

COACHING, SUPPORT AND RECOGNITION

***We coach and support each other,
we find reasons to celebrate
the achievements of others,
and we have fun doing it.***

PERFORMANCE FEEDBACK

Communication

Communication is vital to team work. It begins with understanding your job and goes on to understanding your role in the overall operation of your work location. To be effective, communication must be two-way; other employees, including your RGM, will provide you with input and also will need input from you. To assist you in understanding your job and your contribution to the operation, your managers will provide you with input about your performance. This communication from your RGM will come in the form of performance reviews, as well as coaching and feedback, before or after your scheduled shift.

Initial Hiring Probation Period

All employees are hired with an initial 90 day probation period. This probationary period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. The Company uses this period to evaluate employee capabilities, work habits, and overall performance. Either the employee or the Company may end the employment relationship at will at any time during or after the introductory period, with or without cause or advance notice.

If the Company determines that the designated probation period does not allow sufficient time to thoroughly evaluate the employee's performance, the probation period may be extended for a specified period. Upon satisfactory completion of the probation period, employees enter the "regular" employment classification.

During the probation period, new employees are eligible for those benefits that are required by law, such as workers compensation insurance and Social Security.

Reviews

The Company's performance review system is designed to ensure fair appraisal of your performance and to help you continuously improve your performance. You may be eligible to receive a pay increase based upon your performance. Promotion decisions are also based upon position availability and the performance review. Your RGM will also review performance standards with you during training. All employees are hired with an initial 90 day probation period. After this time, you may receive a performance review.

Hourly store employees are reviewed annually, usually every July, and any merit increases are effective the last pay period of that month. Store management and above store employees are reviewed annually, usually every February, and any merit increases are effective the first pay period of that month.

The Company subscribes to a merit pay increase system. It is the desire of the Company to award pay increases to employees subject to the profitability of the Company and pay increases are neither automatic nor periodic. A merit increase is a raise granted based on outstanding job performance during the performance review period. The Company reserves the right to increase or decrease pay rates at any time based on employee performance.

Coaching and support is an on-going communication process that keeps you informed as to what is expected of you, recognizes you for good performance, helps you improve job performance and lets you know what you can do to prepare for even more responsibility. During these discussions, you may be recognized for progress or exceeding performance expectations and standards or you may receive suggestions for improvement.

COMPENSATION AND BENEFITS

Your Pay

The payroll period is two work weeks (14 days). The work week runs from Wednesday through Tuesday. Ask your RGM about the specific payroll period schedule for your location.

When filling out your new employee paperwork, you will choose to receive your pay in the form of funds loaded onto a debit card or direct deposit into a bank account. Whether you use direct deposit or a debit card, your pay will be deposited in your account no later than 5:00pm of the Monday following the end of the payroll period.

Activation of either pay method may take up to 2 pay cycles, and several factors will determine how quickly your pay will go through to either of these methods:

- when an employee is hired
- when the store's pay cycle ends
- when the RGM submits the new hire documents for US Government verification
- how completely and accurately the new hire paperwork has been submitted
- when the employee is enrolled for direct deposit into a bank account or a debit card

Until the pay method enrollment is complete, a paper check will be issued by InfoSync and mailed to the employee's store address. Paper payroll checks are never cashed out of store funds. It is the responsibility of the employee to be sure his/her address is correct in the store's POS system and in the InfoSync payroll system.

The Company does not guarantee how long it will take for the check to arrive at the store as it is dependent on the U.S. Postal Service and other factors. The Company will not issue loans to cover any time between the mailing and delivery of a paper paycheck.

There is a waiting period of 14 days before a check is considered lost after mailing from InfoSync, based on U.S. Postal Service estimates. After waiting at least 14 days after the check was mailed, the employee can request a stop payment and reissue of the check. InfoSync will generally reissue and mail a new check within 48 hours of the request. If an employee requests a replacement check because of his/her error in supplying correct information, he/she must sign an affidavit that check was lost due to his/her error. Depending upon the circumstances of a lost or missing check, the employee may be asked to pay the bank stop payment fee of \$36 to have the check reissued.

The Company must obey all laws that pertain to payrolls, including taxes and garnishments (i.e. wage attachments, child support, bankruptcy, etc.). Your payroll deductions are listed on your check stub, which can be viewed online at the UltiPro website, which is maintained by InfoSync. Please ask your RGM for instructions on how to set up your online access so you can view and/or print out your pay stub if you desire. If you have questions concerning your pay, see your RGM. The following deductions will be made from your gross wages, as required by law:

- Federal income tax
- Social Security tax (FICA)
- Medicare
- State income tax (where applicable)
- Those deductions required by federal or state court orders
- Applicable deductions authorized by employee election for certain benefits, such as health insurance, if eligible

All store employees, hourly and salaried, are required to clock in and out in the POS system. Any manipulation of the reporting of time worked will lead to disciplinary action up to and including termination.

Automobile Mileage Reimbursement Policy

The Company has established a Mileage Reimbursement Policy to properly reimburse for business miles driven in personal automobiles. Only mileage approved in advance by the DO or an Owner will be reimbursed in accordance with this policy.

Other than MODs taking deposits to the bank, only a DO or RGM is authorized to use their personal vehicles for Company business. This authorization is limited to food transfers from another store location when necessary, driving to and from meetings required by the Company, or for training meetings.

Employees will receive reimbursement for miles driven in excess of 50 miles per day at the rate of \$.30/mile, not to include mileage from your home to your store location. All requests for reimbursement must be on an expense statement which will be approved by the DO. A check will be issued and mailed to your home address on record with InfoSync.

The Company reserves the right to change the rate of compensation at any time.

Management Trainee Reimbursement Policy

The current reimbursement policy for management trainees traveling for training purposes:

- Management Trainees will be paid the lesser of the mileage from their home store to training location or from their home to the training location. We want to ensure that the trainee is properly compensated for additional miles driven. MapQuest website mileage will be the governing authority on mileage calculations. Mileage will be paid at \$.30/mile for miles driven in excess of 50 miles per day.
- Trainees that travel overnight will be either reimbursed for pre-approved hotel room charges only, or set up on Company direct bill with the local hotel. Such expenses must be approved in advance by the DO and/or an Owner. Hotel room charges and taxes will be the only expenses covered by the Company.
- A Per Diem of \$20.00 per day will be paid to all trainees that travel overnight for training purposes. Per Diem is being paid to trainee to cover meals, phone calls and incidentals. No personal items will be reimbursed. Per Diem allowance will not be paid to trainees commuting daily to the training location. Receipts will not be required to be submitted to the Company. Per Diem allowance will be paid bi-weekly at the end of each period, not in advance of the training period.
- The DO is responsible to ensure trainees are properly reimbursed as well as requesting the Per Diem from the Company. Each DO must approve all expense reports for their respective trainees.
- The DO is responsible for requesting pre-approved Per Diem payments and responsible that trainees are properly reimbursed for pre-approved hotel expenses from the Company. Each DO must approve and submit all expense reports for their respective trainees.

Management Bonus Policy

The Company has established period and quarterly bonus plans for RGMs and certain Assistant RGMs which has several qualifiers regarding sales growth. The bonus plans details may be revised or discontinued at any time. Please see your DO for current details of the Management Bonus Plan.

Management Tenure Bonus Policy

The Company has established a Holiday Tenure Bonus Plan for RGMs which is \$100 for every Christmas as a RGM with the Company. This bonus may be revised or discontinued at any time. Please see your DO for current details of the Tenure Bonus Policy.

Above Store Personnel Tenure Bonus Policy

The Company has established a Holiday Tenure Bonus Plan for full time hourly and salaried above store personnel which is \$100 for every Christmas with the Company. This bonus may be revised or discontinued at any time. Please see your supervisor for current details of this Policy.

Recruitment Bonus

RGMs may be eligible for a recruitment bonus for referring successful new employees to the Company. There are two ways to be eligible for a recruitment bonus:

- refer a qualified external job applicant who is (1) hired and (2) completes a minimum of 90 days of employment in the RGM position
- develop a Shift Manager or Assistant Manager who is (1) promoted to RGM and (2) completes a minimum of 90 days of employment in the RGM position

This bonus plan details may be revised or discontinued at any time. Please see your DO for current details of the bonus plan.

Special Events

Periodically, the Company sponsors special events and contests to increase sales, promote special or new menu items, improve customer service, cleanliness, etc. Sometimes these special events and contests include awards and prizes, which you may be eligible to win. Your RGM will inform you when special events occur.

Service Awards

Our Company values the dedication and commitment of all its' employees, and wants to especially reward those employees who remain with our Company. It will be our honor to recognize you at various years of service in your career.

Employees who have completed one or more years of service on June 1 of each year will be rewarded with a pair of Shoes for Crews work shoes. A list of choices will be provided to these employees and the shoes will be delivered to the store RGM for distribution.

Employees who have completed five, ten, fifteen and twenty years of service will be rewarded with a pin to signify that milestone. Employees are encouraged to wear their anniversary pins on their uniforms.

W2 forms

As required by law, you will receive an annual Wage and Tax statement (W2) for the preceding year on or before January 31st of each year for wages paid in the previous calendar year. This form is sent by InfoSync, not the Company. You may also access this information online at the UltiPro website.

W2 forms are not forwarded by the U.S. Postal System, so If you move at any time, it is your responsibility to notify your RGM and InfoSync of your new address so it can be updated in the store's POS system and in InfoSync' s payroll system. For your security and protection, InfoSync will not honor verbal requests for address changes. Please see the RGM to complete an "Employee Action Form" to submit any changes in status.

If you require a W-2 form replacement, make a request to InfoSync.

Overtime

As needed, hourly store employees may be requested to work overtime. When this occurs, we expect you to cooperate and help out wherever and whenever you are needed. Overtime occurs when hours worked exceed 40 hours per week. Overtime is authorized and scheduled by your RGM only.

Overtime is 1 1/2 times your regular rate. Working off the clock is not permitted. Employees should not agree to or be expected to work while not clocked in.

Health Insurance

Full-time hourly and salaried store employees, and full-time above store personnel, are eligible to enroll in health insurance for themselves and their dependents. The Company pays a portion of the bi-weekly premium for this coverage, and the employee portion of the premium is made in advance via payroll deduction. This eligibility begins on the first of the month following 60 days of employment, or an eligible employee may enroll or make changes to his enrollment during the annual Open Enrollment period. The Company follows all applicable laws governing health insurance for employees set forth under the ACA.

The terms of this benefit are subject to change in the future. Please see your DO for more information about this benefit.

Personal Time Off (PTO) Pay

The Company provides an employee benefit for personal time off (PTO) as one of many ways to show our appreciation to our employees. PTO is intended to provide employees with a period of rest and relaxation. PTO combines vacation, sick time and personal time into a single bank of hours for employee to use. PTO may be used at the employee's discretion for vacation, time off due to employee illness, to care for an ill child, for medical, legal or other personal business appointments, bereavement, jury duty or to celebrate religious or other holidays not observed by the Company. PTO is your time to use as you wish once it is earned.

PTO is earned based on length of service with the Company, with eligibility guidelines based on employment position. These guidelines are set by the Company and may be changed at any time.

PTO time paid alone or in addition to actual time worked in a given payroll period will not result in overtime pay. You will not be paid cash in lieu of taking your earned PTO, and any earned PTO must be taken in the calendar year it is awarded. Unused PTO is forfeited if not used by the end of the calendar year in which it is awarded. PTO is not paid in conjunction with termination, whether voluntary or involuntary.

All PTO, with the exception of emergencies, must be requested and approved in advance, using the proper PTO request form. Approval of PTO time by the Company will be based upon a number of considerations, including the reason given for the request, the number of previous requests, the employee's length of service, job performance and the needs of the work area. If the store schedule allows for it and the RGM approves the PTO, the form must then be approved by the DO for that store before the PTO time is taken. All PTO must be reported and documented as such when the store payroll is submitted.

No PTO will be granted for employees with unsatisfactory performance.

PTO for Above Store Personnel

Full time above store personnel are provided an annual benefit of two weeks of PTO after the first year of employment, three weeks after five years of employment, and four weeks after ten years of employment. Once the first full year of employment has passed, employees may take two weeks per year through the first five years, three weeks through the next five years, and four weeks in years annually thereafter.

All PTO, with the exception of emergencies, must be requested and approved in advance. Approval of PTO time by the Company will be based upon a number of considerations, including the reason given for the request, the number of previous requests, the employee's length of service, job performance and the needs of the work area. All PTO must be reported and documented as such when the payroll is submitted.

PTO for Hourly Assistant Managers, Full Time Hourly Shift Managers and Full Time Hourly Employees:

After 24 months of continuous employment, which is counted as starting on the January 1 after your initial hire date, hourly assistant managers, full time hourly shift managers and full time hourly employees may earn PTO. You will be eligible for PTO off in the next calendar year of employment (year 3+). You must have been employed full time during this eligibility period, based on an average of hours worked (minimum 32 hours/week) and you must continue to work an average of 32 hours/week to receive PTO. This is equal to a minimum 1664 hours worked per year. The PTO rate will be the current rate of pay. PTO must be taken in minimum increments of 8 hours (full day period), and must be taken in the calendar year in which it is eligible.

Years of Service	Work less than 1,664 hours in calendar year	Minimum PTO hours that can be earned	Maximum PTO hours that can be earned
0-2 years plus next Jan 1	No PTO Earned	0	0
3 years + (must re-qualify each year)		32	50

PTO for Restaurant General Managers (salaried) and Assistant Restaurant General Managers (hourly):

RGMs and Assistant RGMs are provided an annual benefit of PTO time. At this level of employment, employees are expected to work a minimum of 50 hours each week. Therefore, each week of PTO is equal to 50 hours (five 10-hour days).

RGMs and Assistant RGMS are provided two weeks (ten 10-hour days) of PTO after the first full year of employment, three weeks (fifteen 10-hour days) after five years of employment, and four weeks (twenty 10-hour days) after ten years of employment. Once a full year of employment has passed, employees may take 100 hours (ten 10-hour days) per year through the first five years, 150 hours (fifteen 10-hour days) through the next five years, and 200 hours (twenty 10-hour days) in years annually thereafter.

PTO is prorated during your first calendar year, and is accrued one day per month during that time. For example, if you start in June, you will be eligible to take seven PTO days (70 hours) between January and December of the following calendar year. As of January 1 of the next year, you will have earned ten PTO days (100 hours) for that year. PTO must be taken in minimum increments of 10 hours (full day period), and must be taken in the calendar year in which it is eligible.

Years of Service	PTO hours earned
Less than 1 year plus next Jan 1	10 hours per month worked in first year (up to 100 hours)
2 - 4 years	100
5 - 9 years	150
10 + years	200

Holidays

RGMs receive pay for designated holidays of Thanksgiving and Christmas Day. If a holiday falls on a scheduled day off or during an employee's PTO, another day to observe the holiday is not provided. Except in an emergency, the stores are open every day of the year except Thanksgiving Day and Christmas Day. The stores may close early on certain other holidays at the discretion of the Owners.

Depending on the days certain holidays fall on the calendar each year, above store personnel may receive pay for designated holidays of Memorial Day, the Fourth of July, Labor Day, Thanksgiving, Christmas Day and New Year's Day. The holiday schedule may be changed annually upon the discretion of the Owners.

Jury Duty

RGMs and salaried above store employees receive pay for jury duty, up to a maximum of two weeks of pay. These employees are expected to maintain the responsibilities of their positions. Hourly employees will not receive pay for jury duty, but may use PTO time and/or take an unpaid leave of absence.

Bereavement Pay

All employees are excused from work for three days for bereavement time. Employees who are eligible for PTO, and have any unused PTO time remaining, may request their PTO time in order to be paid for this time off. A request for additional time off would need DO and/or Owner approval, and would be taken as an unpaid leave of absence.

Transfers

If you would like to work at another store within the Company (brand or location), please notify your direct supervisor. Transfers are allowed at the Company's discretion. The decision is based on:

- the reason for your transfer request
- if there is an open position at another location
- your work performance
- the business needs of the location

Sometimes business needs may require that the Company transfer you to another store location. Your RGM and/or DO will explain the details of the transfer. If this is a temporary transfer, they will explain the Company policy as it pertains to mileage and/or hotel expense reimbursement for you.

Meal Periods

If you are scheduled to work more than four hours, you will be scheduled a meal period. The amount of time for meals can change depending on the business needs of your restaurant. Your scheduled meal period is usually 30 minutes and is unpaid.

You must clock out when you start your meal period and clock in when your 30 minute meal period has ended. Clocking back in before the 30 minutes have passed is against Company policy. Failure to follow this policy shall result in disciplinary action including suspension and possible termination.

Food

Employees receive 50% off food purchased while on a 15 minute break or a full meal break, and all food purchased must be paid for immediately. Discounted meals are available to you if you are ***scheduled*** for or work more than a four-hour shift. Your meal can be consumed before or after your shift or during your scheduled meal period, but must be consumed in the restaurant.

Another employee must ring your meal up at the register before the meal is taken. You must sign the receipt and you must place your order as any other customer, at the customer side of the counter.

There are no discounts for off-duty employees, or families of employees, at any time. Full payment for all food items is expected from off-duty employees, relatives or customers.

With the exception of customer service issues, do not discount, give away or eat food without your supervisor's permission. Never take unsold food out of the restaurant and never eat food in the kitchen area.

Above store employees receive 50% off food purchased while in any Company store location. This courtesy is extended to the members of their immediate family present at the time of the visit.

Failure to follow this policy shall result in disciplinary action including suspension and possible termination.

Drinks

Free coffee, iced tea, and fountain drinks are available to you during your shift and must be consumed in the designated area in designated cups.

LEAVE OF ABSENCE

Family Medical Leave Act

Our Company complies with the federal Family Medical Leave Act (FMLA). The following summarizes employee's rights under the FMLA. The FMLA entitles eligible employees of covered employers to take unpaid, job-protected leave for specified family and medical reasons with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave.

Types of Absences Covered

Under the FMLA, you may take up to 12 work weeks of unpaid leave within a 12-month period for:

- the birth of your child and to care for the newborn child within one year of birth;
- placement of a child with you for adoption or foster care and to care for the newly placed child within one year of placement;
- the serious health condition of your spouse, child or parent who has a serious health condition;
- your own serious health condition causing you to be unable to perform the essential functions of your job: or,
- any qualifying exigency arising out of the fact that your spouse, son, daughter or parent is a covered military member on "covered active duty".

Under the FMLA you may take up to 26 work weeks of unpaid leave within a 12-month period to care for a covered service member with a serious injury or illness who is your spouse, son, daughter, parent, or next of kin. This is known as Military Caregiver Leave.

Serious Health Condition Defined

Serious health condition is defined as any injury, illness, or impairment that involves:

- Inpatient care (overnight stay) in a hospital, hospice or residential medical care facility
- Continuing treatment by a health care provider which includes:
 - A period of incapacity for a period of three or more consecutive calendar days; or,
 - Requires two or more treatments (visits) to the health care provider; or,
 - Requires at least one visit to the health care provider followed by a regimen of continuing treatment under the supervision of the health care provider.

Chronic Conditions

Chronic conditions also are covered by the FMLA. Chronic conditions are defined as a condition which:

- Requires periodic visits for treatment by a health care provider;
- Continues over an extended period of time; or,
- May cause episodic rather than a continuing period of incapacity

Eligibility for FMLA

To be eligible for FMLA leave an employee must have worked for us for at least one year and must have worked at least 1,250 hours in the year preceding the request for FMLA leave.

Length of Leave

Under the FMLA an employee is entitled to leave as long as a physician (or other legally qualified health care provider) certifies that a condition (or the condition of a family member) necessitates an employee's absence up to a maximum of 12 weeks within a 12 month period. The 12 month period for calculating FMLA eligibility begins with the date of 1st absence qualifying for FMLA and rolls forward from that date. Employees are required to first use their paid leave (PTO) before going into an unpaid Family Leave status. Paid leave will count towards FMLA time available.

In the event of foreseeable leaves, you must provide 30 days notice, or as much notice as is practical, by completing a request for time off and physician's documentation.

If the employees has elected to participate in the Company sponsored insurance plans, the Company continues to maintain the employee's insurance benefits during FMLA leave. The employee must continue to pay premiums for all elective benefits he or she has selected if coverage is to continue during the FMLA leave. Any applicable insurance premium deductions or loan payments will be deducted from any pay received during the FMLA leave. If there is any unpaid FMLA leave, the employee is responsible for making all necessary payments on the same schedule as if the employee was on payroll to continue benefits or repay loans. Employees on FMLA will stop accruing time in position for purposes of bonus payouts. FMLA leave does not constitute a break in service and employees will not suffer a loss in seniority; however PTO benefits will not accrue during this leave period.

Employees are expected to return to work when released by their health care provider (or when the family member is released). Failure to return to work when release occurs will be considered a voluntary resignation. Employees on leave for their own serious health condition must provide a fitness for duty certificate.

Employees who return to work within 12 weeks will be returned to the same or a substantially similar position with equivalent benefits, pay and other terms and conditions of employment. Employees whose FMLA leave exceeds 12 weeks, will be terminated and may reapply for employment after receiving fitness for duty certification from a physician.

FMLA Application and Further Information

Please contact the Company office for FMLA applications and further information.

Maternity Leave

Maternity leave falls under the same guidelines as FMLA.

Workers Compensation Leave

If employees are injured on the job, they may be eligible to receive the benefits of workers compensation insurance. The protection provides for the costs of medical services and limited salary continuation protection. The benefits extended to employees are limited to those provided by Workers Compensation.

An authorized workers compensation leave for an on the job injury is unpaid but does not constitute a break in service for purposes of seniority but it does affect PTO time accrual and other benefits. The Company will continue to maintain the employee's benefits during workers compensation leave, if applicable; however, the employee must continue to pay their portions of the premiums for all elective benefits he or she has selected if coverage is to continue during the workers compensation leave. The employee is responsible for making all necessary payments to continue benefits or repay any Company loans. Eligible employees on this medical leave will stop accruing time in position for purposes of bonus payouts and begin accruing time again on the first day back from the LOA. Workers compensation leave does not constitute a break in service and employees will not suffer a loss in seniority; however, PTO benefits will not accrue during this approved workers compensation period.

Worker's Compensation benefits include partial payment of lost wages and/or payment for required medical treatment. Wage benefits generally begin three days after disability benefit amount is determined by the insurance company, in accordance with state law.

If an employee is unable to work due to a work related injury or illness, the workers compensation leave of absence will be combined with FMLA leave for eligible employees. Eligible employee's leave will count towards the 12 weeks leave to which they are entitled under the FMLA.

Return to work for employees with less than one year of service is not guaranteed, but rather on a position available basis; however, employees whose leave exceeds 12 weeks will be terminated and they may reapply for employment after receiving fitness for duty certification from a physician. Employees who are released may be eligible for extension of their health benefits through COBRA. Contact the Insurance and Benefits Coordinator for questions concerning COBRA.

NOTE: Any current employee who is involved in a work related accident while on duty, whether on or off the Company's property, will be required to provide a body substance sample. If alcohol or drugs are found, worker's compensation will not be paid, and this will result in disciplinary action, up to and including termination.