

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
x. Reduction in Your Territory	Section 11.07	If you fail to satisfy the Minimum Annual Revenue, we have the right to reduce the size of your Territory, in addition to our other remedies.

## NOTES:

- Note 1** The term of the Franchise Agreement varies according to the size of your Territory and your Beginning Monthly Total Net Revenues. **“Beginning Monthly Total Net Revenues”** means the average annualized value of all Pest control contracts of Orkin in your Territory that were sold to you in connection with the purchase of your Orkin Franchise (which expressly excludes any Multi-Territorial Accounts we designate), if any, together with the average annualized value of all Pest control contracts that you or any affiliate of yours had in the Territory in the event that you or such affiliate operated a Pest control business in such designated Territory prior to the effective date of your Franchise Agreement. Exhibit 7 to this disclosure document is a chart showing the guidelines to be used to determine the term of the Franchise Agreement. You and Orkin Systems may agree to a term less than that set forth in Exhibit 7, which will result in a lower Initial Franchise Fee. See Item 5.
- Note 2** Termination of your Orkin Franchise upon your bankruptcy may not be enforceable under federal bankruptcy laws (11 U.S.C.A. Sec. 101 et seq.).
- Note 3** Applicable state law may require additional disclosures related to the information in this disclosure document. These additional disclosures appear in Exhibit 11 attached to this disclosure document.

## ITEM 18. PUBLIC FIGURES

Orkin Systems does not use any public figure to promote its franchises.

## ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representation about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize 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 the franchisor's management by contacting Gordon Melerine at 2170 Piedmont Road NE, Atlanta, Georgia 30324 and (404) 888-2000, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1**  
**Systemwide Outlet Summary**  
**For years 2022 to 2024**

<u>Outlet Type</u>	<u>Year</u>	<u>Outlets at the Start of the Year</u>	<u>Outlets at the End of the Year</u>	<u>Net Change</u>
Franchised	2022	144	130	-14
	2023	130	126	-4
	2024	126	115	-11
Company-Owned*	2022	357	365	+8
	2023	365	380	+15
	2024	380	389	+9
Total Outlets	2022	501	495	-6
	2023	495	506	+11
	2024	506	504	-2

\* These Company-Owned Outlets are owned by Orkin, not Orkin Systems, which does not own any Company-Owned Outlets.

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than Franchisor)**  
**For years 2022 to 2024**

<u>State</u>	<u>Year</u>	<u>Number of Transfers</u>
All States	2022	0
	2023	1
	2024	1