



## Frequently Asked Questions

### DO YOU HAVE ANY CIRCLE K STORES FOR SALE? HOW DO I BUY A CIRCLE K?

Existing Circle K stores are rarely offered for sale. Therefore, you will be responsible for locating a site for your Circle K store. Typically, interested franchisee applicants have a location or have land to build a new Circle K store. In addition, if you have property or know of property, we can help you evaluate the site.

### I DON'T HAVE LAND, WILL CIRCLE K HELP ME ACQUIRE LAND OR DO YOU HAVE ANY LAND FOR SALE?

TMC Franchise Corporation does not locate a particular location for the purpose of retailing convenience products. However, we do work closely with several land developers and would be happy to put you in contact with them.

Here are some general guidelines to assist you in locating a suitable site:

- Located on a corner
- Approximately 20,000 to 40,000 sq. ft.
- Zoned for convenience store and gasoline retailing

### HOW MUCH DOES IT COST TO BECOME A CIRCLE K FRANCHISEE?

Please visit the Investment Information and Application section.

<http://www.circlek.com/CircleK/InvestmentCriteriaandApplicationDownload.htm>.

### DO YOU HAVE FINANCING AVAILABLE?

We may offer you a loan for authorized expenditures to be incurred by you in connection with either your construction of a Circle K Store or your conversion of an existing convenience store. The amount of the loan will be based on the square footage of your selling space for a new to industry location and on an existing convenience store's sales for a conversion location. In addition, there are several third party lenders who can assist qualified Franchisees with financing.

### WHAT IS THE INITIAL FRANCHISE FEE?

The initial franchise fee for your first Franchise is \$25,000 and may be reduced for additional Franchises based on certain conditions and criteria.

### WHAT IS THE ONGOING ROYALTY FEE?

Currently, the royalty fee is 4.5% of the gross sales for individual stores, as defined in the Franchise Agreement. If you do not to receive a loan from us as described above, your royalty fee will be decreased to 3.25% of gross sales.

#### WHAT IS THE ONGOING PROMOTIONAL FEE?

Currently, the promotional fee is up to 1.5% of gross sales. We may increase this rate up to 1.75% if we develop a national promotional campaign.

#### HOW LONG IS THE TERM OF THE CIRCLE K FRANCHISE AGREEMENT?

The initial term of the Circle K License Agreement is 10 years with an option to relicense for one renewal term equal to the initial term of the then current License Agreement.

#### WHAT IS THE QUALIFICATION PROCESS TO BECOME A CIRCLE K FRANCHISEE?

The qualification process takes approximately 60 days from the date we receive your completed application. We will complete a credit and background report. You will complete a Franchise profile evaluation, attend our Circle K Orientation if you are unfamiliar with the convenience store business, and attend a group interview with our management team.

#### WHAT ARE THE MINIMUM FINANCIAL QUALIFICATIONS FOR A POTENTIAL FRANCHISEE?

\$500,000 net worth which must include \$100,000 in liquid assets, but may vary based upon your ownership interest in the location and the type of project involved.

(Net worth = everything you own minus everything you owe)

(Liquid assets = cash, plus anything that can be quickly turned into cash, i.e. stocks, bonds, certificates of deposit, cash in bank, etc.)

#### WHY DO I NEED TO HAVE \$500,000 NET WORTH & \$100,000 LIQUID ASSETS?

Net worth and liquid asset requirements are established to ensure that qualified applicants have the means to qualify for necessary funding for store construction as well as provide necessary working capital for the initial stages of operating their convenience store.

#### IF I AM APPLYING UNDER A CORPORATION, WHO HAS TO TURN IN AN APPLICATION?

The managing or principal shareholder(s) is required to be the primary lead on the project and therefore, required to submit an application. If there are equal shareholders, the managing shareholder would provide the application (assuming the managing shareholder can meet the minimum financial qualifications) on behalf of the corporation. Additionally, under the equal shareholders' scenario, personal financial statements, date of birth, addresses and driver's license numbers are required of all shareholders.

#### I HAVE A SITE AND NEED TO KNOW IF IT WILL QUALIFY TO BECOME A CIRCLE K?

Site evaluations are conducted in the field by qualified Franchise Development Managers. Please contact (800) 813-7677 to arrange for site evaluations.

## CAN I HAVE A FAST FOOD RESTAURANT ATTACHED TO THE CIRCLE K?

TMC Franchise Corporation does not encourage or discourage potential franchisees from considering co-branding with branded Quick Serve Restaurants. Each site is evaluated based on certain key success factors and the appropriateness of a fast food offering.

## WHERE CAN I FRANCHISE CIRCLE K?

We are currently offering Circle K franchises throughout the United States and Internationally. Please contact us to discuss franchise opportunities in your area.

## CAN I FRANCHISE A CIRCLE K OUTSIDE OF THE UNITED STATES?

TMC Franchise Corporation currently franchises Circle K stores internationally in six countries totaling over 3,700 Circle K branded stores. Please view the International Franchise Opportunities section <http://www.circlek.com/CircleK/InternationalFranchiseOpportunities.htm>.

## HOW MUCH MONEY WILL I MAKE?

That varies depending on several factors, including but not limited to, your personal business acumen, the traffic at your site, and the site demographics. We are unable to provide you with information on how your particular site will perform. We do, however, provide the average sales of our Circle K stores in our Franchise Disclosure Documents (FDD). Also included in the FDD you will find a list of current and former Circle K franchisees' contact information so you to discuss their experiences with our brand. We encourage you to work with your business advisors and develop your own business plan to determine if the Circle K brand is right for you.

## WHAT KIND OF EDUCATION WILL I RECEIVE?

TMC Franchise Corporation provides a modular Business Educational program which include all aspects of convenience store retailing including but not limited to:

- Store operations
- Human resources and recruiting techniques
- Cost containment/management
- Merchandising and marketing techniques
- Promotional administration
- Stores accounting overview
- Loss Prevention best practices

## HOW DO I BENEFIT FROM BECOMING A CIRCLE K FRANCHISEE?

The experience of our parent company, Alimentation Couche-Tard, in operating over 4,000 company-operated stores is the foundation for our system. Franchisees derive benefits from our purchasing agreements for products and equipment negotiated with hundreds of manufacturers who provide goods and services to the entire Circle K convenience store system. Our marketing, merchandising and promotional programs are designed to drive traffic to Circle K stores.

*\*The communications made through this website should not be construed as an offer to sell a Circle K® Franchise in, nor are the communications directed by or on behalf of TMC Franchise Corporation to the residents of, any jurisdiction that requires registration of a franchise prior to offering and selling the franchise in that jurisdiction. No Circle K®*

*Franchise will be sold to any resident of any such jurisdiction until the offering has been duly registered and declared effective by such jurisdiction and the required offering circular, if any, has been delivered to the prospective Franchisee before the sale in compliance with applicable law. Nothing in this disclaimer should be construed as a waiver of any applicable exemption provisions which may be available to TMC Franchise Corporation.*