

## LICENSE DISCLOSURE DOCUMENT

**KFC CORPORATION**  
A Delaware Corporation  
1900 Colonel Sanders Lane  
Louisville, KY 40213  
502-874-3000  
[www.kfcfranchise.com](http://www.kfcfranchise.com)



The licensee will operate a KFC unit which prepares and sells chicken, snackables and other approved menu items using certain trademarks and trade secrets owned by KFC Corporation.

The total investment necessary to begin operation of a KFC unit ranges from \$127,500 to \$542,000. This includes \$10,000 to \$31,500 that must be paid to the licensor or its affiliates.

This disclosure document summarizes provisions of your license 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.**

The terms of your contract 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 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, 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 franchising.

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

DATE OF ISSUANCE: April 4, 2014

## STATE COVER PAGE

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

Call the state franchise administrator listed in the attached Exhibit A for information about the licensor, about other licensors or about franchising in your state.

**MANY LICENSE 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 LICENSE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.**

Please consider the following **RISK FACTORS** before you buy this license:

### RISK FACTORS:

1. THE LICENSE AGREEMENT STATES THAT KENTUCKY 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.
2. YOUR SPOUSE MAY BE REQUIRED TO SIGN A GUARANTY MAKING THE SPOUSE JOINTLY AND SEVERALLY LIABLE FOR ALL THE OBLIGATIONS UNDER THE LICENSE AGREEMENT AND PLACING HIS OR HER OWN PERSONAL ASSETS AT RISK.
3. AS NOTED IN THE FINANCIAL STATEMENTS IN RESPONSE TO ITEM 21 OF THIS DISCLOSURE DOCUMENT, AS OF DECEMBER 28, 2013, THE LICENSOR'S CORPORATE PARENT (YUM! BRANDS, INC.) HAD A WORKING CAPITAL DEFICIENCY OF \$574,000,000. PLEASE BEAR THIS IN MIND WHEN FORMING YOUR INVESTMENT DECISION.
4. THERE MAY BE OTHER RISKS CONCERNING THIS LICENSE.

Effective Date: See the next page for State effective dates.

### STATE EFFECTIVE DATES

The following states require that the License 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.

| STATE        | EFFECTIVE DATE |
|--------------|----------------|
| California   |                |
| Hawaii       | Not Applicable |
| Illinois     |                |
| Indiana      |                |
| Maryland     |                |
| Michigan     |                |
| Minnesota    |                |
| New York     |                |
| North Dakota |                |
| Rhode Island |                |
| South Dakota |                |
| Virginia     |                |
| Washington   |                |
| Wisconsin    |                |

In all other states, the effective date of this License Disclosure Document is the Issuance Date of April 4, 2014.

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