

**VOLUNTARY AGREEMENT  
BETWEEN  
THE U.S. DEPARTMENT OF LABOR'S WAGE AND HOUR DIVISION  
AND  
SUBWAY**

As part of its broader efforts to make its franchised restaurants and overall business operations socially responsible, Doctor's Associates Inc. and its affiliates d/b/a SUBWAY (SUBWAY) recognizes that its workers, and those of its franchisees are one of its greatest assets, and that the sound business practices to which SUBWAY aspires include a fair day's pay for a fair day's work. In that spirit, SUBWAY fully supports the principles of the Fair Labor Standards Act (FLSA) and recognizes value in collaborating with the United States Department of Labor, Wage and Hour Division (Wage and Hour Division or WHD) to encourage FLSA compliance by its franchisees.

In its effort to promote and achieve compliance with labor standards to protect and enhance the welfare of the nation's workforce, the Wage and Hour Division recognizes that SUBWAY franchisees provide employment opportunities for thousands of workers. The Wage and Hour Division recognizes value in collaborating with industry leaders such as SUBWAY to promote compliance on a broader scale, so that these employment opportunities are consistent with the principles of the FLSA, and ensure a fair day's pay for a fair day's work.

Since 2012, SUBWAY and the Wage and Hour Division have collaborated to educate SUBWAY's franchisees about their responsibilities under the FLSA. SUBWAY has invited WHD staff to present at annual meetings, published articles authored by WHD in its weekly electronic newsletter, and facilitated WHD's efforts to provide FLSA posters to all new SUBWAY franchise owners.

The Wage and Hour Division and SUBWAY agree to build on this existing collaboration by:

- **Providing compliance assistance and training materials.**
  - WHD plans to develop a package of easy-to-use compliance assistance materials for the franchise restaurant industry. Such materials may include video or online training, articles for publication in internal company newsletters, and sample materials for internal staff meetings.
  - SUBWAY agrees to provide stakeholder input (along with other franchise restaurant stakeholders) into the development of these materials.
  - SUBWAY plans to disseminate the materials to its development agents, franchisees, managers, and other appropriate audiences.

- SUBWAY will continue to invite WHD to deliver training and compliance assistance at meetings attended by development agents and franchisees, such as SUBWAY's annual World Wide Convention and the Multi-Unit Owners' Meeting.
- **Developing compliance support for franchisees through data-sharing and technology.**
  - Wage and Hour makes its enforcement data on concluded cases publicly available at <http://ogesdw.dol.gov/homePage.php>. WHD agrees to help SUBWAY understand and use this publicly available data so that SUBWAY can make informed business decisions that reflect existing and potential franchisees' history of FLSA violations.
  - SUBWAY provides annual disclosures to other governmental agencies such as the Federal Trade Commission. SUBWAY agrees to regularly provide this same information to WHD in an agreed upon electronic format.
  - Both parties agree to analyze and discuss the combined data from these publicly available sources to generate new ideas for promoting compliance with the FLSA.
  - Both parties also agree to explore ways to use technology to support franchisee compliance, such as building alerts into the payroll and scheduling platform that SUBWAY offers as a service to its franchisees.
- **Committing to regular meetings to share information, evaluate compliance trends, and solve problems.**
  - WHD and SUBWAY agree to meet every three months to engage in a dialogue about improving franchisee compliance.
  - The parties may use these quarterly meetings to share information about concluded cases, to identify upcoming opportunities for training, to discuss new regulatory developments, or to generate new ideas for enhancing FLSA compliance throughout SUBWAY stores in the United States.
  - The parties may also use these meetings to identify opportunities for corporate and agency leadership to emphasize the importance of FLSA compliance and to engage in creative problem-solving that leads to widespread compliance.
- **Communicating about responsibilities to comply with the investigative process.**
  - When circumstances warrant, SUBWAY may inform franchisees of Section 11(a) of the FLSA, which authorizes representatives of the Department of Labor to investigate and gather data concerning wages, hours, and other employment


practices; enter and inspect an employer's premises and records; and question employees to determine whether any person has violated any provision of the FLSA.

- **Emphasizing consequences for FLSA noncompliance.**
  - SUBWAY requires franchisees to comply with all applicable laws, including the FLSA, as part of its franchise agreement.
  - SUBWAY may exercise its business judgment to terminate an existing franchise, deny a franchisee the opportunity to purchase additional franchises, or otherwise discipline a franchisee based on a franchisee's history of FLSA violations.

Execution of this agreement shall not waive any of SUBWAY's liability if found in violation of the FLSA or any other statute enforced by WHD. Nothing in this agreement shall limit any of the remedies or actions granted by the statute to either party. WHD retains its prosecutorial discretion to investigate and seek remedies for any violations of the FLSA or other relevant laws.

This agreement is effective upon execution and until terminated upon written notice by either WHD or SUBWAY.

Signed on this 26 day of July, 2016.

  
Suzanne Greco, CEO, SUBWAY

  
Dr. David Weil, Administrator, WHD

  
Patricia Davidson, Deputy Administrator, WHD