

FRANCHISE DISCLOSURE DOCUMENT

CANTEEN VENDING SERVICES (a division of Compass Group USA, Inc.)

A Delaware Corporation

2400 Yorkmont Road

Charlotte, NC 28217

(704) 328-4000

www.canteen.com



The franchisee will be authorized to distribute food, beverages and other consumer items through one or more of the following distribution channels as determined by Canteen: vending services, food services, combined services, office coffee services and/or secured delivery services.

For a standard Canteen franchise agreement, the total investment necessary to begin operation of a Canteen franchise ranges from \$8,350 to \$41,000 if you are a conversion franchise with an existing vending business, and if you are a non-conversion franchise and do not already own a vending business, the total ranges from \$1,006,750 to \$1,568,000. This includes an amount ranging from \$3,250 to \$25,000 that must be paid to the franchisor or affiliate.

For a Canteen threshold agreement, the total investment necessary to begin operation of a Canteen franchise ranges from \$8,100 to \$19,000, and if you do not already own a vending business, then the total ranges from \$1,006,500 to \$1,546,000. This includes an amount of \$3,000 that must be paid to the franchisor or affiliate. A threshold agreement differs from a standard franchise agreement in that the threshold franchisee's right to service vending accounts having annual gross revenues of greater than \$25,000 is non-exclusive.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient to you. To discuss the availability of disclosures in different forms, please contact Canteen's franchise group at 2400 Yorkmont Road, Charlotte, NC 28217 and (704) 328-4000.

The terms of your contract will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "[A Consumer's Guide to Buying a Franchise](#)," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: December 28, 2016.

STATE COVER PAGE

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

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

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

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN THE STATE WHERE OUR PRINCIPAL OFFICES ARE LOCATED AT THE TIME OF THE DISPUTE. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN THE STATE WHERE OUR PRINCIPAL OFFICES ARE LOCATED THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT NORTH CAROLINA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. IF FRANCHISEE IS GRANTED THE NON-EXCLUSIVE RIGHT TO OFFER AUTHORIZED SERVICES IN ANY PART OF THE PROTECTED TERRITORY, FRANCHISEE DOES NOT HAVE ANY RIGHT TO USE THE MARK CANTEN OR ANY OTHER MARKS WITHIN SUCH NON-EXCLUSIVE TERRITORY. FRANCHISEE SHALL CONTINUE TO OPERATE UNDER ITS CURRENT CORPORATE NAME IN SUCH NON-EXCLUSIVE TERRITORY.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

The Effective Date for the Registration States is listed on the next page.

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STATE	EFFECTIVE DATE
CALIFORNIA	
ILLINOIS	
INDIANA	
MARYLAND	
MICHIGAN	
MINNESOTA	
NEW YORK	
NORTH DAKOTA	
RHODE ISLAND	(Exemption)
SOUTH DAKOTA	
VIRGINIA	
WASHINGTON	
WISCONSIN	

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