#### Hong Kong & Macau Franchising FAQs

# Why should I join the SUBWAY team?

Joining the SUBWAY® team gives you the great opportunity to own your own business. Not just any business, a proven business with a low investment, simple operations, flexible floor plans, on the ground support from your local Development Office, national and regional advertising, a large number of training tools including 2 weeks at headquarters in the USA or Australia, store development assistance, design support, lease negotiation support, construction guidance and much, much more.

#### How much is the franchise fee?

The initial franchise fee ranges from \$10,000 - \$15,000\* (US dollars) depending on your country and is for a 20 year license.

# How much are the royalty and advertising fees?

SUBWAY® Franchisees pay 12.5% on gross sales each week. 8% of that is for the brand rights and 4.5% goes towards advertising in which is then used to promote the brand in Hong Kong and Macau.

# How much does it cost to open a SUBWAY® restaurant?

Each location is different and the initial investment varies depending on restaurant size, build out costs, and location. For a better idea of the capital requirements reach out to the Development office. Call Jamie on +852 6971 9855 or Michael on +852 6645 1652. You can also email us at franchise@hksubway.com.

# How much money will I make?

Our employees, salespeople, or Development Agents are not permitted to furnish any oral or written information concerning actual or potential sales. Actual results vary from restaurant to restaurant and we cannot estimate the results of any particular franchise. We encourage you to call SUBWAY® restaurant's large number of multi-unit owners to learn first-hand why they decided to acquire additional franchises.

#### What is a Development Agent?

A Development Agent is a local, on-site representative of the SUBWAY® concept. Your DA will be your primary contact in your local area and will be able to provide local support not only throughout the application process but continued support as you operate your restaurant.

# Will I receive training?

Absolutely! Training classes are held throughout the year. We have training centres located all around the world. The main training centres are located in Milford, CT in USA and Brisbane in Australia. You will be assigned to a training centre based on your location and language preference.

### I have heard that there is a Basic Skills test, what is that?

Your local Development office will direct you to take a two part test, focusing on English and Math, which takes approximately one hour to complete. All newcomers to the SUBWAY® system are required to complete the test.

## Who will build my restaurant?

We will provide detailed blueprints from our Store Design team as well as recommended contractors that have been building Subway restaurants for over 20 years. Like staffing your restaurant you are ultimately responsible for selecting a contractor to build your location you are comfortable with.

# Do I have to negotiate the lease for my location?

The local development agent team will provide support in lease negotiations and assist franchisees in obtaining the best lease terms to the best of their ability. Locations will have to be approved by the Development Office and their expertise in the local property market is integral to your success.

### Why do I have to order my supplies from your vendor?

We require all franchisees to order food, equipment and décor from our approved distributors. This ensures that all SUBWAY® restaurants have the best quality food and product while allowing great savings due to the economies of scale. SUBWAY® has an Independent Purchasing Cooperative (IPC). IPC is a franchisee-owned and operated purchasing cooperative that negotiates the lowest costs for goods and services while maintaining quality, standards and ensuring the best value for SUBWAY® franchisees. This is a huge advantage of becoming part of a successful global brand.