



13 February 2017

## Domino's zero tolerance approach

Domino's Pizza Enterprises Ltd (Domino's) (ASX: DMP) notes recent media coverage regarding its franchise network.

Domino's believes this coverage did not reflect the strong financial performance of its franchise network, the high ethical standards required of all employees and franchisees, or the healthy levels of collaboration between the Company and franchisees.

Domino's works closely with franchisees in relation to marketing, training, technology and administrative support to provide them with the best opportunity for profitability and success. This means the number of these small businesses that did not make a profit in the previous 12 months continues to reduce, to 21 last financial year.

87% of new store owners in this past year came from within the existing Domino's network, either existing franchisees or store managers – which is strong endorsement of the franchise system.

There is no reason, no excuse, and no tolerance for any Domino's franchise that chooses not to pay its employees correctly or fails to meet expectations around ethics and governance.

Domino's has a dedicated investigative and auditing compliance department, which investigates franchisees for noncompliance with their employment law obligations. The team works closely with the Fair Work Ombudsman under the Self Compliance Deed.

In the past three years, Domino's has removed four franchisees, operating seven stores, from our system for deliberately underpaying their employees.

Where Domino's has identified an employee has been underpaid, the Company's first priority is ensuring the employee is repaid correctly.

Domino's has found no evidence of a link between franchisee profitability and breaches of employment obligations in this time.

Domino's has not previously received any complaints of visa fraud, but is investigating an allegation raised in today's report. Domino's has requested any available evidence to assist this investigation.

Domino's reports its half year results on Wednesday 15 February 2017 and looks forward to clear disclosure around these matters and setting the record straight.

### **About Domino's Pizza Enterprises Ltd:**

Domino's Pizza Enterprises Limited (DMP) was Australia's first publicly-listed pizza company and is the master franchisor for the Domino's brand in Australia, New Zealand, Belgium, France, The Netherlands, Japan and Germany. Across these seven markets, DMP and its franchisees operate more than 2,000 stores. For more information, visit [www.dominos.com.au](http://www.dominos.com.au)

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