
G135793					78539296		
881004	FQSR, TA Operating LLC (dba KBP Foods)	4101 S McColl	Edinburg	TX	78539	956440/587-0074	617-8931
00000712		272 Herring Road	Fair Play	TX	43		
0000071	Compass Group USA, Inc.	7100 Corporate Drive	Plano	TX	75024	<del>972</del> 303/338-7700	929-2313
G135794	FQSR, LLC (dba KBP Foods)	450 S Southeast Loop 323	Tyler	TX	75707	<del>903</del> 781-1824	

KFC US, LLC (Non-Traditional)

~~2025\_03~~ 1-Outlet was terminated on 12/31/2024

2026 LDD 2-Outlet remained temporarily closed as of 12/30/24

Ex. G - List of Current Franchisees

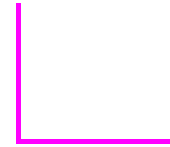
~~1172-006-030~~

1172.006.032/425600443661

6 Multibrand Locations (6 of 29)

\*\*\* KP (4)

\*\*\*\* KT (2)



KFC US, LLC (Non-Traditional)

~~2025\_03~~

[2026](#) LDD

Ex. G - List of Current Franchisees

~~1172.006.030~~

[1172.006.032/425600443661](#)

**EXHIBIT H**  
**(TO NON-TRADITIONAL LICENSE DISCLOSURE DOCUMENT)**

**LIST OF LICENSEES WHO HAVE LEFT THE SYSTEM**  
**OR WHO HAVE NOT COMMUNICATED WITH KFCLLC WITHIN**  
**THE PAST 10 WEEKS OF ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT**

KFC License Units Closed in Fiscal Year ~~2024~~ 2025

Outlet ID	Legal Entity	Address	City	State	Postal	Phone	Multi Brand	Reason
<del>1520001</del>	Rigel Corp. d/b/a Rigel Airport Service <sup>1</sup>	<del>4501 Abbott Drive</del>	<del>Omaha</del>	<del>NE</del>	<del>68110</del>	<del>402/422-6376</del>		Termination
<del>0000066</del>	<del>Garden State Fast Food Corp.</del>	<del>One Garden State Plaza</del>	<del>Paramus</del>	<del>NJ</del>	<del>07652</del>	<del>718/629-8140</del>		Termination
<del>1823001G</del> <del>135793</del>	<del>Areas USA WVTP FQSR, LLC (dba KBP Foods)</del>	<del>2903 Sprankle Avenue</del>	<del>Memphis</del> <del>Edinburg</del>	<del>TX</del> <del>TX</del>	<del>25075</del> <del>39</del>	<del>785</del> <del>305913/267-85</del>	<del>****</del>	Termination
<del>0033001G</del> <del>135794</del>	<del>Compass Group USA FQSR, Inc. LLC (dba KBP Foods)</del>	<del>73 West Virginia Turnpike</del>	<del>Escondido</del> <del>Tyler</del>	<del>CA</del> <del>TX</del>	<del>920</del> <del>07</del>	<del>757</del> <del>303913/929-23</del>		Termination

<sup>1</sup> Outlet was terminated on 12/31/2024

~~10~~ Multibrand Locations (~~10~~ of ~~43~~)  
 \*\*\* KP Multibrand (~~10~~)  
 \*\*\*\* KT Multibrand (0)

If you buy this license, your contact information may be disclosed to other buyers when you leave the franchise system.

**EXHIBIT I**  
**(TO NON-TRADITIONAL LICENSE DISCLOSURE DOCUMENT)**  
**STATE ADDENDA / AGREEMENT RIDERS**

**ADDITIONAL DISCLOSURES FOR THE  
LICENSE DISCLOSURE DOCUMENT OF  
KFC US, LLC**

The following are additional disclosures for the License Disclosure Document of KFC US, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to Licensee if the applicable state franchise registration and disclosure law applies to you.

**FOR THE FOLLOWING STATES: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.**

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**HAWAII**

**DO NOT SIGN THE REPRESENTATIONS AND ACKNOWLEDGEMENT QUESTIONNAIRE IF YOU ARE LOCATED, OR YOUR KFC OUTLET WILL BE LOCATED, IN THE STATE OF HAWAII.**

**THESE LICENSES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY LICENSE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE LICENSEE, OR SUBLICENSOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE LICENSEE OF ANY BINDING LICENSE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE LICENSEE, OR SUBLICENSOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE LICENSEE.**

**THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE LICENSE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS,**

## CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE LICENSOR AND THE LICENSEE.

### ILLINOIS

1. The "Summary" section of Item 17(v) in each table, entitled **Choice of forum**, is deleted in its entirety.

2. The "Summary" section of Item 17(w) in each table, entitled **Choice of law**, is deleted and replaced with the following:

Except for federal laws in the U.S., the laws of the State of Illinois apply.

3. The following paragraph is added to the end of Item 17:

Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void.

### MARYLAND

1. The following is added to the end of the "Summary" section of Item 17(m) in the table pertaining to the Non-Traditional License Agreement, entitled **Conditions for KFCLLC's approval of transfer**:

However, under COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

2. The following is added to the end of the "Summary" section of Item 17(h) in the tables pertaining to the Non-Traditional License and Option Agreement, entitled **"Cause" defined – defaults which cannot be cured**:

The License Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

3. The "Summary" sections of Item 17(v) in the tables pertaining to the Non-Traditional License Agreement and Option Agreement, entitled **Choice of forum**, and 17(w) in the tables pertaining to the Non-Traditional License Agreement and Option Agreement entitled **Choice of law**, are amended to add the following:

A licensee may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

## MINNESOTA

### 1. MINNESOTA FRANCHISE ACT

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

### 2. ~~1.~~ Trademark Indemnification. The following is added at the end of Item 13:

Provided Licensee has complied with all provisions of the Non-Traditional License Agreement applicable to the Marks, Licensor will protect Licensee's rights to use the Marks and Licensor also will indemnify Licensee from any loss, costs or expenses from any claims, suits or demands regarding Licensee's use of the Marks in accordance with Minn. Stat. Sec. 80C.12 Subd. 1(g).

### 3. ~~2.~~ Renewal, Termination, Transfer and Dispute Resolution. The following is added at the end of the chart in Item 17:

With respect to licenses governed by Minnesota law, Licensor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Licensee be given 90 days' notice of termination (with 60 days to cure) of the Non-Traditional Option Agreement and Non-Traditional License Agreement and 180 days' notice for non-renewal of the Non-Traditional License Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit Licensor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring Licensee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the License

Disclosure Document, Non-Traditional Option Agreement or Non-Traditional License Agreement can abrogate or reduce any of Licensee’s rights as provided for in Minnesota Statutes 1984, Chapter 80C, or Licensee’s rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Those provisions also provide that no condition, stipulation or provision in the Non-Traditional Option Agreement or Non-Traditional License Agreement will in any way abrogate or reduce any of Licensee’s rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

Any release required as a condition of renewal, sale and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

4. ~~3.~~ The following is added at the end of Item 17:

- a. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- b. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

## **NORTH DAKOTA**

1. The following is added to the end of the “Summary” sections of Item 17(c), entitled **Requirements for licensee to renew or extend**, and Item 17(m), entitled **Conditions for licensor approval of transfer**:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

2. The following is added to the end of the “Summary” section of Item 17(r), entitled **Non-competition covenants after the license is terminated or expires**:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, KFCLLC will enforce the covenants to the maximum extent the law allows.

3. The following is added to the end of the “Summary” section of Item 17(v), entitled **Choice of forum:**

Notwithstanding the foregoing, to the extent required by North Dakota Franchise Investment Law, you may bring an action in North Dakota for claims under the North Dakota Franchise Investment Law.

4. The following is added to the end of the “Summary” section of Item 17(w), entitled **Choice of law:**

Except as otherwise required by North Dakota law, the laws of the ~~Commonwealth of Kentucky~~ State of Texas will apply.

## **WASHINGTON**

1. The following paragraph is added at the end of Item 17:

The State of Washington has as statute, RCW 19.100.180, which may supersede the Non-Traditional Option Agreement and/or the Non-Traditional License Agreement in your relationship with KFCLLC, including the areas of termination and renewal of your license. There may also be court decisions which may supersede the Non-Traditional Option Agreement and/or Non-Traditional License Agreement in your relationship with KFCLLC, including the areas of termination and renewal of your license.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW (the “Act”) shall prevail.

A release or waiver of rights executed by you shall not include rights under the Act except when executed pursuant to a negotiated settlement after the Non-Traditional Option Agreement and/or Non-Traditional License Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act, such as a right to jury trial may not be enforceable.

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE  
STATE-SPECIFIC RIDERS TO THE  
NON-TRADITIONAL LICENSE AGREEMENT**

**RIDER TO THE  
NON-TRADITIONAL LICENSE AGREEMENT  
FOR USE IN ILLINOIS**

**THIS RIDER** is made and entered into by and between **KFC US, LLC**, a Delaware limited liability company whose address ~~is 1900 Colonel Sanders Lane, Louisville, Kentucky 40213~~ is 7100 Corporate Drive, Plano, Texas 75024 (“**Licensor**”), and \_\_\_\_\_

a(n) \_\_\_\_\_ whose principal ~~b~~business address is \_\_\_\_\_ (“**Licensee**”).

1. **BACKGROUND.** Licensor and Licensee are parties to that certain Non-Traditional License Agreement dated \_\_\_\_\_, 20\_\_ (the “**License Agreement**”). This Rider is annexed to and forms part of the License Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the License Agreement occurred in Illinois and the ~~KFC-Outlet~~Location that Licensee will operate under the License Agreement will be located in Illinois, and/or (b) Licensee is domiciled in Illinois.

2. **APPLICABLE LAW.** Section 13.1 of the License Agreement is deleted and replaced with the following:

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. sections 1051 et seq.), or other United States federal law, this Agreement, the license, and all claims arising from the relationship between Licensor and Licensee will be governed by the laws of the State of Illinois without regard to its conflict of laws rules.

3. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added as Section 14.14 of the License Agreement:

**ILLINOIS FRANCHISE DISCLOSURE ACT**

Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the License Agreement.

**LICENSOR:**

**KFC US, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date\*: \_\_\_\_\_

**LICENSEE:**

\_\_\_\_\_  
[Name]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

(\*This is the Effective Date)

Date: \_\_\_\_\_

**RIDER TO THE  
NON-TRADITIONAL LICENSE AGREEMENT  
FOR USE IN MARYLAND**

THIS RIDER is made and entered into by and between KFC US, LLC, a Delaware limited liability company whose address ~~is 1900 Colonel Sanders Lane, Louisville, Kentucky 40213~~ is 7100 Corporate Drive, Plano, Texas 75024 (“Licensor”), and \_\_\_\_\_

\_\_\_\_\_ a(n) \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“Licensee”).

1. **BACKGROUND.** Licensor and Licensee are parties to that certain Non-Traditional License Agreement dated \_\_\_\_\_, 20\_\_ (the “License Agreement”). This Rider is annexed to and forms part of the License Agreement. This Rider is being signed because (a) Licensee is ~~domiciled in~~ resident of the state of Maryland; and/or (b) the ~~KFC Outlet~~ Location that Licensee will operate under the License Agreement will be located in Maryland; and/or (c) any of the offering or sales activity relating to the License Agreement occurred in Maryland.

2. **NON-WAIVER.** The following is added to the end of Section 9.4 of the ~~Non-Traditional~~ License Agreement:

To the extent so required by applicable law, these acknowledgments are not intended to act, nor shall they act, as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. **INSOLVENCY.** The following is added to the end of Section 11.1(a) of the ~~Non-Traditional~~ License Agreement:

; however, Licensor and Licensee acknowledge that certain aspects of this provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. **GOVERNING LAW; VENUE.** Section 13.1 is deleted and replaced with the following:

13.1 Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other United States federal law, this Agreement, the ~~franchise~~ license, and all claims arising from the relationship between Licensor and Licensee will be governed by the laws of the ~~Commonwealth of Kentucky~~ State of Texas without regard to its conflict of laws rules, except that (1) any state law regulating the sale of franchises or governing the relationship of a franchisor and its franchise owner will not apply unless its jurisdictional requirements are met independently without reference to this paragraph, and (2) to the extent required by applicable law, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure

Law. Any dispute regarding the terms of this Agreement shall be exclusively brought in the state and federal courts in ~~Jefferson~~Dallas County, ~~Kentucky~~Texas. Notwithstanding the foregoing, Licensee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the License Agreement.

**LICENSOR:**

**LICENSEE:**

**KFC US, LLC**

\_\_\_\_\_  
[Name]

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date\*: \_\_\_\_\_

Date: \_\_\_\_\_

(\*This is the Effective Date)

**RIDER TO THE  
NON-TRADITIONAL LICENSE AGREEMENT  
FOR USE IN MINNESOTA**

**THIS RIDER** is made and entered into by and between **KFC US, LLC**, a Delaware limited liability company whose address ~~it 1900 Colonel Sanders Lane, Louisville, Kentucky 40213~~ is 7100 Corporate Drive, Plano, Texas 75024 (“**Licensor**”), and \_\_\_\_\_

\_\_\_\_\_ a(n) \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“**Licensee**”).

1. **BACKGROUND.** Licensor and Licensee are parties to that certain Non-Traditional License Agreement dated \_\_\_\_\_, 20\_\_ (the “**License Agreement**”). This Rider is annexed to and forms part of the License Agreement. This Rider is being signed because (a) the ~~KFC Non-Traditional Outlet~~Location that Licensee will operate under the License Agreement will be located in Minnesota; and/or (b) ~~any of the offering or sales activity relating to the License Agreement occurred~~Licensee is either a resident of, domiciled in, or actually present in Minnesota.

2. **RELEASE UPON ASSIGNMENT.** The following sentence is added to the end of Section 9.4 of the License Agreement:

Any release required as a condition of assignment/transfer will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

3. **NOTIFICATION OF INFRINGEMENT AND CLAIMS.** The following sentence is added to the end of Section 1.2 of the License Agreement:

Provided Licensee has complied with all provisions of this Agreement applicable to the Marks, Licensor will protect Licensee’s right to use the Marks and will indemnify Licensee from any loss, costs or expenses arising out of any claims, suits or demands regarding Licensee’s use of the Marks in accordance with Minn. Stat. Sec. 80C.12, Subd. 1(g).

4. **LICENSEE’S RIGHT TO ACQUIRE A SUCCESSOR LICENSE AND TERMINATION OF AGREEMENT.** The following is added to the end of Section 1.4 and as a new Section 11.4 to the License Agreement:

However, with respect to licenses governed by Minnesota law, Licensor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Licensee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

5. **GOVERNING LAW; CONSENT TO JURISDICTION.** The following statement is added at the end of Section 13.1 of the License Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit Licensor, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any of Licensee's rights under Minnesota Statutes Chapter 80C or Licensee's right to any procedure, forum or remedies that the laws of the jurisdiction provide.

6. **INJUNCTIVE RELIEF.** Section 13.3 of the License Agreement is deleted and replaced in its entirety with the following:

Nothing in this Agreement bars Licensor's right to obtain specific performance of the provisions of this Agreement and injunctive relief under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions, in the event Licensee: breaches its noncompete obligations under Section 7 of this Agreement; breaches its confidentiality obligations under Section 8 of this Agreement; fails to comply with Licensor's requirements regarding the use and protection of the Marks in accordance with Section 1.2 of this Agreement or otherwise engages in conduct that threatens to injure or harm the Marks; fails to comply with its post-term obligations under Section 12.1 of this Agreement; or, engages in conduct that threatens the health or safety of customers or employees in violation of Sections 3.1.i, 3.1.k(ii), 3.4 or 11.3. Licensee agrees that Licensor may obtain such injunctive relief. Licensee agrees that Licensee's only remedy if an injunction is entered against Licensee will be the dissolution of that injunction, if warranted, upon due hearing, and Licensee hereby expressly waives any claim for damages caused by such injunction. A court will determine if a bond is required.

7. **WAIVER OF JURY TRIAL.** Section 13.4 of the License Agreement is deleted in entirety.

8. **NON-WAIVER.** The following is added to the end of Section 14.4 of the License Agreement:

a. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

b. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the License Agreement.

**LICENSOR:**

**LICENSEE:**

**KFC US, LLC**

\_\_\_\_\_  
[Name]

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date\*: \_\_\_\_\_

Date: \_\_\_\_\_

(\*This is the Effective Date)

**RIDER TO THE  
NON-TRADITIONAL LICENSE AGREEMENT  
FOR USE IN NORTH DAKOTA**

**THIS RIDER** is made and entered into by and between **KFC US, LLC**, a Delaware limited liability company whose address is ~~it 1900 Colonel Sanders Lane, Louisville, Kentucky 40213~~ is 7100 Corporate Drive, Plano, Texas 75024 (“**Licensor**”), and \_\_\_\_\_

a(n) \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“**Licensee**”).

1. **BACKGROUND.** Licensor and Licensee are parties to that certain Non-Traditional License Agreement dated \_\_\_\_\_, 20\_\_ (the “**License Agreement**”). This Rider is annexed to and forms part of the License Agreement. This Rider is being signed because (a) Licensee is ~~a resident of~~ domiciled in North Dakota and the ~~KFC Non-Traditional Outlet~~ Location that Licensee will operate under the License Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the License Agreement occurred in North Dakota.

2. **RELEASE UPON ASSIGNMENT.** The following sentence is added to the end of Section 9.4 of the License Agreement:

However, any release required as a condition of assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. **GOVERNING LAW; CHOICE OF FORUM.** Section 13.1 of the License Agreement is deleted and replaced with the following:

Except to the extent governed by United States federal law, and except as otherwise required by North Dakota law, this Agreement, the license, and all claims arising from the relationship between Licensor and Licensee will be governed by the laws of the ~~Commonwealth of Kentucky~~ State of Texas without regard to its conflict of laws rules, except that (1) any law regulating the sale of licenses or governing the relationship of a licensor and its licensee will not apply unless its jurisdictional requirements are met independently without reference to this section, and (2) the enforceability of those provisions of this Agreement which relate to restrictions on Licensee’s competitive activities will be governed by the laws of the state in which the Location is situated. Any dispute regarding the terms of this Agreement shall be exclusively brought in the state and federal courts of the ~~Commonwealth of Kentucky, Louisville~~ State of Texas, Dallas division. Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

4. **COVENANT NOT TO COMPETE/NON-SOLICITATION**. The following is added to the end of Section 7.1 of the License Agreement:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, Licensor will enforce the covenants to the maximum extent the law allows.

5. **WAIVER OF JURY TRIAL**. To the extent required by the North Dakota Franchise Investment Law, Section 13.4 of the License Agreement is deleted.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the License Agreement.

**LICENSOR:**

**KFC US, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date\*: \_\_\_\_\_

(\*This is the Effective Date)

**LICENSEE:**

\_\_\_\_\_  
[Name]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**RIDER TO THE  
NON-TRADITIONAL LICENSE AGREEMENT  
FOR USE IN WASHINGTON**

**THIS RIDER** is made and entered into by and between **KFC US, LLC**, a Delaware limited liability company whose address ~~is 1900 Colonel Sanders Lane, Louisville, Kentucky 40213~~ is 7100 Corporate Drive, Plano, Texas 75024 (“**Licensor**”), and \_\_\_\_\_

\_\_\_\_\_ a(n) \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“**Licensee**”).

1. **BACKGROUND.** Licensor and Licensee are parties to that certain Non-Traditional License Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**License Agreement**”). This Rider is annexed to and forms part of the License Agreement. This Rider is being signed because (a) ~~Licensee is domiciled in~~ the offer is directed into the State of Washington and is received where it is directed; and/or (b) the ~~KFC Non-Traditional Outlet that Licensee will operate under the License Agreement will be located or operated in~~ purchaser of the Location is a resident of Washington; and/or (c) ~~any~~ the Location that is the subject of the offering or sales activity relating to the License Agreement occurred is to be located or operated, wholly or partly, in Washington.

2. **WASHINGTON LAW.** The following paragraphs are added to the end of the License Agreement:

In recognition of the requirements of the Washington Franchise Investment Protection Act (the “**Act**”) and the rules and regulations promulgated thereunder, the License Agreement shall be modified as follows:

The State of Washington has a statute, RCW 19.100.180, which might supersede this Agreement in Licensee’s relationship with Licensor, including the areas of termination and renewal of Licensee’s license. There might also be court decisions which supersede this Agreement in Licensee’s relationship with Licensor, including termination and renewal of Licensee’s license.

In the event of a conflict of laws, the provisions of the Act, Chapter 19.100 RCW, shall prevail.

A release or waiver of rights executed by Licensee shall not include rights under the Act, except when executed pursuant to a negotiated settlement after the License Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act, such as a right to a jury trial, might not be enforceable.

Transfer fees are collectable as long as they reflect our reasonable estimate or actual costs in effecting a transfer.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the License Agreement.

**LICENSOR:**

**KFC US, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date\*: \_\_\_\_\_

(\*This is the Effective Date)

**LICENSEE:**

\_\_\_\_\_  
[Name]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE  
STATE-SPECIFIC RIDERS TO THE  
NON-TRADITIONAL OPTION AGREEMENT**

**RIDER TO THE  
NON-TRADITIONAL OPTION AGREEMENT  
FOR USE IN ILLINOIS**

**THIS RIDER** is made and entered into by and between **KFC US, LLC**, a Delaware limited liability company whose address ~~it 1900 Colonel Sanders Lane, Louisville, Kentucky 40213~~ is 7100 Corporate Drive, Plano, Texas 75024 (“**KFC**”), and \_\_\_\_\_

\_\_\_\_\_ a(n) \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“**Optionee**”).

1. **BACKGROUND.** KFC and Optionee are parties to that certain Non-Traditional Option Agreement dated \_\_\_\_\_, 20\_\_ (the “**Option Agreement**”). This Rider is annexed to and forms part of the Option Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Option Agreement occurred in Illinois and the KFC Non-Traditional Outlet that Optionee will operate under the Option Agreement will be located in Illinois, and/or (b) Optionee is domiciled in Illinois.

2. **GOVERNING LAW.** The first sentence of Section ~~10~~13 of the Option Agreement is deleted and replaced with the following:

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. sections 1051 et seq.), or other United States federal law, this Agreement, the license, and all claims arising from the relationship between KFC and Optionee will be governed by the laws of the State of Illinois without regard to its conflict of laws rules.

3. **CHOICE OF FORUM.** The second sentence of Section ~~10~~13 of the Option Agreement is deleted in its entirety.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Option Agreement.

**KFC US, LLC**

**OPTIONEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date\*: \_\_\_\_\_  
(\*This is the Effective Date)

\_\_\_\_\_  
[Name]  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE  
NON-TRADITIONAL OPTION AGREEMENT  
FOR USE IN MARYLAND**

THIS RIDER is made and entered into by and between KFC US, LLC, a Delaware limited liability company whose address ~~it 1900 Colonel Sanders Lane, Louisville, Kentucky 40213~~ is 7100 Corporate Drive, Plano, Texas 75024 (“KFC”), and \_\_\_\_\_

a(n) \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“Optionee”).

1. **BACKGROUND.** KFC and Optionee are parties to that certain Non-Traditional Option Agreement dated \_\_\_\_\_, 20\_\_ (the “Option Agreement”). This Rider is annexed to and forms part of the Option Agreement. This Rider is being signed because (a) Optionee is ~~domiciled in a resident of the state of Maryland;~~ and/or (b) the KFC Outlet that Optionee will operate under the Option Agreement will be located in Maryland; and/or (c) any of the offering or sales activity relating to the Option Agreement occurred in Maryland.

2. **NON-WAIVER.** The following is added to the end of Section 12 of the ~~Non-~~Option Agreement:

To the extent so required by applicable law, these acknowledgments are not intended to act, nor shall they act, as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. **GOVERNING LAW; CONSENT TO JURISDICTION.** Section 13 is deleted and replaced with the following:

**13. Governing Law; Consent to Jurisdiction.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other United States federal law, this Agreement, the franchise, and all claims arising from the relationship between KFC and Optionee will be governed by the laws of the ~~Commonwealth of Kentucky~~ State of Texas without regard to its conflict of laws rules, except that (1) any state law regulating the sale of franchises or governing the relationship of a franchisor and its franchise owner will not apply unless its jurisdictional requirements are met independently without reference to this paragraph, and (2) to the extent required by applicable law, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

Optionee consents and waives any objection to the jurisdiction and venue of any state or federal court of general jurisdiction in ~~Jefferson~~ Dallas County, ~~Kentucky~~ Texas regarding any action relating to this Agreement (including, without limitation, the construction, interpretation and enforcement of this Agreement); and the parties agree that any action brought by either against the

other relating to this Agreement must be brought and maintained in federal court in ~~Jefferson~~Dallas County, ~~Kentucky~~Texas, unless subject matter jurisdiction is lacking, in which event such action shall be brought in state court in ~~Jefferson~~Dallas County, ~~Kentucky~~Texas. If either party substantially prevails against the other in any action brought regarding this Agreement, such party shall be entitled, in addition to any judgment entered in its favor, to recover from the other its reasonable costs and expenses, including attorneys' fees. Notwithstanding the foregoing, Optionee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Option Agreement.

**KFC US, LLC**

**OPTIONEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date\*: \_\_\_\_\_  
(\*This is the Effective Date)

\_\_\_\_\_  
[Name]  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE  
NON-TRADITIONAL OPTION AGREEMENT  
FOR USE IN MINNESOTA**

**THIS RIDER** is made and entered into by and between **KFC US, LLC**, a Delaware limited liability company whose address ~~it 1900 Colonel Sanders Lane, Louisville, Kentucky 40213~~ is 7100 Corporate Drive, Plano, Texas 75024 (“**KFC**”), and \_\_\_\_\_

a(n) \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“**Optionee**”).

1. **BACKGROUND.** KFC and Optionee are parties to that certain Non-Traditional Option Agreement dated \_\_\_\_\_, 20\_\_ (the “**Option Agreement**”). This Rider is annexed to and forms part of the Option Agreement. This Rider is being signed because (a) the KFC Non-Traditional Outlet that Optionee will operate under the Option Agreement will be located in Minnesota; and/or (b) ~~any of the offering or sales activity relating to the Option Agreement occurred~~ Optionee is either a resident of, domiciled in, or actually present in Minnesota.

2. **NOTIFICATION OF INFRINGEMENT AND CLAIMS.** The following sentence is added to the end of Section 6 of the Option Agreement:

Provided Optionee has complied with all provisions of this Agreement applicable to the Marks, KFC will protect Optionee’s right to use the Marks and will indemnify Optionee from any loss, costs or expenses arising out of any claims, suits or demands regarding KFC’s use of the Marks in accordance with Minn. Stat. Sec. 80C.12, Subd. 1(g).

3. **TERMINATION OF AGREEMENT.** The following is added to the end of Sections ~~6~~7 to the Option Agreement:

However, with respect to licenses governed by Minnesota law, KFC will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Optionee be given 90 days’ notice of termination (with 60 days to cure).

4. **CHOICE OF VENUE AND GOVERNING LAW.** The following language is added to the end of Section ~~10~~13 of the Option Agreement:

Notwithstanding the foregoing, Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit ~~KFC~~KFC, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any of Optionee’s rights under Minnesota Statutes Chapter 80C or Optionee’s right to any procedure, forum or remedies that the laws of the jurisdiction provide.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Option Agreement.

**KFC US, LLC**

**OPTIONEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date\*: \_\_\_\_\_  
(\*This is the Effective Date)

\_\_\_\_\_  
[Name]  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE  
NON-TRADITIONAL OPTION AGREEMENT  
FOR USE IN NORTH DAKOTA**

**THIS RIDER** is made and entered into by and between **KFC US, LLC**, a Delaware limited liability company whose address is ~~1900 Colonel Sanders Lane, Louisville, Kentucky 40213~~ 7100 Corporate Drive, Plano, Texas 75024 (“KFC”), and \_\_\_\_\_

a(n) \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“Optionee”).

1. **BACKGROUND.** KFC and Optionee are parties to that certain Non-Traditional LicenseOption Agreement dated \_\_\_\_\_, 20\_\_ (the “LicenseOption Agreement”). This Rider is annexed to and forms part of the Option Agreement. This Rider is being signed because (a) Optionee is ~~a resident of~~ domiciled in North Dakota and the KFC Non-Traditional Outlet that Optionee will operate under the LicenseOption Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the LicenseOption Agreement occurred in North Dakota.

2. **GOVERNING LAW/CONSENT TO JURISDICTION.** Section ~~4013~~ of the LicenseOption Agreement is deleted and replaced with the following:

Except to the extent governed by United States federal law, and except as otherwise required by North Dakota law, this Agreement, the license, and all claims arising from the relationship between KFC and Optionee will be governed by the laws of the ~~Commonwealth of Kentucky~~ State of Texas without regard to its conflict of laws rules, except that any law regulating the sale of licenses or governing the relationship of a KFC and its Optionee will not apply unless its jurisdictional requirements are met independently without reference to this section. Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, Optionee may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Option Agreement.

**KFC, US LLC**

**OPTIONEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date\*: \_\_\_\_\_

(\*This is the Effective Date)

[Name] \_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE  
NON-TRADITIONAL OPTION AGREEMENT  
FOR USE IN WASHINGTON**

**THIS RIDER** is made and entered into by and between **KFC US, LLC**, a Delaware limited liability company whose address is ~~it 1900 Colonel Sanders Lane, Louisville, Kentucky 40213~~ is 7100 Corporate Drive, Plano, Texas 75024 (“**KFC**”), and \_\_\_\_\_

a(n) \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“**Optionee**”).

1. **BACKGROUND.** KFC and Optionee are parties to that certain Non-Traditional Option Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Option Agreement**”). This Rider is annexed to and forms part of the Option Agreement. This Rider is being signed because (a) ~~Optionee is domiciled in~~ the offer is directed into the State of Washington and is received where it is directed; and/or (b) ~~the KFC Non-Traditional Outlet that Optionee will operate under the Option Agreement will be located or operated in~~ purchaser of the licensed business is a resident of Washington; and/or (c) ~~any of the offering or sales activity relating to the Option Agreement occurred~~ the licensed business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

2. **WASHINGTON LAW.** The following paragraphs are added to the end of the Option Agreement:

In recognition of the requirements of the Washington Franchise Investment Protection Act (the “**Act**”) and the rules and regulations promulgated thereunder, the Option Agreement shall be modified as follows:

The State of Washington has a statute, RCW 19.100.180, which might supersede this Agreement in Optionee’s relationship with KFC, including the areas of termination and renewal of Optionee’s license. There might also be court decisions which supersede this Agreement in Optionee’s relationship with KFC, including termination and renewal of Optionee’s license.

In the event of a conflict of laws, the provisions of the Act, Chapter 19.100 RCW, shall prevail.

A release or waiver of rights executed by Optionee shall not include rights under the Act, except when executed pursuant to a negotiated settlement after the Option Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act, such as a right to a jury trial, might not be enforceable.

Transfer fees are collectable as long as they reflect KFC’s reasonable estimate or actual costs in effecting a transfer.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Option Agreement.

**KFC US, LLC:**

**OPTIONEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date\*: \_\_\_\_\_  
(\*This is the Effective Date)

\_\_\_\_\_  
[Name]  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT J**  
**(TO NON-TRADITIONAL LICENSE DISCLOSURE DOCUMENT)**

**GUARANTY**

## GUARANTY

For value received, the receipt and sufficiency of which is hereby acknowledged, and in order to induce KFC US, LLC, a limited liability company ("KFC"), its parents, subsidiaries, affiliates, successors, and assigns, and/or KFC National Council and Advertising Cooperative, Inc., a Delaware corporation, (hereinafter referred to as "Obligees," whether one or more) to enter into certain Franchise Agreements, Non-Traditional License Agreements, Advertising Agreements, Restaurant Technology Agreement, Leases, Subleases and Assignments of Leases and to do certain business with «Legal Entity Name» (the "Obligor"), of «City, State of Legal Entity's Principal Office», the undersigned (hereinafter referred to as the "Guarantors," whether one or more) jointly and severally guarantee unconditionally and absolutely to Obligees that the Obligor will fully, promptly and faithfully perform, pay and discharge all of the Obligor's present and future indebtedness or obligations to Obligees, whether direct or indirect, absolute or contingent, primary or secondary, joint or several, including, but not limited to, any indebtedness or obligations arising by any terms, covenants or conditions of any Franchise Agreements, Non-Traditional License Agreements, Advertising Agreements, Restaurant Technology Agreement, Leases, Subleases and Assignments of Leases between Obligees and the Obligor, and all renewals, extensions and amendments thereof, including, without limitation, any representations, warranties and indemnities contained in such Franchise Agreements, Non-Traditional License Agreements, Advertising Agreements, Restaurant Technology Agreement, Leases, Subleases and Assignments of Leases (collectively the "Guaranteed Obligations"), relating to or arising out of the operation of each of the Kentucky Fried Chicken restaurant(s) (hereinafter referred to as the "Outlet(s)") set forth on the attached Schedule 1, as it may be amended periodically.

In the event of default by the Obligor in performance, payment, or discharge of all or part of the Guaranteed Obligations, the Guarantors, jointly and severally with other guarantors of the Guaranteed Obligations, shall, on demand and without further notice of dishonor or other notice which may be required to be given by any statute or rule of law, perform, pay or discharge such Guaranteed Obligations and pay all losses, costs, and expenses which Obligees may suffer by reason of the default. Unless otherwise required pursuant to the Guaranteed Obligations or otherwise directed by KFC, such performance, payment or discharge shall be made at Obligees' main office in ~~Louisville, Kentucky~~ Plano, Texas. Guarantors hereby severally waive notice of acceptance of this Guaranty and all other notices in connection herewith or in connection with the Guaranteed Obligations and waive diligence, presentment, demand protest and notice of non-payment, protest and suit on the part of Obligees in the enforcement or collection of any of the Guaranteed Obligations and agree that Obligees shall not be required first to endeavor to secure performance or discharge of or collect from the Obligor or any other guarantors of the Guaranteed Obligations or to foreclose, proceed against or exhaust any collateral or security for any Guaranteed Obligations, before requiring Guarantors, or any of them, to perform, pay or discharge the full liability hereby created. Suit may be brought and maintained against any one or more of the Guarantors, at the election of Obligees, without joinder of the Obligor or the other guarantors of the Guaranteed Obligations, including other Guarantors, as parties thereto. If Obligees institute and prevail entirely in any action at law or in equity against Guarantors based entirely or in part on the terms of this Agreement, Obligees shall be entitled to recover, in addition to any judgment entered in their favor, reasonable attorneys' fees, court costs and all of Obligees' expenses in connection with the litigation. If Guarantors prevail entirely in any claim instituted by Obligees, they will be entitled to such fees, costs and expenses. If neither side prevails entirely, each will bear his own costs. Demand hereunder shall be deemed to have been made when

made in person, emailed, or mailed postage prepaid to the respective Guarantors' most recent address on file with Obligees.

This Guaranty is continuing and shall continue to apply without regard to the form or amount of Guaranteed Obligations which the Obligor may create, renew, extend or alter, in whole or in part, without notice to the Guarantors.

Obligees may from time to time, at their discretion and with or without valuable consideration, surrender, release, subordinate, exchange or alter any Guaranteed Obligation without affecting the liability of the Guarantors under this Guaranty and this Guaranty shall continue effective notwithstanding any legal disability of the Obligor to incur any Guaranteed Obligations. Any action or inaction by Obligees with regard to the Guaranteed Obligations or this Guaranty shall not impair or diminish the obligations of the Guarantors hereunder. Obligees shall not be liable for their failure to use diligence in the enforcement of collection of the Guaranteed Obligations or in preserving the liability of any person liable thereon.

Obligees are relying and are entitled to rely upon each and all of the provisions of this Guaranty; and accordingly if any provision or provisions of this Guaranty should be held to be invalid or ineffective, then all other provisions shall continue in full force and effect notwithstanding. This Guaranty is not intended and does not replace, cancel or otherwise modify or affect any other guaranty of the Guarantors, or any of them, held by Obligees now or hereafter, relating to the Obligor or other persons or entities. This Guaranty has been made and accepted in the ~~Commonwealth of Kentucky~~ State of Texas, and it shall be interpreted in accordance with and governed by the laws of the ~~Commonwealth of Kentucky~~ State of Texas.

Guarantors hereby unconditionally and absolutely guarantee the payment of all of said Guaranteed Obligations, regardless of any act or omission of Obligees or any party with reference to any of said indebtedness or any security or rights existing or to exist in connection therewith; and Guarantors agree that Obligees shall in no way be obligated to bring or prosecute any action against Obligor of said Guaranteed Obligations or make any demand on Obligor or give any notice of any kind to any party. Obligees shall not be liable or accountable in any respect, nor shall Guarantors have a right of recourse against Obligees by reason of, any act or omission on the part of Obligees in connection with any of the matters herein mentioned.

The amount of the maximum aggregate liability of the Guarantors for the Guaranteed Obligations, with the other guarantors of the Guaranteed Obligations is identified on Schedule 1, as it may be amended periodically; provided, however, all guarantors of the Guaranteed Obligations are jointly and severally liable for the Guaranteed Obligations. The date on which this Guaranty terminates is five years after the expiration, of the last Franchise Agreement or Non-Traditional License Agreement (including any renewal or extension thereof) executed for any of the Outlets in Schedule 1, provided, however, that such termination shall not affect the liability of the Guarantors with respect to:

- (1) Guaranteed Obligations created or incurred prior to such date; or
- (2) Extensions or renewals of, interest accruing on, or fees, costs, or expenses incurred with respect to, such Guaranteed Obligations on or after such date.

Guarantors acknowledge and agree that they have previously executed one or more guaranties associated with certain Outlets set forth in Schedule 1 (the “Existing Guaranties”), and that the execution by Guarantors of this Guaranty shall not terminate or otherwise release Guarantors from the Existing Guaranties with respect to obligations that accrued prior to the date hereof. However, Guarantors further acknowledge and agree that the maximum aggregate liability set forth above for this Guaranty shall apply to all the Outlets set forth on Schedule 1 from and after the date hereof, whether subject to the Existing Guaranties or not.

It is the intention of the parties that this Guaranty, together with, for any and all Outlets or locations, the Franchise Agreements, Non-Traditional License Agreements, Advertising Agreements, Restaurant Technology Agreements, Leases, Subleases and Assignments of Leases, [any relationship agreement, marketing agreement, franchise agreement] and any other agreement, addendums, amendments, or related documents executed by KFC (or an affiliate) and the Obligor, Guarantors or any affiliated or related party, regardless of whether such agreements are entered into contemporaneously or separately, are intended to operate and be construed together as integrated and inseparable documents, and are each essential and necessary to the other for the operation of one or more of the Outlets.

Executed on \_\_\_\_\_

GUARANTORS:

\_\_\_\_\_  
[Guarantor 1 First and Last Name]

\_\_\_\_\_  
[Guarantor 2 First and Last Name]

**SCHEDULE 1 TO GUARANTY**  
**Executed on [insert date guaranty originally executed]**  
**Effective Date: This Schedule 1 is effective**  
**as of \_\_\_\_\_**

The maximum aggregate liability of the Guarantors for the Guaranteed Obligations is \$\_\_\_\_\_.

**Outlet ID # \_\_\_\_\_ Outlet Address \_\_\_\_\_**

Executed on \_\_\_\_\_.

GUARANTORS:

\_\_\_\_\_  
[Guarantor 1 First and Last Name]

\_\_\_\_\_  
[Guarantor 2 First and Last Name]

**EXHIBIT K**  
**(TO NON-TRADITIONAL LICENSE DISCLOSURE DOCUMENT)**

**SUCCESSOR ADDENDUM**  
**(TO KENTUCKY FRIED CHICKEN**  
**NON-TRADITIONAL LICENSE AGREEMENT)**

**SUCCESSOR ADDENDUM TO  
KFC NON-TRADITIONAL LICENSE AGREEMENT**

**THIS SUCCESSOR ADDENDUM TO KFC NON-TRADITIONAL LICENSE AGREEMENT** (this “**Addendum**”) is made as of **[DATE]** (the “**Agreement Date**”) by and between KFC US, LLC, a Delaware limited liability company (“**Licensor**”) and **[LICENSEE]** a **[STATE]** **[TYPE OF LEGAL ENTITY]** (“**Licensee**”).

**RECITALS**

A. Licensor and Licensee are parties to a license agreement dated **[DATE OF CURRENT LICENSE AGREEMENT]**, as amended, (the “**Prior License Agreement**”) pursuant to which Licensee operates a Kentucky Fried Chicken Non-Traditional eOutlet located at **[LOCATION ADDRESS]** (the “**Location**”), which is located within **[VENUE NAME/DESCRIPTION]** (the “**Venue**”).

B. The Prior License Agreement will expire under its own terms on **[DATE OF CURRENT AGREEMENT EXPIRATION]** and Licensee has expressed a desire to enter into a successor license to operate the Location.

C. Simultaneously with the execution of this Addendum, Licensor and Licensee have executed Licensor’s current form of license agreement (the “**License Agreement**”) for the continuing operation of the Location.

D. Licensor and Licensee have agreed to certain modifications of the License Agreement to reflect that the License Agreement is a successor agreement to allow continued operations of the existing Location.

**AGREEMENT**

In consideration of the above recitals and the provisions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Effective Date and Conditions Precedent.** The License Agreement shall become effective on the expiration date of the Prior License Agreement (the “**Effective Date**”), subject to Licensee’s satisfaction of the following conditions precedent:

(a) Licensee pays to Licensor the then-current successor license fee, which fee is in lieu of paying an initial license fee;

(b) As of the Effective Date, Licensee must be current in all financial obligations and debts owed to Licensor and its subsidiaries and affiliates, whether arising under the License Agreement, other agreements with Licensor, or any promissory notes or other evidences of indebtedness; and

(c) Licensor shall not have failed to remedy any breach specified by Licensor in any notice then outstanding under Section 11.1 of the Prior License Agreement.

If, however, Licensee fails to satisfy any of the above conditions by the Effective Date, then the License Agreement will not go into effect and Licensee will be required to comply with all post-expiration obligations under the Prior License Agreement, including, without limitation, those set forth in Section 12 of the Prior License Agreement.

## 2. Licensee's Continuing Obligations.

In consideration of Licensor granting to Licensee the successor License Agreement, Licensee agrees, at its sole cost and expense, to

(a) obtain and use the point-of-sale ("POS") and back-of-house (BOH) hardware and software Licensor periodically designates including taking all necessary actions to ensure the Location is in full compliance with Section 4 of the License Agreement, on or before date included on Exhibit A.

(b) upgrade or relocate the Location and complete any maintenance, upgrades or repairs in accordance with the timeline and requirements described on Exhibit A to this Addendum. All upgrades, modifications, and repairs shall be in accordance with Licensor's current standards and image. Plans must be submitted to and approved in writing by KFC Architecture & Design prior to commencing construction. Licensee shall have the sole responsibility for communicating with Licensor to ensure the timely receipt by Licensee of Licensor's standards, image, plans and approvals, in order to allow the full and timely completion by Licensee of the above-referenced requirement(s). It shall be the Licensee's sole responsibility to comply with the local law regarding the securing of any architect stamps, permits, licenses, or other necessary governmental approvals and bear the sole responsibility and associated cost of such. Licensee acknowledges that such requirements are not intended to limit Licensee's obligations under the License Agreement in any way.

(c) If Licensee fails to satisfy its obligations under this Section 2 and fails to cure such default within thirty (30) days of receipt of written notice from Licensor of such default, then automatically and without further action required from Licensor, the License Agreement will terminate on the thirty-first (31<sup>st</sup>) day following Licensee's receipt of written notice of such default, as permitted by applicable law. Upon such termination of the License Agreement, Licensee will be required to comply with all post-termination obligations, including, without limitation, those set forth in Section 12 of the License Agreement.

3. Time of the Essence. Time is of the essence of this Addendum. The conditional consent to issue a successor license agreement has been granted in reliance on Licensee's representations and assurances that it will duly and timely perform the conditions and requirements described in Section 2 of this Addendum.

4. **Expiration of Prior License Agreement.** As of the Effective Date of the License Agreement, the Prior License Agreement shall expire and have no further force and effect.

5. **Employment Relationship.** Licensee acknowledges and agrees that it is solely responsible for all decisions relating to employees, agents, and independent contractors that it may hire to assist in the operation of the Location. Any employee, agent, or independent contractor that Licensee hires is Licensee's employee, agent, or independent contractor, and not Licensor's employee, agent, or independent contractor. Licensee is exclusively responsible for the terms and conditions of employment of Licensee's employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. Licensee agrees to manage the employment functions of the Location in compliance with federal, state, and local employment laws.

6. **Miscellaneous.**

(a) **Recitals.** The recitals above are true and correct and are incorporated herein by reference and made a part of this Addendum.

(b) **Defined Terms.** All defined terms used but not defined in this Addendum shall have the meanings given to them in the License Agreement.

(c) **Amendment.** Neither this Addendum nor any of the terms hereof may be amended, waived, discharged or terminated unless such amendment, waiver, discharge or termination is in writing signed by the parties hereto.

(d) **Successors and Assigns.** This Addendum and the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns.

(e) **Scope of Addendum.** Except as expressly provided for in this Addendum, all provisions of the License Agreement and any amendments thereto remain in full force and effect.

(f) **Counterparts.** This Addendum may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Addendum or any counterpart may be executed via facsimile or electronic transmission or other electronic means, and any such executed facsimile or electronic copy shall be treated as an original.

**IN WITNESS WHEREOF**, the parties hereto have caused this Addendum to be duly executed by their proper and duly authorized officers as of the Agreement Date.

**LICENSOR:**

**LICENSEE:**

**KFC US, LLC**

**[LICENSEE/LEGAL ENTITY]**

Sign: \_\_\_\_\_

Sign: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**  
**SUCCESSOR AGREEMENT REQUIREMENTS**

Requirement: Upgrade to the then current asset image  
Due Date: **[DUE DATE]**

Requirement: Complete Install of current Required Restaurant Technology  
Due Date: **[DUE DATE]**

**EXHIBIT L**

**RESTAURANT TECHNOLOGY AGREEMENT**

## RESTAURANT TECHNOLOGY AGREEMENT

This Restaurant Technology Agreement (“**Agreement**”) is entered into by and between KFC US, LLC, a Delaware limited liability company, with its principal business address at ~~1900 Colonel Sanders Lane, Louisville, Kentucky 40213~~ 7100 Corporate Drive, Plano, Texas 75024 (“KFC”), and [FranchiseeLicensee Legal Entity], a(n) [State of incorporation/registration] [type of legal entity (e.g., corporation, limited liability company, etc.)] whose principal business address is [FranchiseeLicensee Legal Entity Principal Business Address] (“FranchiseeLicensee”), effective as of the date signed by KFC (“**Effective Date**”). KFC and FranchiseeLicensee may be referred to collectively as the “**Parties**” or individually as a “**Party**.”

### Recitals:

KFC and FranchiseeLicensee are parties to certain FranchiseNon-Traditional License Agreements, and may enter into additional FranchiseNon-Traditional License Agreements in the future, (hereinafter referred to as the “FranchiseNon-Traditional License Agreements”), in which KFC granted the FranchiseeLicensee a license to use the trademarks owned by KFC in connection with the sale of “Kentucky Fried Chicken” and other approved food products at KFC-branded outlets (hereinafter referred to as the “**Outlets**”);

KFC has agreed to license or sublicense certain software and provide certain services to FranchiseeLicensee in accordance with the terms of this Agreement; and

FranchiseeLicensee desires to access the software and obtain the services as may be made available from time to time by KFC in accordance with the terms of this Agreement.

### Agreement:

In consideration of the foregoing Recitals and the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. Definitions.

(a) “**Authorized User**” means ~~Franchisee and Franchisee’s Licensee and Licensee’s~~ employees and authorized agents who are authorized by FranchiseeLicensee to access and use the Restaurant Technology for the internal use of FranchiseeLicensee in operating the Outlets only and for no other purpose.

(b) “**Documentation**” means KFC’s user manuals, handbooks, guides, and standards relating to the Restaurant Technology provided by KFC to FranchiseeLicensee in any form.

(c) “**Employee Data**” means information, data, and other content related to ~~Franchisee’s Licensee’s~~ employees that is submitted, transmitted, created, generated, stored, posted, or otherwise processed or accessed through the Restaurant Technology installed on-site in ~~Franchisee’s Licensee’s~~ Outlets. All Personally Identifiable

Information related to [Franchisee's Licensee's](#) employees shall be part of the Employee Data, to the extent permitted by applicable law.

(d) **“Equipment”** means the on-site equipment, hardware, appliances, products, or other devices that [Franchisee Licensee](#) will be required to obtain in order to access and use the Restaurant Technology from the Outlets.

(e) **“Licensed Property”** means the Restaurant Technology, the Documentation, and all intellectual property related to the foregoing, including without limitation, the underlying software, algorithms, designs, methodologies, procedures, and proprietary processes of the Restaurant Technology (subject to any third party's rights to any platform or software component of the Restaurant Technology licensed to KFC, and sublicensed to [Franchisee Licensee](#) under this Agreement), and the Documentation provided to [Franchisee Licensee](#) or an Authorized User in connection with the foregoing.

(f) **“Personally Identifiable Information”** means any information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, bank account information, credit card information, product purchase history, geolocation data, biometric or health data, government-issued identification numbers, and credit report information. For the avoidance of doubt, this definition includes any information defined as “personal information” or “personally identifiable information” under U.S. state or federal data privacy laws.

(g) **“Restaurant Technology”** means the technology platforms, hardware and software components periodically made available by KFC to its [franchisees licensees](#) for use on-site at KFC-branded restaurants from time to time and as may be more particularly described in the applicable Documentation. The required and optional Restaurant Technology made available to [franchisees licensees](#) is identified in the KFC standards and specifications provided to [franchisees licensees](#) and updated from time to time. The required Restaurant Technology as of the Effective Date is identified on [Schedule A](#). KFC periodically may modify the platforms and software components of the Restaurant Technology that it makes available to [franchisees licensees](#), and will notify [Franchisee Licensee](#) of any such modifications. Restaurant Technology platforms and software components may include platforms and software components developed by KFC or Third-Party Products. For the avoidance of doubt, Restaurant Technology does not include customer-facing mobile applications or KFC website based platforms and software that are not accessed or operated from hardware that is located on-site at [Franchisee's Licensee's](#) Restaurants (regardless of whether customer orders are directed to the Outlets from such mobile applications or KFC website based platforms and software), which are covered by KFC's digital platform standards and the corresponding digital fees.

(h) **“Security Approver”** means [Franchisee's Licensee's](#) designated authorized representative who administers the Restaurant Technology in

[Franchisee's Licensee's](#) Outlets, including managing system configurations and access by Authorized Users.

(i) **“Services Data”** means information, data, and other content in any form or medium that is submitted, transmitted, created, generated, stored, posted, or otherwise processed or accessed through the Restaurant Technology installed in [Franchisee's Licensee's](#) Outlets, including all information and data related to customers of [Franchisee's Licensee's](#) Outlets. All Personally Identifiable Information related to the customers of [Franchisee's Licensee's](#) Outlets shall be part of the Services Data, to the extent permitted by applicable law.

(j) **“Third-Party Products”** means any third-party products, software, data, or services that are provided with, incorporated into or integrated with the Restaurant Technology. For the avoidance of doubt, third-party products, software, data, or services (excluding KFC Services (defined below in Section 2(b))) provided by Yum Brands, Inc. or its affiliates, other than KFC or KFC Corporation, are Third-Party Products.

## 2. Access, Services, and Use.

(a) Restaurant Technology and Documentation. Subject to and conditioned upon [Franchisee's Licensee's](#) compliance with the terms and conditions of this Agreement, KFC hereby grants to [Franchisee Licensee](#) a non-exclusive, non-sublicensable, non-transferable, limited license for [Franchisee Licensee](#) and its Authorized Users to access and use the Restaurant Technology and Documentation during the Term solely to operate [Franchisee's Licensee's](#) Outlets. There is no grant of rights under this Agreement in or to the infrastructure used to deliver the Restaurant Technology. [Franchisee Licensee](#) agrees to use all Restaurant Technology required by KFC, and to obtain and maintain all Equipment or other infrastructure necessary to use such Restaurant Technology. [Franchisee Licensee](#) further agrees that if it opts to use any Restaurant Technology that KFC designates as optional, it shall obtain and maintain all Equipment and other infrastructure necessary to use such optional Restaurant Technology.

(b) KFC Services. During the Term of this Agreement, KFC will provide [Franchisee Licensee](#) with certain services in connection with the Restaurant Technology, which may include developing, upgrading, enhancing, implementing, operating, maintaining, supporting (including help desk and data management services), hosting, securing, and integrating new and existing technology platforms, and providing such other services as it periodically determines, all as may be more specifically identified by KFC standards or otherwise in writing (the **“KFC Services”**). The KFC Services provided to [franchisees licensees](#) are identified in the KFC standards and specifications provided to KFC [franchisees licensees](#), as may be updated from time to time, or as otherwise provided by KFC in writing. The KFC Services provided as of the Effective Date are identified on Schedule B to this Agreement. Notwithstanding the foregoing, KFC reserves the right to cease providing the KFC Services to [Franchisee Licensee](#) (the **“Services Suspension”**) if [Franchisee Licensee](#) is in default of this Agreement and fails to cure such default within the applicable cure period, if any, as provided in Section 12(b)

of this Agreement. The right of Services Suspension will be in addition to any other rights or remedies available to KFC under this Agreement or any [FranchiseNon-Traditional License](#) Agreement, including termination. If KFC does not terminate this Agreement as a result of such default, then, KFC shall resume providing the KFC Services as soon as reasonably possible after the event giving rise to the Services Suspension is cured. KFC will have no liability for any cost, expense, damage, liabilities, losses (including any loss of data or profits), or any other consequences that [FranchiseeLicensee](#) or any Authorized User may incur as a result of the Services Suspension.

(c) Use Restrictions. [FranchiseeLicensee](#) and its Authorized Users shall not use the Licensed Property for any purposes beyond the scope of the access granted in this Agreement. [FranchiseeLicensee](#) shall not at any time, directly or indirectly, and shall not permit any Authorized Users to: (i) copy, modify, or create derivative works of the Licensed Property in whole or in part; (ii) rent, lease, lend, sell, offer for sale, license, sublicense, assign, distribute, publish, transfer, or otherwise make available the Licensed Property; (iii) reverse engineer, disassemble, decompile, decode, adapt, or otherwise attempt to derive or gain access to any software component of the Licensed Property, in whole or in part; (iv) remove any proprietary notices from the Licensed Property; (v) use the Licensed Property in any manner inconsistent with KFC's standards and specifications, as identified in the KFC standards library or otherwise in writing; or (vi) use the Licensed Property in any manner or for any purpose that violates applicable law or that infringes, misappropriates, or otherwise violates any intellectual property, publicity, privacy, or other right of any person or entity.

(d) Reservation of Rights. Except for the limited rights and licenses expressly granted under this Agreement, nothing in this Agreement grants, by implication, waiver, estoppel, or otherwise, to [FranchiseeLicensee](#), its Authorized Users or any third party any intellectual property rights or other right, title, or interest in or to the Licensed Property.

(e) Suspension. Notwithstanding anything to the contrary in this Agreement, KFC reserves the right to suspend [Franchisee'sLicensee's](#) and any Authorized User's access to any portion or all of the Licensed Property, whether to one, some or all of [Franchisee'sLicensee's](#) Outlets, if: (i) KFC reasonably determines that (A) there is a threat of harm to or actual harm to any of the components comprising the Licensed Property; (B) [Franchisee'sLicensee's](#) or any Authorized User's use of the Licensed Property disrupts or poses a risk to any of the components comprising the Licensed Property or to third parties; (C) [FranchiseeLicensee](#) or any Authorized User is using the Licensed Property for unauthorized, fraudulent or illegal activities; (D) [FranchiseeLicensee](#) has ceased to continue its business in the ordinary course, made an assignment for the benefit of creditors or similar disposition of its assets, or become the subject of any bankruptcy, reorganization, liquidation, dissolution, or similar proceeding; (E) suspension is advisable for purposes of conducting either routine or emergency maintenance; or (F) KFC's provision of the Licensed Property to [FranchiseeLicensee](#) or an Authorized User is prohibited by applicable law or should be suspended to accommodate a governmental or other investigation; (ii) any vendor of KFC has suspended or terminated KFC's access to or use of any third-party services or products

required to enable [FranchiseeLicensee](#) to access the Licensed Property; (iii) [FranchiseeLicensee](#) fails to obtain, upgrade, or maintain the required Equipment necessary to operate the Licensed Property; (iv) [FranchiseeLicensee](#) fails to timely pay the Technology Fees or other amounts due under this Agreement and does not cure such failure within the applicable cure period; or (v) in response to a [FranchiseeLicensee](#) breach or default of the terms of this Agreement and does not cure such default within the applicable cure period; (any such suspension described in subclause (i) - (v), an “**Access Suspension**”). KFC shall use commercially reasonable efforts to provide [FranchiseeLicensee](#) with updates regarding resumption of access following any Access Suspension. KFC shall use commercially reasonable efforts to resume providing access as soon as reasonably possible after the event giving rise to the Access Suspension is cured. KFC will have no liability for any cost, expense, damage, liabilities, losses (including any loss of data or profits), or any other consequences that [FranchiseeLicensee](#) or any Authorized User may incur as a result of an Access Suspension.

### 3. [FranchiseeLicensee](#) Responsibilities.

(a) **General.** [FranchiseeLicensee](#) is responsible and liable for all uses of the Licensed Property resulting from access provided by [FranchiseeLicensee](#), directly or indirectly, whether such access or use is permitted by or in violation of this Agreement. Without limiting the generality of the foregoing, [FranchiseeLicensee](#) is responsible for all acts and omissions of Authorized Users, and any act or omission by an Authorized User that would constitute a breach of this Agreement if taken by [FranchiseeLicensee](#) will be deemed a breach of this Agreement by [FranchiseeLicensee](#). [FranchiseeLicensee](#) shall make all Authorized Users aware of this Agreement’s provisions as applicable to such Authorized User’s use of the Licensed Property and confidentiality obligations, and shall cause Authorized Users to comply with such provisions.

(b) **Passwords; Access Controls.** [FranchiseeLicensee](#) shall be responsible for the safekeeping, proper use and management of all passwords or other access controls to the Restaurant Technology to be used by [FranchiseeLicensee](#) and its Authorized Users, including compliance with applicable law and KFC’s security related standards as they are modified from time to time. [FranchiseeLicensee](#) shall designate a Security Approver to administer access to the Restaurant Technology by [FranchiseeLicensee](#) and its Authorized Users. [FranchiseeLicensee](#) shall implement adequate security controls to ensure that all passwords and access controls are made available only to Authorized Users for the uses permitted under this Agreement. If [FranchiseeLicensee](#) learns of any loss or unauthorized use of such passwords or access controls, [FranchiseeLicensee](#) shall immediately notify KFC of the same and reasonably cooperate in the investigation of the incident and take such steps as KFC may require to contain and minimize any adverse consequences arising from such loss or unauthorized use.

(c) **Third-Party Products.** KFC may from time to time make Third-Party Products available to [FranchiseeLicensee](#) as part of the Restaurant Technology. Such Third-Party Products may be subject to their own terms and conditions, which will be made available to [FranchiseeLicensee](#) in a reasonable form. If [FranchiseeLicensee](#) uses the Third-Party Products, which may be required by KFC, [FranchiseeLicensee](#) must

abide by the applicable terms and conditions required for use of such Third-Party Products by the applicable third-party. Further, KFC may require that [FranchiseeLicensee](#) enter into agreements with third-party vendors for the Third-Party Products or for the upgrading and maintenance of Restaurant Technology components; if applicable, [FranchiseeLicensee](#) will enter into and comply with those agreements.

(d) Maintenance, Upgrading, and Data Updates. Although KFC is licensing the Restaurant Technology to [FranchiseeLicensee](#), [Licensee](#) will have sole and complete responsibility for: (1) the acquisition, installation, operation, maintenance, and upgrading of the Equipment and the Restaurant Technology installed at [Franchisee'sLicensee's](#) Outlets; (2) the interface of [Franchisee'sLicensee's](#) Equipment and Restaurant Technology at [Franchisee'sLicensee's](#) Outlets with any third party's computer system; (3) any and all consequences if the Equipment and Restaurant Technology installed at [Franchisee'sLicensee's](#) Outlets is not properly operated, maintained, and upgraded; and (4) verifying the accuracy of all data updates requested by [FranchiseeLicensee](#) and made by KFC to [Franchisee'sLicensee's](#) point of sale system (including, without limitation, menu prices, coupons, and tax table). [FranchiseeLicensee](#) acknowledges and agrees that KFC shall have no liability for any lost revenue or tax collection as a result of an incorrect update or change.

(e) Equipment and Connectivity. [FranchiseeLicensee](#) acknowledges and agrees that it must obtain all required Equipment and connectivity services in accordance with KFC's standards, specifications and requirements, and from approved or designated suppliers. This Agreement does not apply to and does not cover any Equipment or connectivity, which may be covered by a separate agreement between [FranchiseeLicensee](#) and the approved or designated supplier. During the Term, [FranchiseeLicensee](#) may need to obtain new, additional or replacement Equipment to comply with KFC standards, and obtain ongoing maintenance on the Equipment. [FranchiseeLicensee](#) agrees to complete any required maintenance, and to obtain such new, additional or replacement Equipment as soon as practicable and to incur the cost to obtain such Equipment.

#### 4. Modifications; Remedies.

(a) Modifications. KFC may in the future elect to modify, enhance, redesign, discontinue or offer substitute Restaurant Technology or KFC Services, or add new platforms or software components to the Restaurant Technology or KFC Services, upon reasonable written notice to [FranchiseeLicensee](#). KFC may require [FranchiseeLicensee](#) to license, purchase, implement and utilize any modifications or additions to (i) the required Restaurant Technology, and (ii) such optional Restaurant Technology that [FranchiseeLicensee](#) has opted to use. [FranchiseeLicensee](#) shall adopt and implement such replacement or additional Restaurant Technology (for all required Restaurant Technology, and for the optional Restaurant Technology that [FranchiseeLicensee](#) has opted to use) as soon as practicable following KFC's request, at [Franchisee'sLicensee's](#) sole expense. Further, KFC may, (i) upon no less than 90 days' notice, eliminate and remove platforms from the Restaurant Technology, and (ii) upon no less than 180 days' notice, cease to make the Restaurant Technology available to [FranchiseeLicensee](#). In

each case and upon the same notice period defined in the preceding sentence, KFC may also require [FranchiseeLicensee](#) to obtain substitute platforms, software components, services or the Restaurant Technology as a whole directly from a third-party vendor at [Franchisee'sLicensee's](#) cost.

(b) Remedies.

(i) KFC does not guarantee any minimum service levels for any of the Restaurant Technology, unless expressly provided in the applicable KFC standard related to such platform or software component. However, if [FranchiseeLicensee](#) notifies KFC that the Restaurant Technology has suffered a material error or malfunction or [Franchisee'sLicensee's](#) access to the Restaurant Technology has been disrupted and such disruption is not as a result of [Franchisee'sLicensee's](#) breach or a force majeure event, KFC will use commercially reasonable efforts to promptly correct all such material errors or malfunctions or to restore [Franchisee'sLicensee's](#) access to the Restaurant Technology in accordance with the support services process identified in KFC's standards library. Provided, that, if the platform or software component is a Third-Party Product, the resolution and support process may be managed through the applicable third-party's support process.

(ii) If KFC fails to provide any of the KFC Services and such failure results in the material impairment of the functionality of the Restaurant Technology, then if [FranchiseeLicensee](#) provides KFC with prompt written notice (email being sufficient if sent to KFC's Chief Legal Officer and Chief Information Officer), KFC will use its commercially reasonable efforts to promptly re-perform and/or improve the KFC Services, as appropriate. If KFC does not re-perform the KFC Services within a reasonable time, KFC agrees, as [Franchisee'sLicensee's](#) sole remedy, to provide a credit equal to a portion of or the entire amount charged for that portion of the KFC Services that was not performed, which credit may be applied to [Franchisee'sLicensee's](#) next Technology Fees payment.

5. Fees and Payment.

(a) Technology Fees. [FranchiseeLicensee](#) shall pay KFC the then-current technology fees ("**Technology Fees**"), without offset or deduction, which may comprise of a monthly fee for each Outlet for annual operating expenses, which include ongoing subscription, maintenance, support, of various required technology platforms and software components that are part of the Restaurant Technology, and for the related KFC Services, as well as per transaction fees for each customer transaction processed through the Restaurant Technology. The Technology Fees will not include operating expenses relating to KFC Level 12 and above employee salaries, travel & expenses, employee bonuses, benefits, or infrastructure, or any KFC general and administrative costs unrelated to the provision of KFC Services. The Technology Fees as of the Effective Date are set forth in Schedule C. KFC may modify the amount of the Technology Fees upon reasonable notice to [FranchiseeLicensee](#) (email notice being sufficient) after

consultation with the Technology Committee. The Technology Fees cover only the required Restaurant Technology and related KFC Services, and per transaction fees related to required Restaurant Technology, if applicable; optional Restaurant Technology and their related KFC Services will be made available to [FranchiseeLicensee](#) for additional fees, including any applicable per transaction fees, which also may be adjusted upon reasonable notice to the [FranchiseeLicensee](#) (email notice being sufficient) after consultation with the Technology Committee.

(b) Installation Fees. [FranchiseeLicensee](#) will be responsible for the costs to install the Restaurant Technology at its Outlets, including any new platforms or software components added to the Restaurant Technology during the Term, during the timeframe reasonably required by KFC. At KFC's discretion, following consultation with the Technology Committee, it will either (i) designate one or more third-party vendors which [franchiseeslicensees](#) must utilize to install the Restaurant Technology, (ii) allow [FranchiseeLicensee](#) to select a qualified third-party vendor to install the Restaurant Technology, subject to a certification process, or (iii) allow [FranchiseeLicensee](#) to select from either a KFC designated third-party vendor or its own qualified third party vendor, subject to a certification process.

(c) Taxes. All Technology Fees, installation fees, project management fees, and other amounts payable by [FranchiseeLicensee](#) under this Agreement are exclusive of taxes, governmental charges, similar assessments, and assessments after audit. [FranchiseeLicensee](#) is responsible for all sales, use, property (ad valorem), and excise taxes, and any other similar taxes, duties, charges, and assessments of any kind imposed by any federal, state, or local governmental or regulatory authority on any amounts payable by [FranchiseeLicensee](#) hereunder, other than any taxes imposed on KFC's income or franchise taxes. If [FranchiseeLicensee](#) qualifies for tax exemptions, [FranchiseeLicensee](#) must provide KFC with appropriate exemption documentation.

(d) Payment. KFC will invoice [FranchiseeLicensee](#) monthly for the Technology Fees, installation fees, project management fees, and other fees incurred during the preceding calendar month. Invoices are due and payable thirty (30) days from [Franchisee'sLicensee's](#) receipt of such invoice. KFC may, at its option, require that Technology Fees, installation fees, project management fees, and any other amount payable under this Agreement to KFC be made by direct monthly withdrawals in the form of electronic, wire, automated transfer or similar funds transfer in the appropriate amount(s) from a bank or other financial institution account designated by the [FranchiseeLicensee](#). If [FranchiseeLicensee](#) fails to make any payment when due, without limiting KFC's other rights and remedies: (i) KFC may charge interest on the past due amount at the rate of 1.5% per month calculated daily and compounded monthly or, if lower, the highest rate permitted under applicable law; (ii) [FranchiseeLicensee](#) shall reimburse KFC for all costs incurred by KFC in collecting any late payments or interest, including attorneys' fees, court costs, and collection agency fees; and (iii) KFC may, subject to Section 12(b)(ii) regarding notice and opportunity to cure, suspend provision of the KFC Services to [FranchiseeLicensee](#) until such amounts are paid in full.

6. Data. The parties acknowledge that data privacy laws and regulations being implemented in the United States place certain requirements on consumer data owners. Additionally, third party vendors which access consumer data, such as the vendors that KFC regularly contract with to implement programs to benefit the KFC system, often demand that the data owner make representations regarding consumer data stemming from these laws and regulations.

(a) Use of Services Data. FranchiseeLicensee acknowledges and agrees that all Services Data is owned solely by KFC. Subject to and conditioned upon Franchisee'sLicensee's compliance with the terms and conditions of this Agreement, KFC hereby grants to FranchiseeLicensee a non-exclusive, non-sublicensable, non-transferable, limited right for FranchiseeLicensee and its Authorized Users to access and use the Services Data during the Term solely for Franchisee'sLicensee's internal business purposes in operating the Outlets and for no other purposes, provided that any such use must be (i) in accordance with applicable law, including but not limited to data privacy laws, (ii) in compliance with KFC's standards and specifications, and (iii) in compliance with KFC's privacy policy on its website as it is periodically updated. Franchisee'sLicensee's right of access to the Services Data is further limited to only that Services Data specifically related to Franchisee'sLicensee's Outlets to the extent that such access is necessary for FranchiseeLicensee to operate the Outlets in accordance with its obligations under the FranchiseNon-Traditional License Agreements. FranchiseeLicensee does not have a right to use, nor is it permitted to access, Services Data collected from other KFC outlets. Except for the limited rights and licenses expressly granted under this Agreement and except as expressly granted in Section 6(b), nothing in this Agreement grants, by implication, waiver, estoppel, or otherwise, to FranchiseeLicensee, its Authorized Users or any third party any intellectual property rights, ownership, or other right, title, or interest in or to the Services Data.

(b) FranchiseeLicensee Data. The parties acknowledge and agree that FranchiseeLicensee owns the sales, inventory and other information and data that is submitted, transmitted, created, generated, stored, posted, or otherwise processed through the Restaurant Technology at Franchisee'sLicensee's Outlets ("FranchiseeLicensee Data"), to the extent permitted by applicable law and under any applicable agreements with third parties. Provided, however, that "FranchiseeLicensee Data" does not include any Personally Identifiable Information, any other customer related information or data, or any data generated at other KFC Outlets (excluding other KFC Outlets owned by the FranchiseeLicensee), nor any information or data that originates from mobile applications or KFC website based platforms and software (i.e. kiosks) (regardless of whether customer orders and information are directed to the Outlets from such mobile applications or KFC website based platforms and software). FranchiseeLicensee acknowledges and agrees that it may not provide the FranchiseeLicensee Data to competitive or similar businesses (as defined in the FranchiseNon-Traditional License Agreements), nor share the FranchiseeLicensee Data in any manner in which it would become accessible by competitive businesses or could be used to compete with the KFC franchise system. FranchiseeLicensee acknowledges and agrees that Franchisor has an irrevocable right to use and allow third parties to use the FranchiseeLicensee Data for

any purpose that benefits KFC and the franchise system, including sharing the [FranchiseeLicensee](#) Data with third-party vendors that are subject to confidentiality and non-disclosure obligations, and with its affiliates, employees, and contractors, to manage and analyze the [FranchiseeLicensee](#) Data. [FranchiseeLicensee](#) further acknowledges that this Section does not give [FranchiseeLicensee](#) any ownership rights in any other Services Data that does not constitute [FranchiseeLicensee](#) Data.

(c) [FranchiseeLicensee](#) Responsibilities. [FranchiseeLicensee](#) is responsible and liable for all uses of the Services Data resulting from access provided by [FranchiseeLicensee](#), directly or indirectly, whether such access or use is permitted by or in violation of this Agreement, including actions and omissions by [Franchisee'sLicensee's](#) Authorized Users. [FranchiseeLicensee](#) shall make all Authorized Users aware of this Agreement's provisions as applicable to such Authorized User's use of the Services Data and shall cause Authorized Users to comply with such provisions. Further, [FranchiseeLicensee](#) shall promptly comply with all requests to return or destroy customer Personally Identifiable Information included in the Services Data, whether requested by KFC or the customer directly, in accordance with KFC's privacy policy and applicable law.

(d) Employee Data. Notwithstanding any else in this Section 6 or otherwise, KFC acknowledges and agrees that all Employee Data is owned solely by ~~Franchisee-~~[FranchiseeLicensee](#). [Licensee](#) hereby grants to KFC a non-exclusive, limited right for KFC to access and process Employee Data to verify [Franchisee'sLicensee's](#) compliance with KFC's standards and specifications, including, without limitation, as relates to [Franchisee'sLicensee's](#) satisfaction of employee training requirements, and to the extent necessary to provide [FranchiseeLicensee](#) with the KFC Services. Except for the limited rights and licenses expressly granted under this Agreement, nothing in this Agreement grants, by implication, waiver, estoppel, or otherwise, to KFC any intellectual property rights, ownership, or other right, title, or interest in or to the Employee Data.

## 7. Confidential Information.

(a) From time to time during the Term, KFC and [FranchiseeLicensee](#) may disclose or make available to the other party certain non-public information, whether orally or in written, electronic, or other form or media. All of the foregoing information constitutes the confidential information of the disclosing party (collectively, "**Confidential Information**") regardless of whether it has been marked or stamped as confidential. For the avoidance of doubt, Confidential Information of KFC includes information about or related to the Licensed Property and the Services Data. Confidential Information of [FranchiseeLicensee](#) includes the Employee Data and [FranchiseeLicensee](#) Data.

(b) KFC shall use the same degree of care to protect [Franchisee'sLicensee's](#) Confidential Information that it uses to protect the confidentiality of its own Confidential Information of like kind (but not less than reasonable care).

(c) Unless [FranchiseeLicensee](#) first obtains KFC's written permission, [FranchiseeLicensee](#) shall not disclose KFC's Confidential Information to any person or entity, except to its employees, affiliates, and vendors who have a need to know the Confidential Information, to exercise its rights or perform its obligations hereunder or to operate the Outlets. Furthermore, [FranchiseeLicensee](#) agrees that each employee, affiliate, agent, and vendor with access to KFC's Confidential Information must be subject to confidentiality obligations no less stringent than those contained in this Agreement.

(d) Confidential Information will not include any information (i) already known to the receiving party at the time of disclosure independent of any confidentiality obligation, (ii) in the public domain through no fault of the receiving party, (iii) which later becomes known from a third party without restrictions on disclosure, or (iv) which is independently developed by the receiving party without use of the disclosing party's Confidential Information.

(e) If the receiving party is required by applicable law or a valid legal order to disclose any of the disclosing party's Confidential Information, the receiving party shall promptly notify the disclosing party of such requirements before such disclosure so that the disclosing party may seek, at the disclosing party's expense, a protective order or other remedy, and the receiving party shall reasonably assist the disclosing party therewith. If the receiving party remains legally compelled to make such disclosure, it shall: (a) only disclose that portion of the Confidential Information that it is required to disclose; and (b) use reasonable efforts to ensure that such Confidential Information is afforded confidential treatment.

#### 8. Intellectual Property Ownership; Feedback.

(a) Ownership. [FranchiseeLicensee](#) acknowledges that, as between [FranchiseeLicensee](#) and KFC, KFC owns all right, title, and interest in and to, and all intellectual property rights in, (i) the Licensed Property which includes, without limitation, the Restaurant Technology and Documentation, and (ii) the Services Data (unless otherwise provided by applicable law with respect to any included Personally Identifiable information). [FranchiseeLicensee](#) has no rights in or to the foregoing except for the limited rights expressly granted in Section 2, Section 6(a), and any applicable data protection act.

(b) Feedback. If [FranchiseeLicensee](#) or any of its employees or contractors sends or transmits any communications or materials to KFC by mail, email, telephone, or otherwise, suggesting or recommending changes to the Licensed Property, including without limitation, new features or functionality relating thereto, or any comments, questions, suggestions, or the like ("**Feedback**"), KFC is free to use such Feedback for any purpose, without payment or any other obligations to [FranchiseeLicensee](#) or its employee or contractor, although KFC is not required to use any Feedback.

#### 9. Warranties; Remedies; Warranty Disclaimer.

(a) KFC shall deliver the KFC Services in a professional and workman-like manner. All KFC Services shall conform to the applicable performance standards and service levels identified in the KFC standards library or otherwise in writing. The current description of each service, performance standards, and service levels, as included in the KFC standards library is included in Schedule B.

(b) KFC warrants that it has the right to grant the licenses and sublicenses provided hereunder to use the Licensed Property, including any adjustments, enhancements or modifications thereto. KFC will use best efforts to obtain the assurances of third party vendors that the Licensed Property complies with applicable law at the time the third-party vendor contract is signed. In the event the use of any Licensed Property by [FranchiseeLicensee](#) or an Authorized User becomes prohibited by applicable law, KFC will use commercially reasonable efforts to provide substitute technology.

(c) KFC shall assign to [FranchiseeLicensee](#) all applicable third party warranties (and remedies for breach of such warranties) provided to KFC for any software component of the Restaurant Technology to the extent that it has the right to assign such warranties. To the extent such warranties are not assignable to [FranchiseeLicensee](#), KFC shall cooperate with [FranchiseeLicensee](#) to enforce such warranties on its behalf, provided that [FranchiseeLicensee](#) makes satisfactory arrangements for the payment of reasonable costs incurred by KFC to enforce such warranties.

(d) EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, (i) THE LICENSED PROPERTY IS PROVIDED “AS-IS AND AS-AVAILABLE” (ii) KFC SPECIFICALLY DISCLAIMS ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED REPRESENTATIONS AND WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, (iii) KFC HAS NO WARRANTY OBLIGATION FOR ANY THIRD-PARTY PRODUCTS OR EQUIPMENT, (iv) KFC MAKES NO WARRANTY OF ANY KIND THAT THE LICENSED PROPERTY, OR ANY RESULTS OF THE USE THEREOF, WILL MEET [FRANCHISEE’S LICENSEE’S](#) OR ANY OTHER PERSON’S REQUIREMENTS, OPERATE WITHOUT INTERRUPTION, ACHIEVE ANY INTENDED RESULT, OR BE SECURE, ACCURATE, AVAILABLE, COMPLETE, FREE OF HARMFUL CODE, OR ERROR FREE; AND (v) KFC MAKES NO WARRANTY THAT THE RESTAURANT TECHNOLOGY WILL BE COMPATIBLE WITH ANY HARDWARE (OTHER THAN THE THEN-APPROVED EQUIPMENT), NOR THAT IT WILL SUPPORT ANY SOFTWARE OR DATA, THAT KFC HAS NOT PROVIDED OR AUTHORIZED FOR USE BY [FRANCHISEE LICENSEE](#).

(e) KFC further agrees that in the event of an Access Suspension that is not as a result of [Franchisee’s Licensee’s](#) breach of this Agreement, if KFC collects any damages from a third-party vendor as a result of such Access Suspension, KFC will pass through any such damages it collects to [franchisees licensees](#) that were impacted by the Access Suspension. KFC will attribute such damages to all [franchisees licensees](#) impacted

by the Access Suspension as it reasonably determines in consultation with the Technology Committee. Provided, however, that nothing in this Section shall obligate KFC to take action to seek damages from any third-party vendors as a result of any Access Suspension.

10. Indemnification. **Franchisee**Licensee shall indemnify and hold harmless, KFC and its current and former parents, subsidiaries, and affiliates, and each foregoing entity's current and former owners, officers, directors, managers, employees, agents, representatives, predecessors, successors, and assigns, from and against any demands, judgments, awards, liabilities, damages, claims, causes of action, losses, costs and expenses (including reasonable attorneys' fees and expert witness fees) resulting or arising from (i) use of the Licensed Property or Service Data in a manner not authorized by this Agreement; (ii) use of the Licensed Property or Service Data in a manner not authorized by this Agreement; or (iii) infringement or misappropriation of third party intellectual property, privacy or other rights as a result of data, content or other information input into the Restaurant Technology by **Franchisee**Licensee or its Authorized Users, provided that **Franchisee**Licensee may not settle any such claims against KFC unless KFC consents to such settlement, and further provided that KFC will have the right, at its option, to defend itself against any such claims or to participate in the defense thereof by counsel of its own choice.

11. Limitations of Liability. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY HEREUNDER UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, AND OTHERWISE, FOR ANY (a) LOST PROFITS, OR (b) SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES, OR (c) USE, INABILITY TO USE, LOSS, INTERRUPTION, DELAY OR RECOVERY OF ANY DATA, OR BREACH OF DATA OR SYSTEM SECURITY, IN EACH CASE EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR SUCH DAMAGES WERE OTHERWISE FORESEEABLE. IN NO EVENT WILL EITHER PARTY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, AND OTHERWISE EXCEED THE TOTAL FEES PAID TO KFC UNDER THIS AGREEMENT DURING THE TWELVE (12) MONTH PERIOD PRECEDING THE EVENT GIVING RISE TO THE CLAIM.

12. Term and Termination.

(a) Term. The term of this Agreement begins on the Effective Date and shall terminate upon the expiration or termination of the last **Franchise**Non-Traditional License Agreement (including any renewal or extension thereof) executed for any of the Outlets (the "**Term**"), unless sooner terminated in accordance with the terms hereof.

(b) Termination. In addition to any other express termination right set forth in this Agreement:

(i) KFC reserves the right to terminate this Agreement upon written notice to **Franchisee**Licensee if at any time KFC ceases to make the Licensed

Property available to [FranchiseeLicensee](#) and requires [FranchiseeLicensee](#) to obtain substitute platforms, software components or services directly from a third-party vendor at [Franchisee'sLicensee's](#) cost. In such a circumstance, KFC will provide at least thirty (30) days advance written notice of termination.

(ii) KFC may terminate this Agreement, effective on written notice to [FranchiseeLicensee](#), if [FranchiseeLicensee](#) defaults on any of its obligations under this Agreement and such default continues uncured for more than thirty (30) days after KFC's delivery of written notice to [FranchiseeLicensee](#) of such default.

(iii) KFC may terminate this Agreement, effective immediately upon written notice to ~~Franchisee if~~ [FranchiseeLicensee if Licensee](#): (A) becomes insolvent or is generally unable to pay, or fails to pay, its debts as they become due; (B) files or has filed against it, a petition for voluntary or involuntary bankruptcy or otherwise becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law; (C) makes or seeks to make a general assignment for the benefit of its creditors; or (D) applies for or has appointed a receiver, trustee, custodian, or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business.

(iv) This Agreement shall automatically terminate as relates to a particular Outlet upon the termination or expiration of the [FranchiseNon-Traditional License](#) Agreement for such Outlet, or upon transfer of the [FranchiseNon-Traditional License](#) Agreement to an unaffiliated entity, but will remain in effect as to all other Outlets.

(c) Effect of Expiration or Termination. Upon expiration or earlier termination of this Agreement, [FranchiseeLicensee](#) shall immediately discontinue use of the Licensed Property and Services Data and, without limiting [Franchisee'sLicensee's](#) obligations under Section 7, [FranchiseeLicensee](#) shall delete, destroy, or return all copies of the Documentation, cease use and delete all Restaurant Technology from [Franchisee'sLicensee's](#) hardware, and delete, destroy, and return all other Licensed Property and Services Data in its possession and certify in writing to the KFC that the Documentation, Restaurant Technology, and other Licensed Property and Services Data has been deleted or destroyed. No expiration or termination will affect [Franchisee'sLicensee's](#) obligation to pay all Technology Fees, installation fees, project management fees, and other fees that may have become due before such expiration or termination.

(d) Survival. This Section 12(d) and Sections 1, 5, 6, 7, 8, 9, 10, 11, 12(c), and 13 survive any termination or expiration of this Agreement. No other provisions of this Agreement survive the expiration or earlier termination of this Agreement.

13. Miscellaneous.

(a) Data Security; Franchisee's Licensee's Responsibility. Franchisee Licensee shall comply with KFC's standards, including the IT brand security standards, and all applicable laws related to data protection, confidentiality, security and integrity of cardholder and card transaction data, and privacy and security of all Personally Identifiable Information of individuals within its possession or control including, Personally Identifiable Information of customers, its employees or contractors, or any other third parties. Franchisee Licensee shall notify KFC immediately of any suspected data security incident or breach (whether the incident or breach has been confirmed or not) and cooperate in all reasonable ways with KFC in investigating the matter and in taking appropriate steps to minimize any resulting harm.

(b) PCI Compliance and KFC Data Security. KFC will implement and maintain all applicable PCI DSS requirements, to the extent that: (i) KFC possesses or otherwise stores, processes, or transmits a customer's credit card number (i.e. the unique payment card number that identifies the issuer and the particular cardholder account on such credit card) (the "**Cardholder Data**"); or (ii) such Cardholder Data could be directly impacted by KFC's management of an applicable technology platform. KFC also shall implement and maintain standards, and shall transmit, process, and store Personally Identifiable Information within its possession or control, in compliance with all applicable laws related to the privacy, security, and protection of Personally Identifiable Information.

(c) AADA. KFC's parent company, KFC Corporation ("**KFCC**"), entered into the Advertising and Asset Deferral Agreement dated January 24, 2023 (the "**AADA**"), with the KFC National Council and Advertising Cooperative, Inc. ("**NCAC**") and the Association of Kentucky Fried Chicken Franchisees, Inc. ("**AKFCF**"), which provisions address the implementation of a restaurant level technology acceleration program. KFC acknowledges that Franchisee Licensee is an intended third-party beneficiary of Section 6(D) of the AADA, but only with respect to Franchisee's Licensee's own rights (i.e., not with respect to the rights of the NCAC, other Franchisees Licensees, or the KFC system as a whole), and only as and when applicable in accordance with this Agreement. Likewise, KFCC, NCAC and AKFCF entered into the Restaurant Technology Acceleration Agreement dated July 9, 2023 (the "**RTAA**"), which supplements the AADA. KFC acknowledges that Franchisee Licensee is an intended third-party beneficiary of Section 1(d) of the RTAA regarding KFC's use of Franchisee Licensee Data.

(d) Application to all Outlets. Franchisee Licensee agrees that this Agreement applies to all Outlets that Franchisee Licensee owns or operates in the United States, whether now or in the future.

(e) Termination of Existing Technology Agreements. Franchisee Licensee and KFC (on behalf of itself and its affiliate Yum Restaurant Services Group, Inc. or "**YRSG**") acknowledge and agree that this Agreement shall entirely replace and supersede the MERIT Agreement and any other of the technology agreements included in

the list attached as Schedule D (collectively, the “**Existing Technology Agreements**”) by and among the **Franchisee**Licensee, KFC, and YRSG, and that the Existing Technology Agreements are terminated, null, and void effective upon the execution of this Agreement on the date hereof, and that no party to the Existing Technology Agreements shall have any further liabilities or obligations of any nature whatsoever with respect to, in connection with or otherwise arising under the Existing Technology Agreements, except for those provisions that by their nature survive termination or expiration.

(f) Entire Agreement. This Agreement, together with the **Franchise**Non-Traditional License Agreements and any ancillary agreements and all related Schedules, constitutes the sole and entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings, agreements, and representations and warranties, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements made in the body of this Agreement, the related Schedules, and any other documents incorporated herein by reference, the following order of precedence governs: (i) first, this Agreement, excluding its Schedules; (ii) second, the Schedules to this Agreement, as periodically amended; and (iii) third, any other documents incorporated herein by reference.

(g) Notices. All notices, requests, consents, claims, demands, waivers, and other communications hereunder (each, a “**Notice**”) must be in writing and addressed to the Parties at the addresses provided for notice in accordance with Section ~~20.9 of the Franchise~~14.7 of the Non-Traditional License Agreements. All Notices will be deemed delivered: at the time of personal delivery; one business day after being placed in the hands of a nationally recognized overnight courier (with all fees pre-paid) for next business day delivery; one business day after transmission by email (if the sender has confirmation of successful transmission); or three business days after placement in the United States mail by certified or registered mail (in each case, return receipt requested, postage pre-paid).

(h) Force Majeure. In no event shall either party be liable to the other, or be deemed to have breached this Agreement, for any failure or delay in performing its obligations under this Agreement, if and to the extent such failure or delay is caused by any circumstances beyond its reasonable control, including but not limited to acts of God, flood, fire, earthquake, explosion, war, terrorism, epidemics, invasion, riot or other civil unrest, strikes, labor stoppages or slowdowns or other industrial disturbances, or passage of law or any action taken by a governmental or public authority, including imposing an embargo.

(i) Amendment and Modification; Waiver. No amendment to or modification of this Agreement is effective unless it is in writing and signed by an authorized representative of each Party, except with respect to the Schedules attached hereto, which KFC periodically may (but shall not be obligated to) modify to reflect any updates to the information contained therein without requiring **Franchisee’s**Licensee’s signature. No waiver by any Party of any of the provisions hereof will be effective unless explicitly set

forth in writing and signed by the Party so waiving. Except as otherwise set forth in this Agreement, (i) no failure to exercise, or delay in exercising, any rights, remedy, power, or privilege arising from this Agreement will operate or be construed as a waiver thereof and (ii) no single or partial exercise of any right, remedy, power, or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

(j) Severability. If any provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to affect their original intent as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

(k) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the ~~Commonwealth of Kentucky~~ State of Texas, United States, without regard to the conflict of laws principle.

(l) Assignment. ~~Franchisee~~Licensee may not assign any of its rights or delegate any of its obligations hereunder, in each case whether voluntarily, involuntarily, by operation of law or otherwise, without the prior written consent of KFC. Any purported assignment or delegation in violation of this Section will be null and void. No assignment or delegation will relieve the ~~Franchisee~~Licensee of any of its obligations hereunder. This Agreement is binding upon and inures to the benefit of the Parties and their respective permitted successors and assigns. KFC may freely assign this Agreement, without the prior written consent of ~~Franchisee~~Licensee, to (i) an affiliate of KFC, or (ii) any successor of KFC by merger, consolidation, reorganization, or otherwise, or (iii) to a third party that acquires substantially all of KFC's business assets. Following any such assignment, KFC will be released from all of its obligations under this Agreement, provided that the assignee assumes all of KFC's obligations.

(m) Export Regulation. The Restaurant Technology utilizes software and technology that may be subject to US export control laws, including the US Export Administration Act and its associated regulations. ~~Franchisee~~Licensee shall not knowingly, directly or indirectly, export, re-export, or release the Restaurant Technology or the underlying software or technology to, or make the Restaurant Technology or the underlying software or technology accessible from, any jurisdiction or country to which export, re-export, or release is prohibited by law, rule, or regulation.

(n) Equitable Relief. Each Party acknowledges and agrees that a breach or threatened breach by such Party of any of its obligations could cause the other Party irreparable harm for which monetary damages would not be an adequate remedy and agrees that, in the event of such breach or threatened breach, the other Party will be entitled to equitable relief, including a restraining order, an injunction, specific

performance and any other relief that may be available from any court, without any requirement to post a bond or other security, or to prove actual damages or that monetary damages are not an adequate remedy. Such remedies are not exclusive and are in addition to all other remedies that may be available at law, in equity or otherwise.

(o) Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original and all of which taken together shall constitute one and the same agreement. The Parties agree that scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

*(Remainder of page intentionally blank)*

IN WITNESS WHEREOF, the Parties hereto have executed this Restaurant Technology Agreement as of the Effective Date.

**KFC US, LLC,**  
a Delaware limited liability company

Sign: \_\_\_\_\_  
Name: [Name of Officer authorized to sign]  
Title: [Title of Officer authorized to sign]

**DATED\*:** [KFC Signature Date]  
(\*Effective Date of this Agreement)

**LICENSEE**  
~~**FRANCHISEE**~~  
[FranchiseeLicensee Legal Entity]

Sign: \_\_\_\_\_  
Name: [Name of Officer authorized to sign]  
Title: [Title of Officer authorized to sign]

**SCHEDULE A**

**RESTAURANT TECHNOLOGY**

Effective Date of this Schedule A: July 9, 2023

Each KFC Restaurant must utilize the following required Restaurant Technology:

Required Restaurant Technology

- Point of Sale System
- Cashless Payment System
- Kitchen Display System
- Drive-Thru Timers
- Mobile Manager
- Back of House PC
- Digital Store Network

The required Restaurant Technology are described in the KFC standards library, which may be updated from time to time in accordance with the ~~Franchise~~[Non-Traditional License](#) Agreements and this Agreement.

## **SCHEDULE B**

### **KFC SERVICES**

KFC will provide ~~Franchisees~~[Licensees](#), as part of the Technology Fee, with certain services in connection with the required Restaurant Technology. KFC may also provide certain services in connection with optional Restaurant Technology for an additional fee. The KFC Services provided in connection with Restaurant Technology are described in the KFC standards library, which may be updated from time to time in accordance with this Agreement, and may include the following:

- Help Desk Services
- Data Management
- Implementation Services
- Restaurant Technology Technical Support
- Device Management
- Reporting Services

The current description of each service as included in the KFC standards library is attached below.

## HELP DESK SERVICES

### **Help Desk Services Includes:**

- Single “800” phone number for all restaurants
- Self-service portal for all restaurants, including chat, opening an incident, and checking status of an incident
- Single point of accountability and total escalation management of all incidents through resolution
- Live analyst support for the following:
  - General Inquiry: Status type questions
  - Software: Application issues and troubleshooting
  - Data Management: Menu items, pricing, coupons, tax table, ingredients, recipes and other questions
  - Hardware: Request for Hardware support (“Break/fix” type support) or hardware maintenance dispatch, additional assistance for problems or application usage issues
- Dispatching and coordinating the dispatch of appropriate 3rd party hardware maintenance providers to resolve hardware problems as necessary
- Case tracking for all problems
- Help Desk performance reporting
- Live support from KFC Help Desk support resources to assist in troubleshooting and resolving (including dispatching the appropriate hardware vendor if necessary) hardware, software, operational reporting, broadband/network, or data problems for the Restaurant Technology.

Hardware/Software related problems will be supported for the Restaurant Technology only. KFC will obtain [Franchisee’s Licensee’s](#) consent, and allow [Franchisee Licensee](#) the opportunity to select a KFC-approved provider, before dispatching any third party to provide services for which [Franchisee Licensee](#) must pay such provider directly.

[Franchisee Licensee](#) must only use KFC approved hardware and software and have current KFC approved software maintenance contracts to be eligible for Help Desk Services.

Help Desk Services are intended for problem diagnostics and problem resolution only. Operational or “how to calls” should not be placed to the Help Desk. Training is the responsibility of [Franchisee Licensee](#).

Following is a description of the responsibilities for each of the 3 levels of support provided by the Help Desk:

### **Definition of Levels I, II, and III Help Desk Support Services**

#### *Level I Responsibilities (Front Line)*

- Manage resolution at 85% of incoming calls
- Focus is management of high volume and quick response
- Escalation point for higher level issues
- Dispatch and follow-up hardware calls
- Maintain problem ownership through resolution

- Focus on returning systems to operational state

*Level II Responsibilities (Technical Support)*

- Manage resolution at 95% of the 15% of incoming calls escalated by Level 1
- Handles overflow of incoming calls
- Isolate and resolve complex hardware and software technical issues
- Provide technical consultation to field and level one and two Help Desk analysts

*Level III Responsibilities (Solution Specific Specialists)*

- Manage escalated issues from Level 1 and Level 2
- Isolation to OSM module or code failure
- Replication of solution issues on lab systems
- Perform problem trending
- Provide certified software patches or workarounds (if required)
- Provide technical consultation to field and Help Desk
- Engage solution specific specialists (internal KFCLLC and 3<sup>rd</sup> party vendor experts)

**Service Level Goals**

Though not a service level guarantee, KFC will measure and use commercially reasonable efforts to achieve the following service level goals.

<b>Performance Measures</b>
<b><u>Customer Mania</u></b>
Percentage of 100% on Customer Surveys
<b><u>Speed of Service</u></b>
5% or less abandon rate
50 seconds or less wait time to answer calls and chats
80% no excuses – meet the abandon rate, and wait time goal every hour of operations
95% of issues resolved in =<5 days
75% of issues resolved on the 1 <sup>st</sup> call
<b><u>People</u></b>
Fully Staffed

**Days and Hours of Operation**

- **8:00am-3am EST Monday – Sunday (18 hours/day)**
- **Coverage is 363 days per year, closed only on Thanksgiving and Christmas Day**
- **Fully Staffed means personnel fully trained to achieve the defined level of help desk support and achievement of the respective performance measures.**

## DATA MANAGEMENT SERVICES

### **Data Management Services Includes:**

#### **One System MERIT (OSM)**

- Setting up inventory items for inventory management
- Setting up recipes for menu item depletion
- Setting up purchase units, counting units, serving units by inventory item
- Setting up ingredients with the proper information to be used for Product Projections
- Vendor data supported for select vendors
- KFC standard ingredient and recipe data maintenance for the Restaurant Technology

#### **Point of Sale (POS)**

- Simplified order entry and key navigation on the POS
- Accurate and timely POS update including:
  - Menu Items
  - Pricing
  - Coupons/Discounts
  - Tax Updates
  - Video Routing
  - Hardware configuration

#### **Normal Lead Times Required to Perform these Various Services**

- 10-day lead time (business days) for routine changes
- 20-day lead time (business days) for non-routine changes
- 40-day lead-time (business days) to add approved new concept
- All reasonable efforts will be used to achieve a 1-2 business day turnaround on problems reported related to the data described in Data Management Services

*Routine Updates* – For OSM and Task, the modifications to existing inventory items and recipes. An example is to create a new recipe in support of a re-grouping of existing products or menu items. For Point of Sale (POS), the modifications to existing menu items, coupons, or the addition of new coupons to support existing menu items. Minor pricing updates of less than 10 menu items or tax rate updates.

*Non-Routine Updates* – For OSM and Task, the introduction of a new approved product line, which results in new ingredients and recipes in support of the new item. For POS, the introduction of a new approved product line which results in the setup of the menu items and associated condiments, new prices, keys, etc. Price revisions where more than 10 of the menu item prices are being updated.

*New Concept* – For OSM and Task, the addition of a 2<sup>nd</sup> YUM brand concept and the corresponding ingredients and recipes relating to that brand. For POS, the addition of a second brand and the corresponding menu items related to that brand.

#### **Days and Hours of Operation**

- 8:00am-5:00pm EST Monday – Friday (except for KFC Holidays)
- On call pager support after hours, weekends and holidays until 10pm EST

## IMPLEMENTATION SERVICES

### Implementation Services Include

- Project Management Services
  - Provide [FranchiseeLicensee](#) with Project Management of technology implementation from purchase decision until “go live” at the time(s) [FranchiseeLicensee](#) has agreed to with KFC
  - Assist the [FranchiseeLicensee](#) with meeting all hardware specifications performance and facility requirements along with the acquisition of all necessary equipment
  - Coordinate vendor scheduling
  - Coordinate ordering and installation of appropriate store level connectivity
  - Coordinate installation of electrical outlets, data wiring or other required facility related items in accordance with local electrical codes
  - Ensure achievement of all technical and administrative prerequisites prior to “go live”
  - Schedule and coordinate appropriate software and hardware installation activities
  - Follow up on all outstanding implementation issues
- Keeping you updated on proposed restaurant technology plans.
- Ongoing consultation for Restaurant Technology
  - Upcoming functionality enhancements to the systems
  - Coordination to add new stores to KFC approved systems
  - Assistance with getting the most value from [Franchisee’sLicensee’s](#) technical investment
  - Providing options for [FranchiseesLicensees](#) to transfer [FranchiseeLicensee](#) Data into [Franchisee’sLicensee’s](#) accounting and payroll packages using third party providers.
  - Escalation point for any questions or concerns about the KFC Services

### Days and Hours of Operation

- 8:00am-5:00pm EST Monday – Thursday; 8:00am-1:00pm EST Friday (except for KFC Holidays)

## **RESTAURANT TECHNOLOGY TECHNICAL SUPPORT**

Maintenance, design, and integration services, including: developing and updating applications and software; adding functionality; fixing bugs; solving problems; integrating with existing and new technology platforms, systems, hardware, software, and technology infrastructure; and otherwise maintaining functionality and compatibility between platforms for the Restaurant Technology.

## **DEVICE MANAGEMENT**

Management and support of Equipment including software configuration management, application and software distribution and updates, security, and device network connectivity management.

## **REPORTING SERVICES**

Design, implementation, and maintenance of operational reports generated by the Restaurant Technology.

**SCHEDULE C**

**FEES**

**Anticipated Monthly Fee as Related to Tech Accel Rollout Schedule**

<b>Technology Added</b>	<b>Increase</b>	<b>Total Fee per Restaurant per Month</b>	<b>Planned Roll Out Dates*</b>
Current Monthly Fee	N/A	\$265**	N/A
Mobile Manager <ul style="list-style-type: none"><li>• Device Management</li><li>• KFC Connect</li><li>• Task</li><li>• Recommended Ordering</li><li>• Testo Probe</li></ul>	\$32.39 (total)  \$4.06*** \$8.33 \$10.00 \$10.00 n/a	\$297.39	<ul style="list-style-type: none"><li>• Completed</li><li>• In progress</li><li>• Completed</li><li>• Completed</li><li>• Completed</li></ul>
Edge	\$38.00	\$335.39	Oct 2024 – Dec 2026
POS/KDS/Device Management****	\$75.84*****	\$411.23*****	Oct 2024 - Dec 2026

\* Dates are estimated as of March 3, 2025; actual rollout may be sooner or later than the estimated date

\*\* Current Monthly Fee of \$265 includes \$24.67 Restaurant Technology Fee Increase, effective January 1, 2025

\*\*\* Assumes 1 device per restaurant; add \$4.06/restaurant/month for each additional device; device fee added with first install; applications may be installed separately; restaurants currently using device are paying this fee and will not see an additional fee

\*\*\*\* Assumes 4 POS + 6 KDS setup; add for each additional: POS = \$75.00/restaurant/month; KDS = \$10.00/restaurant/month; device management = \$1.50/device

\*\*\*\*\* Offset by termination of current \$24.16/month for POS software maintenance; \$75.00 + \$10.00 + (\$1.50 \* 10) = \$100 - \$24.16 = \$75.84 Net Increase

\*\*\*\*\* This total may increase to \$450.63 per Outlet per month within the next year (estimated as of March 3, 2026). The fee may be further increased in the future; however, KFC will not increase the fee to exceed \$3,000 per Outlet per month.

## SCHEDULE D

### EXISTING TECHNOLOGY AGREEMENTS

- MERIT System Technical Support Services Agreement
- MERIT Optional Module Addendum
- Optional Loss Prevention Monitoring Addendum to the MERIT System Technical Support Services Agreement
- MERIT Optional Module Addendum: Online Projections Module
- iPad Addendum to the MERIT System Technical Support Services
- Hot Schedules Optional Module Addendum to the MERIT System Technical Support Services Agreement
- Mobile Inventory Addendum
- Master Agreement for MERIT Optional Modules
- KFC Routines Optional Module Addendum
- Franchisee Designated Security Approver Agreement
- MERIT Optional Module Addendum: On-line Ordering Module
- MERIT Hardware Self Maintenance Agreement
- Learning Management Services and Support Agreement

**EXHIBIT M**  
**(TO NON-TRADITIONAL LICENSE DISCLOSURE DOCUMENT)**  
**RESTAURANT TECHNOLOGY HARDWARE SELF-MAINTENCE AGREEMENT**

## RESTAURANT TECHNOLOGY HARDWARE SELF MAINTENANCE AGREEMENT

THIS RESTAURANT TECHNOLOGY HARDWARE SELF MAINTENANCE AGREEMENT (this “Agreement”) is made and entered into as of [Date] (the “Effective Date”), by and among KFC US, LLC (“KFC”) and [Licensee Legal Entity] (“Licensee” or “You” or “Your”) located at [Licensee Legal Entity Principal Business Address], a licensee of KFCLLC.

KFC and Licensee have entered into a Restaurant Technology Agreement Restaurant Technology dated as of [Date Licensee Signed the Restaurant Technology Agreement] (the “RTA”) regarding certain Restaurant Technology used in the operation of KFC branded restaurants Restaurant Technology. All capitalized terms used in this Agreement have the meaning set forth in the RTA unless otherwise specifically defined in this Agreement.

Licensee elects to perform certain Restaurant Technology Hardware maintenance itself or through a third party it selects in accordance with this Agreement (Licensee or a third party, as applicable, a “Licensee Provider”), rather than through a KFC managed provider of such services (“KFC Managed Provider”).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. Self Service of Restaurant Technology Restaurant Technology Hardware. Subject to the terms and conditions of this Agreement, KFC agrees that Licensee may use a Licensee Provider to service certain Restaurant Technology Hardware as defined by KFC from time to time, rather than a KFC Managed Provider. For purposes of this Agreement, “Restaurant Technology Hardware” shall mean the hardware Restaurant Technology required to operate the Restaurant Technology.
2. KFC Standards.
  - (a) Each Licensee Provider shall meet all KFC standards and specifications applicable to the maintenance of Restaurant Technology Hardware as established by KFC (“KFC Standards”).
  - (b) Before a third party Licensee Provider performs maintenance services for Licensee, Licensee shall (i) require such Licensee Provider to sign the registration form attached hereto as Exhibit A and (ii) return such form to KFC.
3. Termination of Licensee Provider Agreement. Each Licensee agreement with a third party Licensee Provider shall allow Licensee to terminate its agreement with the third party Licensee Provider: (i) immediately in the event of Licensee’s breach of this Agreement and (ii) upon thirty (30) days written notice with or without cause.

4. Restaurant Technology Hardware.

- (a) Licensee shall require each Licensee Provider to acquire all Restaurant Technology Hardware, including but not limited to all components and parts thereof, from a KFC approved source of supply or repair and in accordance with the Franchise Agreement and applicable KFC Standards. Licensee shall require each Licensee Provider to purchase only the exact model or approved functional equivalent or approved upgraded equipment as replacement Restaurant Technology Hardware, in each case in accordance with the terms of the Franchise Agreement and KFC Standards.
- (b) Licensee shall require each Licensee Provider to maintain minimum inventories of Restaurant Technology Hardware key components (“Seed Stock”) as set forth on the attached Exhibit B, which may be reasonably modified by KFC from time to time.

5. Record Keeping and Reporting. Licensee shall require each Licensee Provider to document and report quarterly to KFC, in a reasonable manner and form acceptable to KFC, all Restaurant Technology Hardware replacements and maintenance for all self-maintenance sites. Such quarterly reports shall be submitted within five (5) business days of the end of each calendar quarter (March 31, June 30, September 30, and December 31). Licensee shall require each Licensee Provider to maintain documentation showing replacement dates and describing the hardware, including without limitation hardware invoices, for a period of two (2) years after said replacement or maintenance and agrees to provide such documentation to KFC upon request.

6. Audit Rights. KFC shall have the right, upon reasonable notice and at its expense, to audit the systems and facilities of each third party Licensee Provider to assure compliance with the terms of this Agreement. Licensee shall, and shall require each Licensee Provider to, cooperate with KFC in connection with such audits and shall provide KFC or obtain for KFC access to such records retained under section 5 of this Agreement and access to personnel as KFC may reasonably require for such purpose. KFC may exercise this audit right once in any twelve (12) month period.

7. Term and Termination.

- (a) The term of this Agreement begins on the Effective Date and shall continue until terminated in accordance with the terms hereof or until the expiration or termination of the RTA, whichever is earlier.
- (b) Licensee may terminate this Agreement at any time provided that it has entered into a written agreement with a KFC Managed Provider for Restaurant Technology Hardware maintenance services and such hardware maintenance services have commenced.
- (c) KFC may terminate this Agreement:
  - (i) immediately if Licensee operates at least one KFC-branded restaurant at a Priority Zero or Priority One level for more than five (5) consecutive days,
  - or
  - (ii) immediately if a third party Licensee Provider has breached the confidentiality provisions in Exhibit A, except that, provided that Licensee immediately terminates its relationship with the breaching Licensee Provider,

KFC will not terminate if Licensee (1) elects to perform certain Restaurant Technology Hardware maintenance itself in accordance with this Agreement or (2) engages a replacement third party Licensee Provider, but then only with KFC's prior written permission, the granting of such permission to be within KFC's sole discretion;

or

- (iii) thirty (30) days from Licensee's receipt of written notice of from KFC that Licensee (1) has breached this Agreement or (2) is using the KFC Help Desk at an unreasonable level beyond the typical usage made by similarly situated Licensees who have engaged a KFC Managed Provider, in each case provided that Licensee has not cured such deficiency or taken reasonable steps to cure such deficiency, but in any event such cure period shall not exceed sixty (60) days from KFC's written notice.

In the event KFC elects to terminate this Agreement, Licensee shall discontinue its relationship with any third party Licensee Provider and shall engage a KFC Managed Provider to provide such services.

For the purposes of this paragraph 7(c), "Priority Zero" shall mean all Point of Sale ("POS") terminals inoperable and "Priority One" shall mean that any one or more of the following conditions exist: (i) more than 50% of front counter POS terminals inoperable, (ii) all drive through POS terminals are inoperable, (iii) all kitchen monitors located in one or more of the following areas inoperable: front counter pack line or expeditor, drive through, multi-brand mini-line, or delivery, or (iv) more than 50% of receipt printers inoperable.

8. Remedies.

- (a) Specific Performance. Licensee acknowledges that KFC may suffer damages that are not readily ascertainable and that there may be no adequate remedy at law if Licensee fails to perform any of its obligations under this Agreement, when and as due. Licensee agrees that KFC shall be entitled to specific performance of Licensee's obligations under this Agreement.
- (b) Exclusive Remedies. KFC's rights and remedies set forth in this Agreement are and shall be exclusive and in lieu of all other rights or remedies.

9. Licensee Acknowledgements and Agreements. Having elected self-maintenance, Licensee acknowledges and agrees that:

- (a) KFC provides no warranty of any type on Licensee's hardware;
- (b) the majority of the Restaurant Technology Hardware is provided with limited or no manufacturer's warranty;
- (c) Non-warranty repair of hardware serviced by KFC Managed Providers shall be at an additional charge to the Licensee and such service shall be ordered and scheduled by Licensee and charges shall be approved in advance by Licensee;
- (d) the KFC Help Desk will diagnose issues solely as provided in the KFC standards, but will not be held liable for any misdiagnosis;

(e) once an issue is determined by the KFC Help Desk to be a hardware issue, KFC will have no further responsibility to Licensee with respect to that issue, including without limitation, providing additional KFC Help Desk services relating to that issue;

and

(f) Licensee may be required to satisfy additional conditions, as determined by KFC in its sole discretion, if Licensee desires to, or is required to, obtain the services of a KFC Managed Provider, provided such conditions are not inconsistent with this Agreement, the RTA or conditions applicable to all participating KFC system restaurants, both company-owned and franchised, including, without limitation, causing a KFC Managed Provider to confirm, at Licensee's cost, that all components of Licensee's Restaurant Technology Hardware meet KFC Standards, and are otherwise well-maintained and fit for their intended purpose, or paying an additional fee to KFC's Managed Provider.

#### 10. General.

(a) Nothing in this Agreement shall be deemed to create, alter, waive or limit any rights or obligations of Licensee or KFC under Licensee's franchise agreement with KFC. KFC agrees that neither KFC nor KFC's Affiliates will treat a breach or default by Licensee of an obligation under this Agreement as a breach or default under any franchise or other agreement with Licensee, provided, the foregoing shall not be deemed to limit KFC or KFC's Affiliates from exercising any right or remedy under any franchise or other agreement if such obligation independently exists under the terms of such franchise or other agreement and, disregarding this Agreement, a breach of such independent obligation would constitute a breach of such franchise or other agreement.

(b) This Agreement and its exhibits, the KFC Franchise Agreements and KFC standards, policies and procedures, constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

(c) This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by either party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving.

(d) Neither party may assign any of its rights hereunder without the prior written consent of the other party, except that KFC may assign this Agreement to any of its Affiliates without permission, and except that Licensee may, upon 15 days' prior written notice to KFC, assign this Agreement with respect to any restaurant to a successor by purchase, merger or consolidation approved by KFC pursuant to the terms of Licensee's franchise agreement, and provided that such successor agrees in writing to assume all obligations and responsibilities of Licensee hereunder with

respect to such restaurant. This Agreement will be binding on the parties hereto and the respective successors and assigns of the parties.

- (e) All matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the internal laws of the ~~Commonwealth of Kentucky~~ State of Texas without giving effect to any choice or conflict of law provision or rule.
- (f) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

11. Maintenance Election. Licensee has elected to maintain its Restaurant Technology Hardware hereunder: [Note: if Licensee selects third party provider, Licensee and third party provider must fill out and sign Exhibit A - Registration Form and Certification]

<p><b><i>(PLEASE CHECK ONE)</i></b></p> <p><input type="checkbox"/> by Licensee itself; or</p> <p><input type="checkbox"/> by the third party provider registering on Exhibit A.</p>
--

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the Effective Date.

KFC US, LLC

“LICENSEE”

[Licensee Legal Entity]

By: [Name of Officer authorized to sign]

By: [Name of Officer authorized to sign]

Its: [Title of Officer authorized to sign]

Its: [Title of Officer authorized to sign]

**EXHIBIT A**

**REGISTRATION FORM AND CERTIFICATE**

Licensee Provider: \_\_\_\_\_

Address: \_\_\_\_\_

Licensee Name: \_\_\_\_\_

In conjunction with the maintenance of Licensee’s Restaurant Technology Hardware, Licensee Provider may gain access to information about the business of KFC US, LLC and its affiliates and Licensees (collectively “KFC”), including information regarding its products, services, confidential intellectual property, trade secrets, and other sensitive or proprietary information, whether orally or in writing, and whether or not marked, designated or otherwise identified as “confidential” (collectively, “Confidential Information”). Licensee Provider shall: (A) protect and safeguard the confidentiality of KFC’s Confidential Information with no less than a commercially reasonable degree of care; (B) not use KFC’s Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under its agreement with the Licensee; and (C) not disclose any such Confidential Information to any person or entity. KFC may seek equitable relief (including injunctive relief) against Licensee Provider and its representatives to prevent the breach or threatened breach of this obligation and to secure its enforcement, in addition to all other remedies available at law.

KFC retains its entire right, title and interest, including all intellectual property rights, in and to all Confidential Information. Any disclosure of such Confidential Information hereunder shall not be construed as an assignment, grant, option, license or other transfer of any such right, title or interest whatsoever to Licensee Provider or any of its representatives. Licensee Provider has no right or license to use KFC’s trademarks, service marks, trade names, trade names, logos, symbols or brand names.

Licensee Provider certifies and agrees that it is currently and will continue in the future to use only KFC certified and approved hardware from KFC approved sources of supply and repair when providing maintenance services to Licensee on Restaurant Technology Hardware.

LICENSEE PROVIDER NAME

By: \_\_\_\_\_

Its: \_\_\_\_\_

(“Licensee Provider”)

**EXHIBIT B**

**SEED STOCK REQUIREMENTS**

<b>Component</b>	<b>Seed Stock Per Store Count</b>				
	<b>1—9 Stores</b>	<b>10—19 Stores</b>	<b>20—29 Stores</b>	<b>30—39 Stores</b>	<b>40+ Stores</b>
<b>MINIMUM REQUIRED</b>					
POS with customer display (Front Counter)	1	2	2	3	4
<sup>1</sup> POS without customer display (Drive Thru)	0	1	2	3	4
Receipt Printer	1	2	2	3	3
Ingenico Front Counter	1	1	1	1	1
Ingenico Drive Thru	1	1	1	1	1
<b>MINIMUM REQUIRED FOR THIRD PARTIES/ RECOMMENDED FOR LICENSEES</b>					
17" Flat Panel Pack Mon.	1	2	2	3	3
Cash Drawer	1	1	2	2	2
KDS Controller	1	2	3	3	4
Bump Bar	1	2	3	3	4
Network Switch	1	1	1	1	1
UPS for MWS	1	1	1	1	1
UPS for POS	1	2	2	2	2

<sup>1</sup> POS with customer display can be substituted for POS without customer display for seed stock  
 Equipment and seed stock requirements may be reasonably changed by KFC from time to time  
 KFCLLC will provide a list of approved replacement equipment and suppliers annually  
 Operating system needs to be purchased for replacement POS terminals  
 Seed Stock shall be subject to the applicable Sunset Period and upgrade requirements as defined in the RTA

**EXHIBIT N**  
**(TO NON-TRADITIONAL LICENSE DISCLOSURE DOCUMENT)**

**SAMPLE GENERAL RELEASE**

**KFC US, LLC**

**GRANT OF LICENSOR CONSENT AND LICENSEE RELEASE**

**KFC US, LLC** (“KFCLLC”) and the undersigned licensee, \_\_\_\_\_ (“you” or “your”), currently are parties to a certain KFC Non-Traditional License Agreement (the “KFC Non-Traditional License Agreement”) dated \_\_\_\_\_, 20\_\_\_\_. You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal situation].

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_. KFCLLC has the right under the KFC Non-Traditional License Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, KFCLLC is willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give KFCLLC the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give KFCLLC the release and covenant not to sue provided below as partial consideration for KFCLLC’s willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your current and former affiliated entities, and each such foregoing person’s or entity’s successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, directors, officers, principals, and employees (collectively, the "Releasing Parties"), hereby forever release and discharge KFC and KFC’s current and former affiliated entities, and each such foregoing entity’s officers, directors, owners, principals, employees, agents, representatives, successors, and assigns (collectively, the "KFC Parties") of and from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, “Claims”) that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the KFC Parties, including without limitation, Claims (1) arising out of or related to the KFC Parties' obligations under the Franchise Agreement or (2) otherwise arising from or related to your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the KFC Parties. You, on your own behalf and on behalf of each of the other Releasing Parties, further covenant not to sue any of the KFC Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

KFCLLC is also entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to KFCLLC the release and covenant not to sue provided above.

IF THE OUTLET YOU OPERATE UNDER THE KFC NON-TRADITIONAL LICENSE AGREEMENT IS LOCATED IN CALIFORNIA OR IF YOU ARE A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

**SECTION 1542 ACKNOWLEDGMENT.** IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY YOU OR THE RELEASING PARTIES. YOU RECOGNIZE THAT YOU OR THE RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST THE KFC PARTIES OF WHICH YOU, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH YOU, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE YOU, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT YOU, HIM, HER, OR IT FROM ASSERTING IT AGAINST THE KFC PARTIES. IN FURTHERANCE OF THIS INTENTION, YOU, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

**“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”**

YOU ACKNOWLEDGE AND REPRESENT THAT YOU HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT YOU UNDERSTAND ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENT THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

[Any general release provided for hereunder shall not apply to any liability under the Washington Franchise Investment Protection Act.](#)

[Signature Page Follows]

**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this release on the date stated on the first page hereof.

**KFC US, LLC**

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

**LICENSEE**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

**LICENSEE OWNER**

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT O**  
**(TO NON-TRADITIONAL LICENSE DISCLOSURE DOCUMENT)**

**ADDENDUM TO LEASE**

## ADDENDUM TO LEASE

THIS ADDENDUM is made and entered into as of \_\_\_\_\_, 20\_\_ (“Effective Date”), by and between \_\_\_\_\_, a \_\_\_\_\_ (“Landlord”), and \_\_\_\_\_, a \_\_\_\_\_ (“Tenant”).

WHEREAS, Tenant, as licensee, entered into a license agreement (the “License Agreement”) with KFC US, LLC, a Delaware limited liability company (“KFC”), as licensor, pursuant to which KFC granted Tenant a license to operate a non-traditional Kentucky Fried Chicken restaurant (“Outlet”);

WHEREAS, Landlord and Tenant entered into a [sub]lease dated \_\_\_\_\_ (the “[Lease][Sublease]”) pertaining to the real property located at \_\_\_\_\_, which is more particularly described on Exhibit A attached hereto (the “Premises”) allowing for operation of the Outlet on the Premises; and

WHEREAS, Landlord and Tenant desire to incorporate the following terms into the body of the Lease.

NOW, THEREFORE, in consideration of the covenants herein, the parties hereto agree as follows:

1. Landlord shall give KFC a copy of any and all notices of default given to Tenant, as required to be given by Landlord to Tenant under the terms of the Lease, at the same time such notice is given to Tenant. KFC or any affiliate thereof shall have the right but not the obligation to cure any such default at any time during the cure period. If Tenant's right to cure expires and Tenant has failed to cure such default, Landlord shall allow KFC or any affiliate thereof an additional fifteen (15) days beyond the expiration of Tenant’s cure period during which time KFC or an affiliate shall have the right but not the obligation to cure any such default.

2. Upon the expiration or earlier termination of the [Lease][Sublease] or License Agreement for any reason, Tenant shall, remove from the Premises all KFC signs, menuboard inserts, point-of-sale materials, and otherwise change the Location’s exterior and interior appearance so that it is no longer confusingly similar to a KFC outlet and no longer bears any KFC trademarks, service marks or trade names or designations or marks similar thereto. If Tenant shall fail to make or cause to be made any such removal or alteration, then KFC or any designee thereof shall have the right to enter upon the Premises, without being deemed guilty of trespass or any other tort, and make or cause to be made such removal and alterations at the reasonable expense of Tenant, which expense Tenant shall pay KFC or its designee on demand. This paragraph shall survive the expiration or termination of the [Lease][Sublease].

3. All notices which Landlord may serve on KFC hereunder shall be made in accordance with the [Lease][Sublease] to:

KFC US, LLC  
~~1900 Colonel Sanders Lane~~ 7100 Corporate Drive  
~~Louisville, Kentucky 40213~~  
Plano, Texas 75024  
Attn: General Counsel

4. Notwithstanding anything to the contrary elsewhere in the [Lease][Sublease] or any addendum or amendment thereto, Landlord and Tenant agree that the terms and provisions set forth in this Addendum shall control and shall not be superseded, terminated or modified without the prior written consent of KFC, a third party beneficiary to the [Lease][Sublease] and this Addendum.

5. All of KFC's rights, privileges and interests under this Addendum and the [Lease][Sublease] shall inure to the benefit of KFC's successors and assigns. All provisions of this Addendum applicable to Tenant and Landlord shall be binding upon any successor or assign of Tenant or Landlord under the [Lease][Sublease].

6. This Addendum may be executed in multiple counterparts, each of which will be deemed an original and all of which taken together shall constitute one and the same agreement. This Addendum or any counterpart may be executed via scanned or electronic signatures, and any such executed scanned or electronic copy shall be treated as an original.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the Effective Date.

LANDLORD:

TENANT:

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT A

PREMISES

**EXHIBIT P**  
**SPOUSAL AGREEMENT**

## SPOUSAL CONSENT TO GUARANTY

The undersigned hereby acknowledges that his/her spouse, **[Guarantor First and Last Name (must hold a 10% or greater ownership interest)]** (the “**Guarantor**”), has executed a guaranty dated as of \_\_\_\_\_ (the “**Guaranty**”), to induce KFC US, LLC, a limited liability company, its parents, subsidiaries, affiliates, successors, and assigns, and/or KFC National Council and Advertising Cooperative, Inc., a Delaware corporation (hereinafter referred to as “**Obligees**,” whether one or more), to enter into certain Franchise Agreements, Non-Traditional License Agreements, Advertising Agreements, Restaurant Technology Agreement, Leases, Subleases and Assignments of Leases with **[Legal Entity name]** (“**Obligor**”), pursuant to which the Guarantor guaranteed the full, prompt and faithful performance, payment and discharge of Obligor’s present and future indebtedness or obligations to Obligees relating to or arising out of the operation of certain Kentucky Fried Chicken restaurants. Upon Obligor’s default, the Guarantor has agreed to perform, pay or discharge all of Obligor’s obligations subject to the maximum aggregate liability of Guarantor set forth in the Guaranty.

The undersigned, as the spouse of the Guarantor, acknowledges and consents to the Guaranty given by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor’s performance of the Guaranty.

\_\_\_\_\_  
**[Name of Guarantor’s Spouse]**

**EXHIBIT Q**  
**(TO NON-TRADITIONAL LICENSE DISCLOSURE DOCUMENT)**

**REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT**

**REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT**

**DO NOT SIGN THIS QUESTIONNAIRE IF YOU ARE LOCATED, OR YOUR FRANCHISED BUSINESS WILL BE LOCATED IN, OR THE FRANCHISE GRANTED IS SUBJECT TO THE FRANCHISE REGISTRATION OR DISCLOSURE LAWS IN: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.**

The purpose of this Statement is to demonstrate to KFC US, LLC (“Licensor”) that the person(s) signing below (“I,” “me” or “my”), whether acting individually or on behalf of any legal entity established to acquire the license rights, (a) fully understands that the purchase of an KFC license to operate as a Non-Traditional Outlet is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Licensor’s License Disclosure Document and Exhibits (collectively, the “LDD”) in deciding to purchase the license.

In that regard, I represent to Licensor and acknowledge that:

<p>I understand that buying a license is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the license is subject to many variables such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the market place generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Licensor.</p>	<p>INITIAL:</p>
<p>I received a copy of the LDD, including the License Agreement, at least 14 calendar days before I executed the License Agreement. I understand that all of my rights and responsibilities and those of Licensor in connection with the license are set forth in these documents and only in these documents. I acknowledge that I have had the opportunity to personally and carefully review these documents and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other licensees regarding the risks associated with the purchase of the license.</p>	<p>INITIAL:</p>
<p>Neither the Licensor nor any of its officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the license (including those regarding advertising, marketing, training, support service or assistance provided by Licensor) that is contrary to, or different from, the information contained in the LDD.</p>	<p>INITIAL:</p>
<p>My decision to purchase the license has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Licensor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the license.</p>	<p>INITIAL:</p>

<p>I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.</p>	<p>INITIAL:</p>
<p>PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED.</p> <p>Have you received any information from the Licensor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the licensed business (including any statement, promise or assurance concerning the likelihood of success) other than information contained in the FDD?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No (Initial Here: ____)</p> <p>If you selected “Yes,” please describe the information you received on the lines below:</p> <p>_____</p> <p>_____.</p>	<p>INITIAL:</p>

**Prohibited Parties Clause.** I acknowledge that Licensor, its employees and its agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the license, I represent that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been listed on:

1. the U.S. Treasury Department’s List of Specially Designated Nationals;
2. the U.S. Commerce Department’s Denied Persons List, Unverified List, Entity List, or General Orders;
3. the U.S. State Department’s Debarred List or Nonproliferation Sanctions; or
4. the Annex to U.S. Executive Order 13224.

I warrant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. I warrant that I am now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by me to Licensor were legally obtained in compliance with these laws.

I further covenant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, will, during the term of the License Agreement, become a person or entity described above or otherwise become a target of any anti-terrorism law.

**LICENSEE:**

Sign here if you are taking the license as an  
**INDIVIDUAL(S)**  
(Note: use these blocks if you are an individual  
or a partnership but the partnership is not a  
separate legal entity)

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Sign here if you are taking the license as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
Print Name of Legal Entity

By: \_\_\_\_\_  
**Signature**

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Exempt
Hawaii	<del>March 28, 2025</del> <a href="#">_____</a>
Illinois	Exempt
Indiana	Exempt
Maryland	Exemption Pending
Michigan	March <del>21</del> 20, <del>2025</del> 2026
Minnesota	<del>April 3, 2025</del> <a href="#">_____</a>
New York	Exempt
North Dakota	Exemption Pending
Rhode Island	Exemption Pending
South Dakota	March <del>21</del> 20, <del>2025</del> 2026
Virginia	Exemption Pending
Washington	Exemption Pending
Wisconsin	March <del>21</del> 20, <del>2025</del> 2026

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**EXHIBIT SR**  
**(TO NON-TRADITIONAL LICENSE DISCLOSURE DOCUMENT)**

**RECEIPTS**

**RECEIPT  
(OUR COPY)**

This Disclosure Document summarizes certain provisions of the license agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If KFC US, LLC, offers you a licensee, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the licensor or an affiliate in connection with the proposed license sale, or sooner if required by applicable state law. Under Iowa law, we must give you this Disclosure Document at the earlier of our 1<sup>st</sup> personal meeting or 14 calendar days before you sign an agreement with, or make a payment to us or an affiliate in connection with the proposed license sale. Under Michigan law, we must give you this Disclosure Document at least 10 business days before the execution of any binding license or other agreement or the payment of any consideration, whichever occurs first.

If KFC US, LLC, does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The licensor is KFC US, LLC, ~~1900 Colonel Sanders Lane, Louisville, Kentucky 40213~~ 7100 Corporate Drive, Plano, Texas 75024, (502) 874-8300. The license seller for this offering is:

~~Jenny Heitkemper~~ Kathryn Ledwell  
 KFC US, LLC  
7100 Corporate Drive  
Plano, Texas 75024  
~~1900 Colonel Sanders Lane~~  
~~Louisville, Kentucky 40213~~  
 (502) 874-8300

Name of License Seller: \_\_\_\_\_  
 Principal Business Address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Issuance Date: March ~~21~~20, ~~2025~~2026

See Exhibit A for our registered agents authorized to receive service of process.

I have received a Disclosure Document dated March ~~21~~20, ~~2025~~2026, that included the following Exhibits:

Exhibit A -	State Administrators / Agents for Service of Process	Exhibit <del>KJ</del> -	<del>Successor Addendum to Successor KFC Non-Traditional License Agreement</del> <u>Guaranty</u>
Exhibit B -	Non-Traditional License Agreement	Exhibit <del>LK</del> -	<del>Restaurant Technology</del> <u>Successor Addendum to KFC Non-Traditional License Agreement</u>
Exhibit C -	Non-Traditional Deposit Agreement	Exhibit <del>ML</del> -	Restaurant <del>Hardware Self Maintenance</del> <u>Technology Ag. Agreement</u>
Exhibit D -	Non-Traditional Option Agreement	Exhibit <del>NM</del> -	<del>Sample General Release</del> <u>Restaurant Hardware Self Maintenance Technology Ag.</u>
Exhibit E -	Table of Contents – Standards Library	Exhibit <del>ON</del> -	<del>Addendum to</del> <u>Sample General Release</u>
Exhibit F -	Financial Statements	Exhibit <del>PO</del> -	<del>Spousal Consent</del> <u>Addendum to Lease</u>
Exhibit G -	List of KFC Non-Traditional Licensees	Exhibit <del>QP</del> -	<del>Representations and Acknowledgment Statement</del> <u>Spousal Consent</u>
Exhibit H -	List of Former KFC Non-Traditional Licensees	Exhibit <del>RQ</del> -	<del>Letter Agreement</del> <u>Representations and Acknowledgment Statement</u>
Exhibit I -	State Addendum	Exhibit <del>SR</del> -	Receipts
<del>Exhibit J -</del>	<del>Guaranty</del>		

**Prospective Licensee:**

If a business entity:

If an individual:

\_\_\_\_\_  
 Name of Business Entity

\_\_\_\_\_  
 Print Name:

\_\_\_\_\_  
 Signature:

\_\_\_\_\_  
 Dated:

\_\_\_\_\_  
 Title:

\_\_\_\_\_  
 (Do not leave blank)

\_\_\_\_\_  
 Print Name:

\_\_\_\_\_  
 Dated:

(Do not leave blank)

Please sign this copy of the receipt, print the date on which you received this Disclosure Document, and return it, by mail to KFC US, LLC, ~~1900 Colonel Sanders Lane, Louisville, Kentucky 40213~~ [7100 Corporate Drive, Plano, Texas 75024](#) or by email to [KFCFranchiseFinance@yum.com](mailto:KFCFranchiseFinance@yum.com).

**RECEIPT  
(YOUR COPY)**

This Disclosure Document summarizes certain provisions of the license agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If KFC US, LLC, offers you a licensee, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the licensor or an affiliate in connection with the proposed license sale, or sooner if required by applicable state law. Under Iowa law, we must give you this Disclosure Document at the earlier of our 1<sup>st</sup> personal meeting or 14 calendar days before you sign an agreement with, or make a payment to us or an affiliate in connection with the proposed license sale. Under Michigan law, we must give you this Disclosure Document at least 10 business days before the execution of any binding license or other agreement or the payment of any consideration, whichever occurs first.

If KFC US, LLC, does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The licensor is KFC US, LLC, ~~1900 Colonel Sanders Lane, Louisville, Kentucky 40213~~ 7100 Corporate Drive, Plano, Texas 75024, (502) 874-8300. The license seller for this offering is:

- ~~Jenny Heitkemper~~ Kathryn Ledwell  
KFC US, LLC  
7100 Corporate Drive  
Plano, Texas 75024  
~~1900 Colonel Sanders Lane~~  
~~Louisville, Kentucky 40213~~  
(502) 874-8300
- Name of License Seller:  
\_\_\_\_\_  
Principal Business Address:  
\_\_\_\_\_  
\_\_\_\_\_

Issuance Date: March ~~21~~20, ~~2025~~2026

See Exhibit A for our registered agents authorized to receive service of process.

I have received a Disclosure Document dated March ~~21~~20, ~~2025~~2026, that included the following Exhibits:

Exhibit A -	State Administrators / Agents for Service of Process	Exhibit <del>KJ</del> -	<del>Successor Addendum to Successor KFC Non-Traditional License Agreement</del> <u>Guaranty</u>
Exhibit B -	Non-Traditional License Agreement	Exhibit <del>LK</del> -	<del>Restaurant Technology</del> <u>Successor Addendum to KFC Non-Traditional License Agreement</u>
Exhibit C -	Non-Traditional Deposit Agreement	Exhibit <del>ML</del> -	Restaurant <del>Hardware Self Maintenance</del> <u>Technology Ag. Agreement</u>
Exhibit D -	Non-Traditional Option Agreement	Exhibit <del>NM</del> -	<del>Sample General Release</del> <u>Restaurant Hardware Self Maintenance Technology Ag.</u>
Exhibit E -	Table of Contents – Standards Library	Exhibit <del>ON</del> -	<del>Addendum to Sample General Release</del>
Exhibit F -	Financial Statements	Exhibit <del>PO</del> -	<del>Spousal Consent</del> <u>Addendum to Lease</u>
Exhibit G -	List of KFC Non-Traditional Licensees	Exhibit <del>QP</del> -	<del>Representations and Acknowledgment Statement</del> <u>Spousal Consent</u>
Exhibit H -	List of Former KFC Non-Traditional Licensees	Exhibit <del>RQ</del> -	<del>Letter Agreement</del> <u>Representations and Acknowledgment Statement</u>
Exhibit I -	State Addendum	Exhibit <del>SR</del> -	Receipts
<del>Exhibit J</del>	<del>Guaranty</del>		

**Prospective Licensee:**

If a business entity:

If an individual:

\_\_\_\_\_  
Name of Business Entity

\_\_\_\_\_  
Signature:

\_\_\_\_\_  
Title:

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
Dated:

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
Dated:

(Do not leave blank)

(Do not leave blank)

PLEASE SIGN THIS COPY OF THE RECEIPT, PRINT THE DATE ON WHICH YOU RECEIVED THIS DISCLOSURE DOCUMENT AND KEEP IT FOR YOUR RECORDS.