



POLICY MANUAL 2024

Revised on 08/20/24



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MRCO, LLC (MRCO) manages Taco Bell franchises owned and operated by other entities (Operating Companies). The owners of these Operating Companies are the Taco Bell Franchise owners. The majority of the franchise owners are principals of MRCO.

As you read these policies and procedures, you may find references to some or all of the following Operating Companies:

- American Hospitality Corporation
- East West Enterprises, LLC
- Future Restaurants, LLC
- Future Bells GA, LLC

All of these are the Operating Companies referred to above. You may be employed by any one of these Operating Companies, depending on the location of your restaurant.

Any references to "The Company" include all of the above Operating Companies, as well as MRCO, LLC.



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WAGE AND SALARY ADMINISTRATION POLICY

Revised January 1, 2023

The following guidelines have been established to fairly and equally administer decisions affecting salary and/or wages of employees of MRCO Companies ("The Company"). These guidelines are expected to be adhered to by all supervisors authorized to make or initiate decisions affecting pay. No exceptions can be made without direct approval of the VP of Operations. These rules are in place specifically to prevent unequal treatment of any group of employees as compared to any other group.

Wage/Salary Ranges

A written copy of the company's current pay ranges should be available to any employee upon request. Unless specified otherwise within this policy, all employees' pay rates must relate to the applicable pay range for their position. No pay increases should be submitted for approval, or be approved which would set a pay rate above the position maximum rate.

Salaried Promotions

Any promotion of a salaried employee into a higher position should be handled by elevating their bi-weekly pay to the minimum pay applicable to the new position's pay ranges provided that the increase is 10% or higher. If that increase is under 10%, the rate should be set at the amount necessary to accomplish a 10% increase for the increased level of responsibility. Shift Managers (hourly) that promote to AGM (salaried) positions should be set at AGM minimums unless their increase would be under 10% based on a 45 hour (40 regular & 5 Overtime) work week comparison.

No promotion to a salaried position is authorized without direct approval of the VP of Operations. Area Coaches are responsible for obtaining conditional hiring approval from the VP of Operations, then initiating the pre-promotional screening process through the Human Resources Department in accordance with the Management Pre-Screening Policy in Section 2. After getting clearance through the pre-promotional screening process, the Area Coach gets final approval from the VP of Operations to initiate payroll department processes. No approval will be given that causes a salaried employee to be promoted into a position that their immediate supervisor was just involuntarily terminated from unless that supervisor's separation was related to extreme dishonesty. Area Coaches are responsible for initiating unit level salary changes and promotional increases. No salary change will be considered approved without Director of Operations authorization.

Hourly Promotions

Promotion of an hourly employee to a higher hourly position is accomplished by increasing their hourly rate to the new position's minimum rate OR an amount equal to a 10% increase, whichever is higher. No promotion of an hourly employee is authorized without written approval of the unit's Area Coach. Area Coaches are responsible for initiating and processing the hourly rate increase authorization form after deciding to approve an RGM's request to promote an hourly employee into a higher hourly position. Before an hourly employee can be promoted into an hourly management position the candidate must successfully complete the pre-screening process outlined in the Management Pre-Screening Policy in Section 2.



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Salaried Hiring Rates

All salaried hiring rate decisions must be approved by the VP of Operations before an offer of employment is made. All persons should start at the minimum rate for the position they were hired for unless one of the following situations apply.

1. Experienced Hire – Individuals with a long term established track record in a comparable position with another food service and/or business organization can be considered for hire up to \$3000 above the annual rate minimum for the candidates' position.
2. Taco Bell Transfers – Corporate or franchise transferees with an appropriate release can be considered at rates up to their current rate (if employed there 30 days back or less) with the other Taco Bell entity provided that rate does not exceed our position maximum rate and provided that current income verification is produced.
3. Actively Employed Recruits – Candidates from other companies that are intentionally recruited by The Company can be considered for hire at rates up to their current rate with the other organization provided that their rate does not exceed our position maximum rate and provided that current income verification is produced.
4. Acquisition Hires – New hires that begin employment with The Company as a result of their unit being acquired (bought) can be considered at a rate up to their current rate with the other organization provided their rate does not exceed our position maximum. Exceptions to this limitation will be based on individualized 6 month plans to adjust job responsibilities or adjust pay rates down to the applicable maximum for our pay range.
5. Rehires – No rehire of a previously employed salaried manager can be authorized without specific approval from the Director of Operations.
6. Lower Position Rehires – Previously employed salaried personnel that return to service in lower positions may later be considered for promotion to elevated positions at up to the experienced hire rate for the new position. This applies when the new position is still lower than the originally held level of responsibility. Utilization of this provision requires approval from the Director of Operations.

Hourly Hiring

All new hourly employees should start at the MRCO minimum wage rate for their hourly positions, unless one of the following situations applies:

1. Above Guideline Starting Hire Rate Units – Ownership approval can be given to specific units to authorize higher than normal starting rates in special situations. In those cases, Team Member and Shift Manager minimum rates will also be set at "Above Guideline" rates and approved in writing prior to implementation.
2. Experienced Hires – Hourly candidates with applicable experience should be hired at rates that allow fair compensation for the individual's situation. These "above unit minimum" hires must be approved in writing by the units' Area Coach prior to making the offer of employment.



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3. Hourly Rehires – Hourly rehires can be considered at up to the hourly rate the employee was paid at departure. If the individual left prior to a Federal Minimum Wage increase, they can be considered at a rate up to their departing rate or the amount that the federal minimum went up to. No one should be rehired at a rate that is below the current Federal Wage Minimum rate or the unit minimum wage rate.

Transfers

Hourly transfers will use identical rates provided that both units use the same minimum rates for hourly employees. Anyone who transfers to a unit with a lower minimum rate for their position will have to accept a downward adjustment in their hourly rate equal to the minimum rate difference. The reverse adjustment also applies if the new units' minimum rate is higher.

Demotions

Occasionally circumstances require demotion of an individual (hourly or salaried) to a lower position. This should be accomplished by reducing their pay rate to an amount that is equivalent to what the individual would likely be earning if they had never been promoted. Any likely pay increases for the applicable time period should be added but subject to the position maximum.

Please Note:

These guidelines are subject to change as business conditions warrant. Changes will be communicated in writing. Any situation that can not be decided upon by the guidelines outlined in this policy must be submitted to the Director of Operations for exception and approval prior to being communicated to any party as a final decision.



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MANAGEMENT PRE-SCREENING

Reviewed January 1, 2024

The following guidelines have been established to fairly and equally administer the requirement for pre-screening of all management people. All candidates being considered for promotion into any management position, promotion to a higher management position or hired or rehired into a management position must successfully complete the pre-screening process outlined below. Due to the sensitive nature of the pre-screening process, information contained in the pre-screening process will only be communicated to individuals on a need-to-know basis. These guidelines are expected to be adhered to by all supervisors authorized to make or initiate decisions affecting the hiring of people in The Company. No exceptions can be made without direct approval of an officer of the HR Department.

Pre-Screening Process

Effective September 1, 2004 before an individual can be hired or rehired into any management position in The Company, promoted into a management position or promoted into a higher management position within The Company, the candidate must successfully complete a pre-screening process. The Area Coach of this individual will be responsible for initiating the process by obtaining a written release from the individual authorizing the pre-screening to take place, and then requesting the pre-screening through the Human Resources Department.

This pre-screening will include a Background Check and MVR for Shift Manager Candidates (to determine whether driving or non-driving), a Background Check and Motor Vehicle Report (MVR) for Assistant General Manager candidates and a Background Check and MVR for all Restaurant General Manager level candidates and Above Store Leader candidates.

HR will evaluate each background check to determine if there is an employment-related reason to deny the hire or promotion.

Typically, the pre-screening process will take 3 to 4 days unless a weekend or holiday is involved. All pre-screening results will be received by the Human Resources Department and communicated to the requesting Area Coach. A candidate must pass all screens in order for a job offer to be made or a promotion to go into effect.

Salaried Management Pre-Screening Process

Before a salaried management candidate can be hired, rehired, promoted into a salaried position or promoted into a higher salaried position several steps must be successfully completed. In addition to the successful completion of the components of the pre-screening process, all salaried management candidates must also show proof of possession of a valid driver's license and proof of insurance according to State regulations to the requesting Area Coach before final approval will be given to the promotion or hire.



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In order, the steps to hiring, rehiring or promoting a candidate into a salaried position or a higher salaried position are:

1. Area Coach interviews candidate
2. VP of Operations interviews candidate and gives conditional approval
3. Area Coach verifies candidate's valid driver's license and proof of insurance
4. Candidate completes and signs the release form authorizing pre-screening
5. Area Coach completes the bottom section and emails the completed and signed release form to HR who requests Background Check and MVR for AGM candidates through an independent agency
6. HR receives the results and communicates to Area Coach
7. If everything is acceptable, Area Coach gets final approval from Director of Operations to initiate Payroll Department processes
8. If everything is not acceptable, HR will contact the Area Coach and start the Adverse Action Process (see details on following page)
9. If candidate has any questions, the Area Coach can direct him/her to contact HR at 615-377-5706
10. If disqualifying attributes are valid, candidate can request exception consideration through the HR department.

Hourly Management Pre-Screening Process

Before a candidate can be hired, rehired or promoted into an hourly management position a number of steps must be accomplished. *In cases where a candidate completes a conditional form, they may be hired prior to receiving the results of the background.

1. RGM interviews candidate
2. Area Coach interviews and gives conditional approval
3. Candidate completes and signs release form authorizing pre-screening
4. Area Coach completes the bottom section and emails the completed and signed release form to HR who requests Background Check through an independent agency.
5. HR gets pre-screen results and communicates to Area Coach
6. If everything is acceptable RGM gets final approval from Area Coach to initiate Payroll Department processes
7. If everything is not acceptable, HR will contact the Area Coach and start the Adverse Action Process (see details on following page)



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8. If candidate has any questions, the Area Coach can direct him/her to contact HR at 615-377-5706
9. If disqualifying attributes are valid candidate can request exception consideration through Area Coach and HR Department

Adverse Action Process

If, after receiving the results, there are any disqualifying attributes on any of the screens the candidate must be allowed to go through the Adverse Action Process to review and challenge the information reported. The Area Coach will notify the candidate that HR will be sending a copy of the background results and instructions on the Adverse Action Process. If the candidate has questions, he/she should be directed to call the Director of HR at **615-377-5706** to discuss the situation. HR will mail to the candidate the following items:

First Set of Documents:

1. Notification Letter of Possible Adverse Action
2. Copy of the report(s) containing the Disqualifying Attributes
3. Summary of the Candidate's Rights Under the FCRA

Second Set of Documents (after the 5 days):

1. Adverse Action Letter
2. Summary of the Candidate's Rights Under the FCRA
3. Copy of the First Notification Letter
4. Copy of the report(s) containing the Disqualifying Attributes

Please Note:

These guidelines are subject to change as business conditions warrant. Changes will be communicated in writing. Any situation that cannot be decided upon by the guidelines outlined in this policy must be submitted to an officer of the HR Department for exception and approval prior to being communicated to any party as a final decision.

****Drug Screens are currently not in place, but it will be communicated if they are reinstated.***



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PAY INCREASE ADMINISTRATION GUIDELINES

Revised January 1, 2024

For 2024, the goal for MRCO will continue with merit-based pay increases for hourly and salaried employees. Even though this is the goal, sometimes the economic situation will warrant different measures.

Our current plan as of 1/1/2024 is to have 1 round of merit-based raises for hourly employees in period 3.

There is also a plan for one merit-based salaried manager increase in period 4.

Please Note

The plan for the year will be subject to change as warranted by the economic environment. Any change to the plan will be communicated to the field in writing with plenty of time to implement the changes.



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ANNUAL TENURE AWARD

Reviewed January 1, 2024

Purpose: To reward long-term hourly employees with an incentive payment that increases with each full calendar year of service up to a maximum amount that is achieved after 5 years of service. The Tenure Award is paid during the month of December so it is received before the holidays. The incentive amount is paid in accordance with the schedule listed below.

Policy Specifics:

Eligibility

This program applies to all Team Members and all Shift Managers. Additionally, the eligibility also requires that the person be actively employed in a MRCO affiliate company and currently working in one of the eligible positions at the time the tenure award checks are issued for payment.

Qualifying Periods

This is a calendar year program that begins on January 1 of each year and ends on December 31 with the current year being considered as ended on the pay period ending date from which the early December pay checks will be issued. This coincides with the P12W4 pay period and allows for incentive payments to be processed, mailed and received by eligible recipients before the holidays.

Qualifying Hours

Participation in this program is limited to individuals who work a minimum of 1200 hours YTD through the pay period ending with the P12W4 pay period. This requires an average of approximately 25 hours per week during the current calendar year.

Payment Schedule

Payments will be based on complete calendar years of employment according to the following schedule:

Complete Calendar Years	Incentive Amount Earned
1	\$100
2	\$150
3	\$200
4	\$250
5 or more	\$300

Prior years (Tenure Credit)

Consecutive calendar years of service in eligible positions that have been worked for MRCO will count towards the calendar years completed credits. In addition, acquisition employees will also be eligible to count their "grandfathered" hire date. Payment Timing – Payments for this program will be timed so that eligible employees will receive their incentive checks no later than December 20 of each year.



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Withholding

These payments are incentive payments and are therefore subject to all normal withholding amounts for taxes or other reasons.

Approval, Verification and Payment Processing

Area Coach approval will be required for any unit's payment amounts to be processed by the payroll department. The Area Coach will verify and approve hire dates and hours worked. The Area Coach will receive periodic hours reports beginning in October to begin tracking those who are eligible or close to being eligible for the bonus.

Salaried Manager Promotes

When a Shift Manager is promoted to Assistant Manager, the individual becomes eligible to participate in the benefits program of a salaried manager. When this happens the individual will no longer be eligible for the tenure award.

Exceptions

Any exception to this policy must be approved by the Director of Operations.



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SERVICE AWARD PROGRAM

Effective December 1, 2021

Intent: To “Recognize and Celebrate” the milestone anniversaries of MRCO employees as a means of thanking them for their dedicated year(s) of service. This program does not replace any existing recognition program(s) such as the hourly employee annual tenure award.

Eligibility

All MRCO employees are eligible. This includes ALL store level personnel, Operations ASL staff personnel and RSC staff personnel. The owners of MRCO sincerely appreciate the dedicated year(s) of service of personnel made prior to the MRCO acquisition of store(s) from Taco Bell Corporation, another Franchise entity and the tenured service of personnel prior to the transfer from another YUM brand entity. However, this program is intended to celebrate continuous MRCO service and only considers continuous MRCO year(s) of service. The MRCO acquisition date, MRCO hire date, or the most recent re-hire date of each person will be the starting date in calculating year(s) of service.

Administration

Each month The Human Resources Department will publish a list of individuals celebrating year(s) of service to each Department Head and/or Area Coach. Additionally, during the first week of each month, the HR Department will distribute to the respective Department Head and/or Area Coach the gift(s) for individual(s) celebrating year(s) of service during that month.

Program Awards

Year(s) of Service Lapel Pin

1. Year One through Year Twenty: Service lapel pin identifying the year(s) of continuous service

Milestone Awards

1. Year Five:.....\$250 and a MRCO Commemorative Pin
2. Year Ten:.....\$500 and a MRCO Commemorative Pin
3. Year Fifteen:.....\$1000 and a MRCO Commemorative Pin
4. Year Twenty:.....\$2000 and a MRCO Commemorative Pin
5. Every 5 years thereafter (25, 30, 35, 40...) \$2000

Program Exceptions

Any question of continuous service tenure that can not be decided upon by the guidelines outlined in this policy must be submitted to the Director of Operations for exception and approval prior to being communicated to any party as a final decision.



RESTAURANT MANAGEMENT PERIOD INCENTIVE PLAN

Effective – December 27, 2023

AMERICAN HOSPITALITY CORPORATION
EAST WEST ENTERPRISES, LLC
FUTURE RESTAURANTS, LLC
FUTURE BELLS GA, LLC



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Introduction

The Restaurant Management Period Incentive Plan was designed to reward performance that is consistent with the overall operational and financial goals of MRCO's franchised Taco Bell and TPX restaurants. **This program is somewhat different than last year's program and will be in place for at least one quarter but the company reserves the right to modify this program, at any point, provided that the modification is communicated to unit management prior to the beginning of the first period of the modified plan.**

Participation, Eligibility, Timing

The period incentive plan is open to full time, unit level restaurant management (i.e. LGMs, RGMs, MGMs, AGMs and Shift Managers) employed in a MRCO franchised Taco Bell or TPX Restaurant. If an eligible employee is newly hired or promoted into a management position, the incentive amount will be prorated to reflect the number of days of employment. If a management member is transferred between restaurants, the incentive payment will be prorated based on the number of weeks spent in each restaurant.

In order to be eligible for an incentive payment, the employee must be actively employed by a MRCO affiliate company at the time MRCO issues checks for payment of the incentive. If the employee ceases to be employed with MRCO or another MRCO affiliate company, for any reason, he or she is automatically ineligible to receive any payment under the Incentive Plan.

Payment of amounts earned under this plan will be made no later than 4 weeks following the end of the applicable period. Decisions as to the applicability or interpretation of this program will be made by the VP of Operations and/or franchise ownership.

Incentive Amount

Restaurant General Managers, Assistant General Managers and Shift Managers will earn and be compensated for their award dollars for each component per period.

Management teams at newly opened stores will receive preopening "startup" objectives for the period in which the unit actually opens as well as the following 2 periods. Generally speaking, actual financial control results will be accepted as "on target" for these "startup periods" but TBC metrics standards will be measured as in all other units.

RGMs, LGMs, MGMs, and AGMs that transfer, **at the company's request**, to a different unit, will be guaranteed that their bonus dollars from the new unit (transferred to) will not be less than the dollars they averaged for the previous 4 full periods at their old (transferred from) unit. This applies to the period of the actual transfer and the following 3 periods. This provision is automatically canceled in the case of termination or resignation for any reason.

Disqualification Provision (All positions)

In order to insure that maximum focus is placed on Food Safety and Operating Standards, all period earned component dollars will be forfeited by all Shift Managers, AGMs, and Unit Manager roles, if the restaurant's Taco Supreme Score is less than 3.0. Units that fail their Steritech Food Safety audit or their Steritech Operations audit will most likely receive less than a 3.0 Taco Supreme Score for the period that the audit occurred in. Please review the Taco Supreme Payout Schedules below.



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Incentive Plan Period Components and Dollar Values

Shift Manager Incentive Plan components and payment dollars are as follows:

- \$40.....For periods that ICOS Variance target is achieved
- \$40.....For periods that E*Restaurant Labor Hour Variance target is achieved
- \$40.....For periods that their unit used 24 or less hours of overtime.
- \$40.....For periods where Job Role and Experience Training completion hits 100% Certified for all roles. There will be 10 Experiences in 2024. For the three periods that there is no Experience training final result only the Job Role final numbers will be used to calculate success.

Unit Taco Supreme Score Payment Schedule for SM's:

- 5*.....110% payout of earned Incentive Plan dollars
- 4.5*.....100% payout of earned Incentive Plan dollars
- 4*.....90% payout of earned Incentive Plan dollars
- 3.5*.....75% payout of earned Incentive Plan dollars
- 3*.....60% payout of earned Incentive Plan dollars
- 2.5* or less.....No (0%) payout of earned Incentive Plan dollars

AGMs Incentive Plan components and payment dollars are as follows:

- \$150.....For periods that ICOS Variance target is achieved
- \$150.....For periods that E*Restaurant Labor Hour Variance target is achieved
- \$150.....For periods that their unit used 24 or less hours of Overtime
- \$150.....For periods where Job Role and Experience Training completion hits 100% Certified. There will be 10 Experiences in 2024. For the three periods that there is no Experience training final result only the Job Role final numbers will be used to calculate success.

Unit Taco Supreme Score Payment Schedule for AGM's:

- 5*.....110% payout of earned Incentive Plan dollars
- 4.5*.....100% payout of earned Incentive Plan dollars
- 4*.....90% payout of earned Incentive Plan dollars
- 3.5*.....75% payout of earned Incentive Plan dollars
- 3*.....60% payout of earned Incentive Plan dollars
- 2.5* or less.....No (0%) payout of earned Incentive Plan dollars



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Unit Managers Incentive Plan components and payment dollars are as follows:

- \$300.....For periods that ICOS Variance target is achieved
- \$300.....For periods that E*Restaurant Labor Hour Variance target is achieved
- \$300.....For periods that their unit used 24 or less hours of Overtime
- \$300.....For periods where Job Role and Experience Training completion hits 100% Certified. There will be 10 Experiences in 2024. For the three periods that there is no Experience training final result only the Job Role final numbers will be used to calculate success.

Unit Taco Supreme Score Payment Schedule for RGM's:

- 5*.....110% payout of earned Incentive Plan dollars
- 4.5*.....100% payout of earned Incentive Plan dollars
- 4*.....90% payout of earned Incentive Plan dollars
- 3.5*.....75% payout of earned Incentive Plan dollars
- 3*.....60% payout of earned Incentive Plan dollars
- 2.5* or less.....No (0%) payout of earned Incentive Plan dollars

Sales Multiplier for all in unit management is as follows:

- (bonus earned (x) 1.0) for units below \$47,000 per week average Net Sales
- (bonus earned (x) 1.1) for units between \$47,001 and \$59,999 per week average Net Sales
- (bonus earned (x) 1.2) for unit >= \$60,000 per week average Net Sales



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DEVELOPMENT AND TRANSFER BONUS PLAN

Revised December 27, 2023

DEVELOPMENT BONUS PLAN

The Development Bonus Plan is designed to reward Unit Managers and Area Coaches who assist the company in its management team development process by providing and training personnel to fill vacant positions in another person's Unit and/or Area. **It is not designed to reward individuals for filling positions within their own areas of responsibility.**

Payments for this program will be made on a paycheck soon after 30 days from the individual's actual transfer date (6 months for Recruitment Clause) providing that the person is still employed in the role that they transferred into. Effective immediately, approval for paying a development bonus will be the responsibility of the VPO after submission from the Area Coach of the person for whom the development bonus is being requested. No person who is not actively employed on the check cut date will be eligible to receive any money from this program.

This program only covers payments to individuals who were primarily responsible for the promotee/transferee's development process. With the exception of the Recruitment Clause, the program does not cover temporary non-developmental supervisory relationships. Exceptions or reallocation of dollars to multiple individuals in order to ensure fairness as well as any other unusual situation will be decided upon by the Vice President of Operations.

The following payments will be made for the applicable situation:

Area Coach Payments

- a)\$300 if an AGM is provided for and transferred into another Area.
- b)\$600 if an AGM is promoted to RGM while being transferred into another Area.
- c)\$300 if an RGM is transferred into another area as a lateral move.

Unit Manager Payments

- a)\$300 if an AGM is transferred to another unit as a result of a promotion or a lateral transfer.
- b)\$600 if an AGM is promoted to RGM and transferred to another unit or if the RGM transfers to another unit and their AGM gets promoted to the original unit's RGM role.
- c)\$300 if an RGMT is transferred out to fill a normal RGM role at another unit.
- d)\$300 if a trainee is sent from an RGM's store following Learning Zone Certification when they were sent there to be prepared for the salaried management role. \$200 if a SM trainee is sent from an RGM's store following Learning Zone Certification where they were sent there to be prepared for placement in another unit other than the RGM trainer's store. This SM training bonus does not apply to trainees being prepared for their role in their currently assigned store.



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- e)\$300 if a Learning Zone certified salaried management person is sent out by a RGM and is still employed in the same or higher role 120 days from the transfer out date.
\$100 if a Learning Zone certified SM trainee was trained and prepared by a RGM for placement in another unit and is in the same or higher role 120 days from the transfer out date.
- f)\$750 if an outside hire unit manager (\$400 for AGM) is recruited personally by the Unit Manager, hired by MRCO for initial deployment into someone else's unit, and successful in position for a period of 6 months.

TRANSFER BONUS PLAN

The Transfer Bonus Plan is designed to recognize individuals who transfer at the request of the company and is a positive lateral move or the result of a management promotion. Prior to a permanent unit transfer of a member of a management team, the Area Coach should seek and gain approval from the Market Coach. The Transfer Bonus is intended to recognize an individual who moves into a different store situation that would be a positive benefit to the receiving store. The Market Coach is responsible for authorizing payment of the Transfer Bonus once agreement has been reached that this transfer is a positive lateral move or the result of a management promotion. When this positive type of transfer occurs the transferring individual will receive the transfer bonus payment in accordance with the following scale:

- a)RGM (Unit Manager) = \$40
- b)AGM = \$200
- c)Shift Manager = \$150

Exceptions for individuals in order to ensure fairness as well as any other unusual situation will be decided upon by the Vice President of Operations.



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SALARIED MANAGEMENT PAID TIME OFF (PTO) BENEFITS

Revised February 1, 2024

Please Note the following changes to the old Salaried Vacation Policy:

- 1. One day of PTO is equivalent to 9 hours and One week is 45 hours.**
- 2. 3 extra days (27 hours) of PTO have been added to all 3 tiers to replace sick days**

Eligible Positions

The following salaried management positions are eligible for paid time off:

Dual-Task Lead General Managers, Lead General Managers, Multiunit General Managers, Restaurant General Managers, Assistant General Managers

Eligible salaried management personnel begin accruing PTO benefits on the first day in salaried position and are expected to use their PTO time each year. PTO must be taken in increments of 1 or more full days. PTO will be earned and given in accordance with the accrual schedule listed below:

Accrual Schedule

- **Years 0-4:** During the first four years of employment, the eligible employee will be granted two weeks plus 3 days of PTO per year (13 PTO days as defined by this policy). PTO will be accrued at a rate of 4.5 hours per bi-weekly pay period.
- **Years 5-9:** Beginning on the fifth anniversary date, the employee will accrue 3 weeks plus 3 days of PTO (18 PTO Days as defined in this policy). PTO following the fifth anniversary will be accrued at a rate of 6.231 hours per biweekly pay period.
- **Years 10 and beyond:** Beginning the tenth anniversary date, the employee will accrue 4 weeks plus 3 days of PTO (23 PTO Days as defined in this policy). PTO following the tenth anniversary will be accrued at a rate of 7.962 hours per biweekly pay period.
- PTO may be requested once an employee has accrued a minimum of 9 hours. As noted above, PTO must be taken in full-day (9-hour) increments. Off days may be used in conjunction with PTO days. When combining Off Days with PTO, Off Days may never exceed PTO Days taken, and only two Off Days may be taken per week. See attached chart for more detailed information.

Administrative Issues and Requirements

Maximum PTO hours to be accrued at any one time in the first 4 years of service are 117, and any hours beyond this will not be accrued until PTO time has been taken to reduce the current accrual. It is up to the eligible employee to monitor his/her PTO. After the fifth anniversary date, maximum PTO hours to be accrued at any one time are 162 hours.

Again, no hours will be added to an employee's PTO bank once an employee's bank is full.

After the 10th year, the maximum will be 207 hours. The employee's Current date of hire, or employee's most recent hire date will serve as his/her anniversary date. Time served in Shift Manager and Team Member positions will be considered towards tenure for PTO benefits.



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Upon termination of employment, employees will be paid for accrued PTO hours not taken.

If a salaried manager is demoted to an hourly position, PTO hours will stop accruing. PTO hours already accrued will be still available, but must be used within a specified period of time and cannot be kept indefinitely. The employee will then be eligible for the hourly PTO accrual program.

Salaried managers are encouraged to take their PTO; however, they are allowed to request a payout of up to ½ of their PTO balance one time per calendar year.

A written "PTO Request" form must be submitted for approval in advance for all PTOs. Approval is not automatic upon request. The request is approved only when signed by the employee's Area Coach or by the Market Coach.

At any point PTO time accrues to 117 hours during the first four years, or 162 hours in the fifth year, or 207 beyond, no further PTO time will accrue. Hours already accrued will not be lost; however, additional PTO accrual will be forfeited by the employee. Once PTO hours are used and hours drop below accrual maxes, PTO hours will start accruing again. In the rare event that an employee is asked by the company to not take PTO time, the PTO time not taken will either:

- A. Be allowed to be carried forward for a specified period of time approved by the V.P. of Operations
- B. One time per calendar year payout of no more than half of existing balance

PTO Scheduling

PTO Time off requests can be considered for approval if they include a full schedule seek or any part thereof. They also can begin in one work schedule week and end in another.

Any supervisor that approves a PTO request agrees to accept responsibility for what happens in the unit the salaries employee returns. No individual should be held responsible for unavoidable situations that occur when they are on approved PTO.

Exceptions

No exceptions to the above stated rules can be approved without the specific written approval of the V.P. of Operations.

Requests for exceptions to this policy should be forwarded to the V.P. of Ops by the Area Coach for salaried management personnel. Approval decisions will be based primarily on fairness consideration and likeness of repeat approvals under similar circumstances.

Requests to extend the option to use forfeited time will only be considered if the request is officially made prior to the forfeited time being lost.



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The following chart outlines the number of Off Days that may be used in conjunction with PTO Days for a requested period of time. For example: If an employee has accrued 1 day of PTO, that employee may combine that request with 1 off day to have 2 days he or she will be unavailable to the store.

Number of PTO Days Taken	Maximum Number Off Days Allowed
1	1
2	2
3	3
4	4
5	4
6	4
7	4
8	4
9	4
10	6

The example below will show a two-week period in which 4 PTO days are taken in conjunction with 2 off days for a total of 6 days unavailable to the store. In this example, the manager is typically off on Wednesday and Sunday.

WED	THURS	FRI	SAT	SUN	MON	TUES
OFF/UNAVAIL	VACA	VACA	VACA	OFF/UNAVAIL	VACA	WORK
OFF	WORK	WORK	WORK	OFF	WORK	WORK

The example below shows when PTO and Off Days are not used correctly. You cannot use more Off Days than PTO Days. You could use 2 PTO Days and 1 Off Day to allow for 3 days unavailable to the store.

WED	THURS	FRI	SAT	SUN	MON	TUES
WORK	VACA	OFF/UNAVAIL	OFF/UNAVAIL	WORK	WORK	WORK
WORK	WORK	OFF	OFF	WORK	WORK	WORK



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HOURLY EMPLOYEE VACATION BENEFITS

Revised December 28, 2021

Eligibility Requirements

All Hourly Employees - Shift Managers, and Team Members (Food and Service Champions) - are eligible for vacation time after one year of continuous employment. Vacation time will be based on average weekly hours worked during the employment year up to 40 hours per anniversary year. (The vacation hours will accrue every pay period at the rate of 0.00192 hours of vacation per hour worked.) Current date of hire will establish the starting date (anniversary date) for the continuous year of employment. Vacation time will be taken with a minimum of 8 hours.

Calculation and Tracking of Vacation Time Benefits

The vacation time available each year is calculated as follows:

1. Once an hourly employee hits their anniversary, they will be eligible for the first year's vacation accrual. They can have up to 40 hour payout. Following this, they can take vacation with a minimum of 8 hours as they earn it. (Vacation is earned per hour worked)
2. Payout of vacation time is allowed for Hourly Employees. The maximum payout is 40 hours and then employees may take vacation with 8 hour minimum as they accrue after their first anniversary.
3. The Area Coach of the employee is responsible for approving vacation time. The remaining vacation hours will be displayed on the employee's check stub.

Administrative Issues and Requirements

1. A Vacation Request form must be submitted for approval in advance in order to use vacation hours. Vacation must be requested and approved prior to posting of the schedule. Approval is not automatic upon request. The request is approved only when signed by the employee's RGM and Area Coach or other Above Store Leader (if Area Coach is unavailable to authorize)
2. Vacation hours are not counted as hours worked and will not count toward overtime. Although it is encouraged that employees take vacation, payout in lieu of vacation is allowed for hourly roles.
3. Any accrued vacation hours must be used within 13.5 months or they will roll off.
4. Upon termination of employment, hourly employees will be paid for unused vacation hours that were earned and not taken provided they reached their one year anniversary.
5. When an employee is demoted to an hourly position from a salaried management position, the employee will keep the accrued hours of vacation from the salaried position, and will be eligible for hourly vacation again.
6. When an employee is promoted to a salaried role from an hourly position, previously earned but unpaid vacation time will be paid out to begin the salaries accrual process. If an employee is promoted before the first year of employment, they can earn the portion of the hourly vacation on their one-year anniversary.



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Exceptions

Unusual circumstances regarding the transition to this policy should be resolved by Area Coached submitting specific recommendations for fairness to all employees to their immediate supervisor or the HR department for approval.

No exceptions to the above stated policy can be approved without the specific written approval by the Market Coach.

Requests for such exceptions should be forwarded to the Market Coach by the Area Coach of any employee seeking exception and the approval decision will be based primarily on fairness considerations and likelihood of repeat approvals under similar circumstance.



POLICY MANUAL 2024

SALARIED MANAGEMENT SCHEDULE POLICY

Revised February 1, 2024

It is generally understood that all salaried management work 50 hours a week. The Company expects all salaried management personnel to target and schedule working a minimum of 45 hours per 7-day (Wednesday-Tuesday) week in your unit with the other 5 hours used for miscellaneous admin or "take home" work. While it is recognized that the needs of the business can sometimes increase the number of hours required to 51-70 (based on staffing problems, meeting requirements, etc.), the Company prefers that efforts be applied to keep each person's total time worked to the 50-hour target and 45 hours scheduled per week. It is our belief that regularly working over 50 hours per week reduces the chance of maintaining a quality personal life thereby minimizing longevity of careers with our organization.

Furthermore, we prefer that salary management attempt to maintain a 5-day work week whenever possible to ensure that personal life/family priorities can be given proper attention.

(Should MRCO and its affiliated companies be forced to convert salaried managers over to hourly paid managers in the future by changed to current Federal, State or Local laws, it would likely require moving to a 50-hour scheduled work week to manage and maintain the needs of each unit).

Under normal circumstances, a manager's time should be split into a combination of days and nights on both weekdays and weekends in a manner that will allow full awareness of the quality of unit operations at all times during the week. The actual allocation of the salaried manager's time should be such as is agreed to by the Area Coach since business patterns and trends differ between units.

Units with multiple salaried positions should be scheduled so that individual scheduled do not overlap more than a minimum amount of time.

All salaried management personnel should be scheduled and present for at least the main revenue period during shifts that account for a minimum of 50% of the unit's typical weekly volume.

The company realized that the realities of the business often require that unplanned management time be used to address specific business needs, but we only require that 45 hours per week be scheduled. These 45 (minimum) hours should be scheduled and reported weekly. This time can be spent on administration, local store marketing, area/market meetings, training/development of personnel etc. as well as normal operation of shifts in customer service roles.

Salaried management personnel are expected to be present during the shifts in which they are scheduled. Situations that come up that cause changed to RGM (or similar roles) schedules making them not present as committed must be reported (prior to the change) to the Area Coach in the manner of the Area Coach's choosing.

Scheduled "off days" are considered as acceptable to not work, if business needs allow, but they are not void of responsibility to be present in the unit if needs arise. Being generally available (other than vacation days) is expected of salaried personnel. Off days should normally be scheduled with at least 1 workday in between but occasional back-to-back off days or weekend-off requests are acceptable when approved by Area Coaches.



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Actual work schedules are to be made available to Area Coaches, in the manner of their choosing, and they are considered to have the right to require modifications as they see fit.

Salaried personnel who fail to work shifts as scheduled and/or agreed to with Area Coaches will be subject to disciplinary action and/or transition to an hourly role. No salaried person's actual weekly pay can be reduced without the approval of the VP of Operations or Director of HR.

Individuals who become unable or unwilling to fulfill salaried hours requirements will either be converted to an hourly rate or demoted to a lower position at the discretion of The Company. VP of Operations and HR approval is required for any such change in status.



POLICY MANUAL 2024

PAID HOLIDAY AND HOLIDAY HOURS OF OPERATIONS

Revised December 27, 2023

Thanksgiving Day and Christmas Day are paid holidays for our Restaurant Salaried Management teams as well as our Above Store Leader Team. All other holidays should be considered normal work days unless they fall on a day that a salaried manager or ASL would have normally scheduled as a day off.

MRCO will reduce hours of operations and/or close for business according to the following Holiday Hours of Operations guideline:

Thanksgiving Day	Closed
Christmas Eve	Close at 2pm-6pm (use AC discretion)
Christmas Day	Closed
New Year's Eve	Close at 10pm
New Year's Day	Open at Noon
4th of July	Normal Hours

Food Court units must abide by lease mandated Holiday Hours of Operations.



POLICY MANUAL 2024

HARASSMENT, SEXUAL HARASSMENT, AND RETALIATION

Revised January 1, 2023

Non-Harassment

It is MRCO and Affiliated Companies' policy to prohibit intentional and unintentional harassment of any individual by another person on the basis of any protected classification including, but not limited to, race, color, national origin, disability, religion, marital status, veteran status, sexual orientation or age. The purpose of this policy is not to regulate our employees' personal morality, but to ensure that in the workplace no one harasses another individual.

If any employee feels that he or she has been subjected to conduct which violated this policy, he or she should immediately report the matter to the Employee's Supervisor. If the employee is unable for any reason to contact this person, or if the employee has not received a satisfactory response, the employee should contact any higher-level manager in his or her reporting hierarchy. Every report of perceived harassment will be fully investigated and corrective action will be taken where appropriate. All complaints will be kept confidential to the extent possible, but confidentiality cannot be guaranteed. In addition, the Company will not allow any form of retaliation against individuals who report unwelcome conduct to management or who cooperate in the investigations of such reports in accordance with this policy. If any employee feels he or she has been subjected to any such retaliation, he or she should report it in the same manner in which the employee would report a claim of perceived harassment under this policy. Violation of this policy including any improper retaliatory conduct will result in disciplinary action, up to and including discharge. All employees must cooperate with all investigations.

Sexual Harassment

It is MRCO and Affiliated Companies' policy to prohibit harassment of any employee by any Supervisor, employee, customer or vendor on the basis of sex or gender. The purpose of this policy is not to regulate morality within the Company. It is to ensure that at the Company all employees are free from sexual harassment. While it is not easy to define precisely what types of conduct could constitute sexual harassment, examples of prohibited behavior include unwelcome sexual advances, requests for sexual favors, obscene gestures, displaying sexually graphic magazines, calendars or posters, sending sexually explicit e-mails, text messages and other verbal or physical conduct of a sexual nature, such as uninvited touching of a sexual nature or sexually related comments. Depending upon the circumstances, improper conduct also can include sexual joking, vulgar or offensive conversation or jokes, commenting about an employee's physical appearance, conversation about your own or someone else's sex life, or teasing or other conduct directed towards a person because of his or her gender which is sufficiently severe or persuasive to create an unprofessional and hostile working environment.

If the employee feels that he or she has been subjected to conduct which violates this policy, the employee should immediately report the matter to the Employee's Supervisor. If unable for any reason to contact this person, or if the employee has not received a satisfactory response after reporting any incident of perceived harassment, the employee should contact Human Resources. If the person toward whom the complaint is directed is one of the individuals indicated above, the employee should contact any higher-level manager in his or her reporting hierarchy. Every report of perceived harassment will be fully investigated and corrective action will be taken where appropriate. All complaints will be kept confidential to the extent possible, but confidentiality cannot be guaranteed. In addition, the Company will



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not allow any form of retaliation against individuals who report unwelcome conduct to management or who cooperate in the investigations of such reports in accordance with this policy. If an employee feels that he or she has been subjected to any such retaliation, the employee should report it in the same manner in which a claim of perceived harassment would be reported under this policy. Violation of this policy including any improper retaliatory conduct will result in disciplinary action, up to and including discharge. All employees must cooperate with all investigations.



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SMOKING IN THE WORKPLACE

Revised January 1, 2017

MRCO Taco Bell Restaurants will maintain a smoke-free environment for its employees and customers. Smoking, including the use of e-cigarettes is only allowed in designated areas outside of the building.

1. Smoking is strictly prohibited in all areas inside the building.
2. During operating hours, smoking may be permitted while on breaks in authorized exterior areas away from customer entrances and the drive thru menu board. Each RGM has the right to establish his/her restaurant's designated employee smoking area outside the building.



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SUBSTANCE ABUSE

Revised December 28, 2005

MRCO, LLC is committed to providing a safe work environment and to fostering the well being and health of its employees. That commitment is jeopardized when any MRCO employee illegally uses drugs or alcohol on or off the job. Therefore, MRCO has established the following policy:

1. It is a violation of company policy for any employee to use, possess, sell, trade, offer for sale, or offer to buy illegal drugs or otherwise engage in the illegal use of drugs while on company property.
2. It is a violation of company policy for any employee to report to work under the influence of or in possession of illegal drugs.
3. It is a violation of company policy for any employee to consume, open with the intent to consume or allow the consumption of alcohol while on company property.
4. It is a violation of company policy for any employee to report to work under the influence or impaired by alcohol.
5. It is a violation of company policy for any employee to use prescription drugs illegally, while on duty. However, nothing in this policy precludes the appropriate use of legally prescribed medications.
6. Disregard of the strict enforcement of this policy by the store management team and/or the Area Coach, store management not promptly reporting a violation of this policy to the Area Coach and/or the Area Coach not promptly reporting a violation of this policy to the VPO are considered serious policy violations and shall be dealt with accordingly.

Violations of this policy are subject to disciplinary action up to and including termination. The illegal use of drugs and the abuse of alcohol are incompatible with employment at MRCO Taco Bell Restaurant Locations.



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PROGRESSIVE DISCIPLINE

Revised January 1, 2023

When appropriate, the Company believes in a progressive disciplinary process that is intended for constructive development of its employees. Standards of conduct and actions for non-performance are outlined in the following policy on Progressive Discipline.

AGM and higher positions shall be authorized to implement the Progressive Discipline process described below.

The corrective action process could involve all or only one of these steps:

1. **Counseling and Coaching** – An informal discussion with the employee’s immediate supervisor. The supervisor explains that behavior and/or performance is not up to expected standards. A Consultation Memorandum may be completed to develop an action plan for improvement.
2. **Oral Warning** – A discussion of the employee’s responsibilities. This option notifies the employee that performance or behavior must improve after informal counseling has failed to produce desired results. File documentation is required.
3. **Written Warning** – A written restatement of the verbal discussion and/or another discussion regarding what behavior or conduct is acceptable. File documentation is required.
4. **Decision - Making Leave** – One day off with pay to think about whether the individual wants to remain employed and their willingness to function under the rules of behavior, conduct, and/or performance. This action is accompanied by a written action plan which details the supervisor’s and employee’s understanding of what is expected of them upon return. Additionally, the employee is notified that if he/she does not return for his/her next scheduled shift after taking this leave, the Company will consider it a voluntary termination.
5. **Suspension** – A short-term unpaid leave that allows the supervisor to take time to fully investigate serious performance and/or behavior issues or to obtain approval from higher level of authority, before processing an involuntary termination. Suspensions that do not result in termination will cause supplemental pay to be provided that keeps the employee’s income as it would have been if the suspension had not been utilized.
6. **Termination/Discharge** – Termination of employment is used when the employee has been given the opportunity to meet performance and/or behavior standards and in management’s evaluation has failed to do so. Discharge may also be used for a first offense when the violation is so severe that no other option is appropriate.

All personnel must realize that the steps in a Progressive Discipline System serve as a general guideline and are not mandatory. There are varying degrees of seriousness which pertain to performance and/or infractions of policies. There are certain instances where conduct and/or performance is of such a serious nature that immediate termination, without prior warning or consultation, may be the justified course of action.

NOT ALL OF THESE OPTIONS NEED TO BE EXHAUSTED PRIOR TO SUSPENSION OR DISCHARGE.



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DISPUTE RESOLUTION

Revised January 1, 2023

The Company is committed to creating and maintaining a workplace environment in which its employees, at any rank within the system, have knowledge that if he or she is faced with a dispute with a co-worker, there is a process in place to assist the employee. The following steps represent the Company's policy toward solving disputes between workers:

Step #1 First, discuss the issue with the person with whom you disagree.

If not resolved...

Step #2 Discuss the matter with your store-level Supervisor. (Assistant or Restaurant General Manager)

If not resolved...

Step #3 Discuss the issue with your Unit's Area Coach.

If not resolved...

Step #4 Discuss the issue with Director of Human Resources available at 1-800-435-5885

Ext. # 5706.

If not resolved...

Step #5 Discuss the issue with the Director of Operations.

If anyone in our company finds themselves in an impasse with a fellow worker, or supervisor, and feels that the other person is unwilling to cooperate toward a fair resolution, this process exists to help in arriving at a solution. Our Company considers unresolved disputes counter productive and an obstacle toward achieving our shared values of Total Customer Satisfaction, Integrity, Diversity, Balance, Teamwork, Accountability, and a Commitment to Growth. Everyone's support is essential if we are to maintain a productive workplace, free of such disputes.

Employees who feel that they have an issue involving harassment, discrimination, or retaliation may skip any manager in the resolution process who encouraged or participated in the alleged sexual harassment or discriminatory activity.

Please remember that there is an OPEN DOOR POLICY and any employee may contact Human Resources at any time in the process.



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EQUAL EMPLOYMENT OPPORTUNITY

Revised January 1, 2017

MRCO and Affiliated Companies is an Equal Opportunity Employer that does not discriminate on the basis of actual or perceived race, creed, color, religion, alienage or national origin, ancestry, citizenship status, age, disability or handicap, sex, marital status, veteran status, sexual orientation, genetic information, arrest record, or any other characteristic protected by applicable federal, state or local laws. Our management team is dedicated to this policy with respect to recruitment, hiring, placement, promotion, transfer, training, compensation, benefits, employee activities and general treatment during employment.

The Company will endeavor to make a reasonable accommodation to the known physical or mental limitations of qualified employees with disabilities unless the accommodation would impose an undue hardship on the operation of our business. If you need assistance to perform your job duties because of a physical or mental condition, please let Human Resources know.

The Company will endeavor to accommodate the sincere religious beliefs of its employees to the extent such accommodation does not pose an undue hardship on the Company's operations. If you wish to request such an accommodation, please speak to Human Resources.

Any employees with questions or concerns about equal employment opportunities in the workplace are encouraged to bring these issues to the attention of Human Resources. The Company will not allow any form of retaliation against individuals who raise issues of equal employment opportunity. If an employee feels he or she has been subjected to any such retaliation, he or she should bring it to the attention of Human Resources. To ensure our workplace is free of artificial barriers, violation of this policy including any improper retaliatory conduct will lead to discipline, up to and including discharge. All employees must cooperate with all investigations.



POLICY MANUAL 2024

CASH CONTROL AND DEPOSITING PROCEDURES

Revised January 1, 2024

All employees must follow established cash handling systems, policies, and procedures as outlined in the Taco Bell Answer Book and the Managers Daily Planner. The following rules represent the Company's policy as it pertains to the control of company funds.

- 1. Audit Frequency** – The restaurant's operating fund must be audited at least two (2) times each business day. An audit of register funds (drawers), change fund, and voucher fund must be documented on the Daily Control Sheet minimally at opening, and closing every day. The restaurant's operating funds must consist of cash and coinage only. It is unacceptable to "hold" receipts, checks, or any other non-cash items in the operating fund. Adjustments to the fund must be made immediately upon discovering that the fund is out of balance.
- 2. Recurrent Cash Control Issues** – Recurrent cash control issues are unacceptable. People in charge who establish a history of unacceptable cash control are subject to disciplinary action up to and including termination.
- 3. Deposit Frequency** – All stores are required to make one bank run per day with the previous business day's receipts by 11:00 a.m. No bank deposits are to be made after dark. Charity funds are to be deposited once per week and by a separate dedicated charity deposit. The number of deposits a store makes daily must match TACO System deposit entries for the business day.
- 4. Bank Deposit Procedures** – ***Only Salaried Managers and Shift Managers may make bank deposits.*** The individual making the bank run must have a current and valid driver's license. This individual takes the deposit(s) to the bank following these procedures. Transport deposit(s) at different times each day with varying routes, conceal deposit(s) inside a Taco Bell bag or large drink cup with lid and straw. The concealed deposit(s) must be passed through the drive-thru window to the individual making the bank run. The individual must go directly to the bank, and make no stops along the way. If using the after hours depository, double check to ensure the deposit bag(s) drop completely into slot. If a business situation prohibits making the bank run by 11:00 a.m. the situation must be reported to the Area Coach before the end of that business day.
- 5. Deposit Slips** – All available validated deposit slips must be recovered from the bank every business day and be reconciled against TACO System deposit entries. After verifying, the deposit slips are to be filed in accordance with guidelines established by the Area Coach.
- 6. Missing Deposits** – In the event that a deposit becomes missing, and after a thorough investigation, no acceptable reason can be given for the disappearance, the PIC will be held accountable for the loss. If any established cash handling or security policies or procedures were violated, the PIC will be held accountable, and subject to disciplinary action up to and including termination and possible restitution of the loss. No restitution can be accepted by any Company representative without specific authorization from the Director of Operations. *An RGM or other manager should NEVER instruct a cashier to repay missing funds from their shift.



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7. **Missing Funds** – Cash shortages in excess of \$50.00 are automatically diverted to “Missing Funds” by the TACO system at End-of-Day. Any occurrence of Missing Funds requires the unit’s Area Coach to initiate a Missing Funds Report (MFR). The report must be filed within 48 hours of the loss. The MFR will detail the circumstances which caused the loss, such as:

- Loss Amount
- Person in charge of the shift
- Security/Cash control policy adherence
- CCTV tape results
- Potential suspects
- Police involvement
- Loss recovery action plan

The MFR will be reviewed by the Accounting Department or the Director of Operations and a determination will be made as to what action will be taken. If any established cash handling or security policies or procedures were violated, the PIC will be held accountable, and subject to disciplinary action up to and including termination and possible restitution of the loss. Non-restitution can be accepted by any Company representative without specific authorization from the Director of Operations.



POLICY MANUAL 2024

RESTAURANT UNIFORM GUIDELINES

Revised January 1, 2024

Ordering Guidelines

Hourly employees are required to wear only the approved restaurant uniforms as provided by Delta Promotions. Exceptions to this must be approved by the Market Coach or Director of Operations. The minimums listed below should be utilized by restaurant management to provide elements for hourly employees.

Full-time Employees: Minimum of 2 shirts, 1 hat

Part-time Employees: Minimum of 1 shirt, 1 hat

These are minimum guidelines. You may find that employees may require additional uniforms based on their job position or hours worked. This is left to the RGM's discretion. RGM must ensure each new team member is presented with NEW hat.

Name Tags

Name Tags are no longer required.

Guidelines for All Team Members

Shirts and Hats

All team members must wear a clean crew unisex polo shirt. LTO promotional T-shirts may be substituted if approved by the unit's Area Coach during the period of the LTO promotion. When the LTO promotion ends, crew members must return to wearing the approved crew unisex polo shirt. Hats purchased by the company and provided to crew members must be always worn by crew when working.

Shoes

All team members must wear dark colored shoes with a closed toe and heel, and the shoes must be clean in appearance. For safety reasons, we require leather or hard top shoes with a slip resistant sole. Team Members may purchase shoes using payroll deductions through Taco Bell's "Shoes for Crews" program or they can be purchased at Wal-Mart ("TredSafe" Brand), Payless ("SafeTStep" brand) or Reebok ("On the Clock Walking Shoe"). These options are explained to new team members during their orientation process and they need to place an order with "Shoes for Crews" or purchase shoes within 24 hours of orientation.

Socks, Pants, & Belts

All team members must wear appropriate belts and dark socks. Team Members should provide their own black pants or approved jeans (see My Taco Bell for approved colors and styles). If desired, team members may purchase black pants from Delta Promotions and pay for them via payroll deductions over two pay periods. The purchase of these pants from Delta Promotions is optional and suggested only as a low-cost convenient method for providing the proper color work pants.

Personal Grooming

All employees must follow the personal hygiene and appearance standards as set forth in the Taco Bell Answer System.



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Guidelines for All Shift Managers

Shirts and Hats

Shift managers are required to wear a clean management shirt provided by Delta Promotions. In compliance with food safety standards, Shift Managers are required to wear the management hat when working in food handling positions.

Shoes

All Shift Managers must wear dark colored shoes with a closed toe and heel, and the shoes must be clean in appearance. For safety reasons, we require leather or hard top shoes with a slip resistant sole. Shift Managers may purchase shoes using payroll deductions through Taco Bell's "Shoes for Crews" program or they can be purchased at Wal-Mart ("TredSafe" Brand), Payless ("SafeTStep" Brand) or Reebok ("On the Clock Walking Shoe"). These options are explained to new Shift Managers during their orientation process and they need to place an order with "Shoes for Crews" or purchase shoes within 24 hours of orientation.

Socks, Pants, & Belts

All Shift Managers must wear appropriate belts and dark socks. Shift Managers must wear dark pants or approved jeans. Please see My Taco Bell for approved colors and styles of jeans.

Personal Grooming

All employees must follow the personal hygiene and appearance standards set by Taco Bell Corporate.

Guidelines for Salaried Management

Shirts and Hats

Salaried Managers are required to wear a clean management shirt provided by Delta Promotions. In compliance with food safety standards, Salaried Managers are required to wear the management hat when working in a food-handling position.

Shoes

All Salaried Managers must wear dark colored shoes with a closed toe and heel, and the shoes must be clean in appearance. For safety reasons, we require leather or hard top shoes with a slip resistant sole. Salaried Managers may purchase shoes using payroll deductions through Taco Bell's "Shoes for Crews" program or they can be purchased at Wal-Mart ("TredSafe" Brand), Payless ("SafeTStep" Brand) or Reebok ("On the Clock Walking Shoe"). These options are explained to new Salaried Managers during their orientation process and they need to place an order with "Shoes for Crews" or purchase shoes within 24 hours of orientation.

Socks, Pants, & Belts

All Salaried Managers must wear appropriate belts and dark socks. Delta Promotions type khaki pleated pants, black pleated pants, khaki cargo pants or black cargo pants should be worn and will be provided by the company. Salaried managers may also wear jeans (please see laminated insert for approved colors and styles)

Personal Grooming

All employees must follow the personal hygiene and appearance standards set by Taco Bell Corporate.



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Personal Drive Thru Jackets for All Employees

The company purchases Drive Thru jackets each year (typically 3 to 4 per store) that can be worn during inclement weather and shared by all store employees. Additionally, any team member, team member trainer, shift manager or salaries manager may purchase his/her own personal Drive Thru jacket from Delta Promotions and pay for it via payroll deduction over two pay periods.

Exceptions and Intentions

There are no exceptions to this policy unless indicated by a specific brand standard or approved explicitly by the Market Coach or Director of Operations.

MRCO strives to follow the grooming and uniform standards set forth by Taco Bell. If any MRCO policy on grooming and uniform conflicts with One Source, please bring it to the attention of Human Resources so that it may be resolved as soon as possible.



POLICY MANUAL 2024

EMPLOYEE BREAKS AND FREE MEAL BENEFITS

Revised 2021

Maintaining a work force that is productive, refreshed, and ready to work is essential if our goal of 100% Customer Satisfaction 100% of the time is to be met. To accomplish this, the following Policy regarding the types and duration of breaks and the meal discount we offer to eligible employees has been created.

Breaks

Rest breaks and meal periods will be given following state regulations (see posted state regulations) and break schedules set at each restaurant. Take breaks in designated areas away from the food production and service areas. If a team member is given a 30+ minute meal break (even when not specified by state law), and if the shift requires that the team member stay in the store in case he or she is needed, the team member must be paid for the meal break. If the team member is not required to stay in the store for the meal break, then the team member need not be paid for the time.

Beverages

All employees may consume soft drinks and tea without charge. These free drinks should be served in a designated employee drink cup (i.e. 16 oz. water cup, personal container etc.). The drink must be consumed in the unit's designated break area out of customer sight. At no time should employee drinks be consumed or stored in or near food productions areas. Employee free drinks can be taken off premises, but cannot be given to anyone.

Free Meals

Team Members are entitled to receive one (1) free meal while at work. The following rules apply:

1. Employees must be scheduled to work at least three (3) hours in order to be eligible for a free meal.
2. The total regular menu price of the meal must not exceed \$5.00 before sales tax.
3. The meal must be consumed on premises; in other words, it cannot be taken out of the unit.
4. The meal must be rung up by the Manager in Charge at the time the employee intends to eat the meal. Both the employee and the MIC must sign the discounted receipt.
5. The meal must be of standard menu items, ingredient substitutions are permitted.
6. The meal cannot be given away to anyone.
7. Meals not consumed during a given shift are considered lost and cannot be carried over into another shift.
8. Employees must wash and sanitize their hands after their break and before returning to work.



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Shift Managers are entitled to eat one (1) meal per shift at no charge. The following rules apply:

1. The meal must be consumed on premises, and may contain any combination of menu items.
2. The meal must be of standard menu items, ingredient substitutions are permitted.
3. The discounted receipt must be signed.
4. The meal cannot be given away to anyone.
5. Shift Managers must wash and sanitize their hands after their break and before returning to work.

Salaried Managers are entitled to eat an unlimited number of meals in their restaurant without charge. Salaried management may bring their immediate family members to the restaurant for this benefit. This benefit is limited to the manager's own restaurant. It is expected that reasonable amounts and frequency of free meals will be adhered to. All meals must be properly accounted for on the POS system and necessary documentation of discounts must occur. It is acceptable for a salaried manager to occasionally take out a free meal. As a general rule, this should not exceed once per week.

Everyone's effort with regard to these rules is expected so MRCO Taco Bell Restaurants can continue to provide well deserved free meals to our employees. However, in the event that it is discovered that the above rules have not been adhered to, the unit's Area Coach has the authority to suspend the Free Meal Benefit for a period of time until appropriate measures to insure policy compliance have been instituted. It is considered a violation of Company Policy to intentionally give away or "promo" Taco Bell menu items to any ineligible employee or third party. Employees found to be in violation of this policy are subject to discipline up to and including termination of employment.



POLICY MANUAL 2024

CONFLICT OF INTEREST

Revised January 1, 2023

The purpose of this policy is to establish the fact that salaried management personnel are not authorized to engage in unapproved outside income producing activities while earning a salary from MRCO or any of the affiliated operating companies. The intent here is to ensure that no salaried (as opposed to hourly) personnel have activities that would cause a conflict of interest as it relates to the fulfillment of responsibilities to their position.

Any salaried management personnel that decides to engage in any revenue producing activity, job, business investment or other venture that is intended to produce income on a regular basis is hereby required to obtain approval from the Director of Operations prior to beginning the activity.

This approval will not normally be given if the activity requires a specific and/or regular time commitment such as being scheduled to work at another job.

This approval will normally be given if the activity is investment oriented or only requires minimal hours at random times.

Pure investment activities such as stock market, mutual fund or other purely financial processes do not require approval or advance notification to The Company.

Failure to notify The Company, via a written request forwarded to the Director of Operations, prior to beginning the activity will be considered grounds for disciplinary action that may include termination.

Approved activities do not authorize the requester to engage in other similar or different activities. Each activity/venture requires separate request and approval.

The Company reserves the right to retract a previously issued approval at its discretion provided that a reasonable notice is given to the salaried management person.



POLICY MANUAL 2024

PAID AND UNPAID LEAVE

Revised January 1, 2018

We will provide salaried management personnel with up to two (2) days of paid sick leave in each year of employment. This benefit does not accrue to future years and is based on a manager's anniversary into a salaried position.

Payroll reductions will not occur unless the salaried person was off on sick leave more than a total of two days in each employment year. Additionally, reductions will not occur unless the person has had at least two regular off days in the scheduled week in which the excess off day is contained.

Exceptions to the unpaid aspect of excess sick days off can only be granted with approval of the Vice President of Operations which will generally be limited to no more than three (3) additional days within a reasonable time period provided that the employee's working track record and length of employment is consistent with criteria normally applied in a fair manner throughout the company.

Requests for unpaid leave must be forwarded to Human Resources. The Area Coach shall have the authority to accept or decline any individual's request for authorization for unpaid leave but his approval shall not be unreasonably withheld and should be consistent with requirements of the Family and Medical Leave Act.

Individuals whose request for unpaid leave is approved shall be responsible for paying their share of any group health plan insurance costs. These payments should be forwarded directly to the MRCO Human Resources as premiums are normally due. If the leave is for a period of one week or less, this requirement is waived.



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FAMILY AND MEDICAL LEAVE

Revised January 1, 2017

Personal Leave

If employees are ineligible for any other Company leave of absence, MRCO and Affiliated Companies, under certain circumstances, may grant a personal leave of absence without pay. A written request for a personal leave should be presented to management at least two (2) weeks before the anticipated start of the leave. If the leave is requested for medical reasons and employees are not eligible for leave under the federal Family and Medical Leave Act (FMLA) or any state leave law, medical certification also must be submitted. The request will be considered on the basis of staffing requirements and the reasons for the requested leave, as well as performance and attendance records. Normally, a leave of absence will be granted for a period of up to eight (8) weeks. However a personal leave may be extended if, prior to the end of leave, employees submit a written request for an extension to management and the request is granted. During the leave, employees will not earn vacation, personal days or sick days. We will continue health insurance coverage during the leave if employees submit their share of the monthly premium payments to the Company in a timely manner, subject to the terms of the plan documents.

When the employee anticipates returning to work, he or she should notify management of the expected return date. This notification should be made at least one week before the end of the leave.

Upon completion of the personal leave of absence, the Company will attempt to return employees to their original job or a similar position, subject to prevailing business considerations. Reinstatement, however, is not guaranteed.

Failure to advise management of availability to return to work, failure to return to work when notified or a continued absence from work beyond the time approved by the Company will be considered a voluntary resignation of employment.

Personal leave runs concurrently with any Short-Term Disability Leave of Absence.

Family and Medical Leave

The Leave Policy

Employees may be entitled to a leave of absence under the Family and Medical Leave Act (FMLA). This policy provides employees information concerning FMLA entitlements and obligations employees may have during such leaves. If employees have any questions concerning FMLA leave, they should contact Human Resources.

I. Eligibility

FMLA leave is available to "eligible employees." To be an "eligible employee," an employee must: 1) have been employed by the Company for at least 12 months (which need not be consecutive); 2) have been employed by the Company for at least 1,250 hours of service during the 12-month period immediately preceding the commencement of the leave; and 3) be employed at a worksite where 50 or more employees are located within 75 miles of the worksite.



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II. Entitlements

As described below, the FMLA provides eligible employees with a right to leave, health insurance benefits and, with some limited exceptions, job restoration.

A. Basic FMLA Leave Entitlement:

The FMLA provides eligible employees up to 12 workweeks of unpaid leave for certain family and medical reasons during a 12-month period. The 12-month period is determined based on a 12-month period measured forward from the start date of the employee's first FMLA leave. Leave may be taken for any one, or for a combination, of the following reasons:

To care for the employee's child after birth or placement for adoption or foster care;

- To care for the employee's spouse, son, daughter or parent (but not in-law) who has a **serious health condition**;
- For the employee's own serious health condition (including any period of incapacity due to pregnancy, prenatal medical care or childbirth) that makes the employee unable to perform one or more of the essential functions of the employee's job; and/or
- Because of any **qualifying exigency** arising out of the fact that an employee's spouse, son, daughter or parent is a military member on covered active duty or called to covered active duty status (or has been notified of an impending call or order to covered active duty) in the Reserves component of the Armed Forces for deployment to a foreign country in support of contingency operation or Regular Armed Forces for deployment to a foreign country.

A **serious health condition** is an illness, injury, impairment or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, caring for the parents of the military member on covered active duty and attending post-deployment reintegration briefings.

B. Additional Military Family Leave Entitlement (Injured Service Member Leave)

In addition to the basic FMLA leave entitlement discussed above, an eligible employee who is the spouse, son, daughter, parent or next of kin of a covered service member is entitled to take up 26 weeks of leave during a single 12-month period to care for the service member with a serious injury or illness. Leave to care for a service member shall only be available during a single-12 month period and, when combined with other FMLA-qualifying leave, may not exceed 26 weeks during the single 12-month period.



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The single 12-month period begins on the first day an eligible employee takes leave to care for their injured service member.

A **“covered service member”** is a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status or is on the temporary retired list, for a serious injury or illness. These individuals are referred to in this policy as “current members of the Armed Forces.”

Covered service members also include a veteran who is discharged or released from military services under condition other than dishonorable at any time during the five years preceding the date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation or therapy for a serious injury or illness. These individuals are referred to in this policy as “covered veterans.”

The FMLA definitions of a “serious injury or illness” for current Armed Forces members and covered veterans are distinct from the FMLA definition of “serious health condition” applicable to FMLA leave to care for a covered family member.

C. Intermittent Leave and Reduced Leave Schedules

FMLA leave usually will be taken for a period of consecutive days, weeks or months. However, employees also are entitled to take FMLA leave intermittently or on a reduced leave schedule when medically necessary due to a serious health condition of the employee or covered family member or the serious injury or illness of a covered service member. Qualifying exigency leave also may be taken on an intermittent basis.

D. No Work While on Leave

The taking of another job while on family/medical leave or any other authorized leave of absence is grounds for immediate discharge, to the extent permitted by law.

E. Protection of Group Health Insurance Benefits

During FMLA leave, eligible employees are entitled to receive group health plan coverage on the same terms and conditions as if they had continued to work.

F. Restoration of Employment and Benefits

At the end of FMLA leave, subject to some exceptions including situations where job restoration of “key employees” will cause the Company substantial and grievous economic injury, employees generally have a right to return to the same or equivalent positions with equivalent pay, benefits and other employment terms. The Company will notify employees if they qualify as “key employees,” if it intends to deny reinstatement, and of their rights in such instances. Use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of an eligible employee’s FMLA leave.

G. Notice of Eligibility for, and Designation of, FMLA Leave

Employees requesting FMLA leave are entitled to receive written notice from the Company telling them whether they are eligible for FMLA leave and, if not eligible, the reasons why they are not eligible. When



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eligible for FMLA leave, employees are entitled to receive written notice of: 1) their rights and responsibilities in connection with such leave; 2) Company's designation of leave as FMLA-qualifying and 3) the amount of leave, if known, that will be counted against the employee's leave entitlement.

The Company may retroactively designate leave as FMLA leave with appropriate written notice to employees provided the Company's failure to designate leave as FMLA-qualifying at an earlier date did not cause harm or injury to the employee. In all cases where leaves qualify for FMLA protection, the Company and employee can mutually agree that leave be retroactively designated as FMLA leave.

III. Employee FMLA Leave Obligations

A. Provide Notice of the Need for Leave

Employees who take FMLA leave must timely notify the Company of their need for FMLA leave. The following describes the content and timing of such employee notices.

1. Content of Employee Notice

To trigger FMLA leave protections, employees must inform their Supervisor and Human Resources of the need for FMLA-qualifying leave and the anticipated timing and duration of the leave, if known. Employees may do this by either requesting FMLA leave specifically, or explaining the reasons for leave so as to allow the Company to determine that the leave is FMLA-qualifying. For example, employees might explain that:

- a medical condition renders them unable to perform the functions of their job;
- they are pregnant or have been hospitalized overnight;
- they or a covered family member are under the continuing care of a health care provider;
- the leave is due to a qualifying exigency caused by a military member being on covered active duty or called to covered active duty status to a foreign country; or
- if the leave is for a family member, that the condition renders the family member unable to perform daily activities or that the family member is a covered service member with a serious injury or illness.

Calling in "sick," without providing the reasons for the needed leave, will not be considered sufficient notice for FMLA leave under this policy. Employees must respond to the Company's questions to determine if absences are potentially FMLA-qualifying.

If employees fail to explain the reasons for FMLA leave, the leave may be denied. When employees seek leave due to FMLA-qualifying reasons for which the Company has previously provided FMLA-protected leave, they must specifically reference the qualifying reason for the leave or the need for FMLA leave.

2. Timing of Employee Notice

Employees must provide 30 days' advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days' notice is not possible, or the approximate timing of the need for leave is not foreseeable, employees must provide the Company notice of the need for leave as soon as practicable



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under the facts and circumstances of the particular case. Employees who fail to give 30 days' notice for foreseeable leave without a reasonable excuse for the delay, or otherwise fail to satisfy FMLA notice obligations, may have FMLA leave delayed or denied.

B. Cooperate in the Scheduling of Planned Medical Treatment(Including Accepting Transfers to Alternative Positions) and Intermittent Leave or Reduced Leave Schedules

When planning medical treatment, employees must consult with the Company and make a reasonable effort to schedule treatment so as not to unduly disrupt the Company's operations, subject to the approval of an employee's health care provider. Employees must consult with the Company prior to the scheduling of treatment to work out a treatment schedule that best suits the needs of both the Company and the employees, subject to the approval of an employee's health care provider. If employees providing notice of the need to take FMLA leave on an intermittent basis for planned medical treatment neglect to fulfill this obligation, the Company may require employees to attempt to make such arrangements, subject to the approval of the employee's health care provider.

When employees take intermittent or reduced work schedule leave for foreseeable planned medical treatment for the employee or a family member, including during a period of recovery from a serious health condition or to care for a covered service member, the Company may temporarily transfer employees, during the period that the intermittent or reduced leave schedules are required, to alternative positions with equivalent pay and benefits for which the employees are qualified and which better accommodate recurring periods of leave.

When employees seek intermittent leave or a reduced leave schedule for reasons unrelated to the planning of medical treatment, upon request, employees must advise the Company of the reason why such leave is medically necessary. In such instances, the Company and employee shall attempt to work out a leave schedule that meets the employee's needs without unduly disrupting the Company's operations, subject to the approval of the employee's health care provider.

C. Submit Medical Certifications Supporting Need for FMLA Leave (Unrelated to Requests for Military Family Leave)

The Leave Policy

Depending on the nature of FMLA leave sought, employees may be required to submit medical certifications supporting their need for FMLA-qualifying leave. As described below, there generally are three types of FMLA medical certifications: an initial certification, a recertification and a return to work/fitness for duty certification.

It is the employee's responsibility to provide the Company with timely, complete and sufficient medical certifications. Whenever the Company requests employees to provide FMLA medical certifications, employees must provide the requested certifications within 15 calendar days after the Company's request, unless it is not practicable to do so despite an employee's diligent, good faith efforts. The Company will inform employees if submitted medical certifications are incomplete or insufficient and provide employees at least seven calendar days to cure deficiencies. The Company will deny FMLA leave to employees who fail to timely cure deficiencies or otherwise fail to timely submit requested medical certifications.



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With the employee's permission, the Company (through individuals other than an employee's direct supervisor) may contact the employee's health care provider to authenticate or clarify completed and sufficient medical certifications. If employees choose not to provide the Company with authorization allowing it to clarify or authenticate certifications with health care providers, the Company may deny FMLA leave if certifications are unclear.

Whenever the Company deems it appropriate to do so, it may waive its right to receive timely, complete and/or sufficient FMLA medical certifications.

1. Initial Medical Certifications

Employees requesting leave because of their own, or a covered relation's, serious health condition, or to care for a covered service member, must supply medical certification supporting the need for such leave from their health care provider or, if applicable, the health care provider of their covered family or service member. If employees provide at least 30 days' notice of medical leave, they should submit the medical certification before leave begins. A new initial medical certification will be required on an annual basis for serious medical conditions lasting beyond a single leave year.

If the Company has reason to doubt initial medical certifications, it may require employees to obtain a second opinion at the Company's expense. If the opinions of the initial and second health care providers differ, the Company may, at its expense, require employees to obtain a third, final and binding certification from a health care provider designated or approved jointly by the Company and the employee.

2. Medical Recertifications

Depending on the circumstances and duration of FMLA leave, the Company may require employees to provide recertification of medical conditions giving rise to the need for leave. The Company will notify employees if recertification is required and will give employees at least 15 calendar days to provide medical recertification.

3. Return to Work/Fitness for Duty Medical Certification

Unless notified that providing such certifications is not necessary, employees returning to work from FMLA leaves that were taken because of their own serious health conditions that made them unable to perform their jobs must provide the Company with medical certification confirming they are able to return to work and the employees' ability to perform the essential functions of the employees' position, with or without reasonable accommodation. The Company may delay and/or deny job restoration until employees provide return to work/fitness for duty certifications.

D. Submit Certifications Supporting Need for Military Family Leave

Upon request, the first time employees seek leave due to qualifying exigencies arising out of the covered active duty or call to covered active duty status of a military member, the Company may require employees to provide: 1) a copy of the military member's active duty orders or other documentation issued by the military indicating the military member is on covered active duty or call to covered active duty status and the dates of the military member's covered active duty service; and 2) a certification from the employee setting forth information concerning the nature of the qualifying exigency for which leave is requested. Employees shall provide a copy of new active duty orders or other documentation issued by the military



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for leaves arising out of qualifying exigencies arising out of a different covered active duty or call to covered active duty status of the same or a different military member.

When leave is taken to care for a covered service member with a serious injury or illness, the Company may require employees to obtain certifications completed by an authorized health care provider of the covered service member. In addition, and in accordance with the FMLA regulations, the Company may request that the certification submitted by employees set forth additional information provided by the employee and/or the covered service member confirming entitlement to such leave.

E. Substitute Paid Leave for Unpaid FMLA Leave

Employees may use any accrued vacation time while taking unpaid FMLA leave.

The substitution of paid time for unpaid FMLA leave time does not extend the length of FMLA leave and the paid time will run concurrently with an employee's FMLA entitlement.

Leaves of absence taken in connection with a disability leave plan or workers' compensation injury/illness shall run concurrently with any FMLA leave entitlement. Upon written request, the Company will allow employees to use accrued paid time to supplement any paid disability benefits.

F. Pay Employee's Share of Health Insurance Premiums

During FMLA leave, employees are entitled to continued group health plan coverage under the same conditions as if they had continued to work. Unless the Company notifies employees of other arrangements, whenever employees are receiving pay from the Company during FMLA leave, the Company will deduct the employee portion of the group health plan premium from the employee's paycheck in the same manner as if the employee was actively working.

If FMLA leave is unpaid, employees must pay their portion of the group health premium through a method determined by the Company upon leave.

The Company's obligation to maintain health care coverage ceases if an employee's premium payment is more than 30 days late. If an employee's payment is more than 15 days late, the Company will send a letter notifying the employee that coverage will be dropped on a specified date unless the co-payment is received before that date. If employees do not return to work within 30 calendar days at the end of the leave period (unless employees cannot return to work because of a serious health condition or other circumstances beyond their control), they will be required to reimburse the Company for the cost of the premiums the Company paid for maintaining coverage during their unpaid FMLA leave.

IV. Questions and/or Complaints about FMLA Leave

If you have questions regarding this FMLA policy, please contact Human Resources. The Company is committed to complying with the FMLA and, whenever necessary, shall interpret and apply this policy in a manner consistent with the FMLA.

The FMLA makes it unlawful for employers to: 1) interfere with, restrain or deny the exercise of any right provided under FMLA; or 2) discharge or discriminate against any person for opposing any practice made unlawful by FMLA or involvement in any proceeding under or relating to FMLA. If employees believe their FMLA rights have been violated, they should contact Human Resources immediately. The Company will



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investigate any FMLA complaints and take prompt and appropriate remedial action to address and/or remedy any FMLA violation. Employees also may file FMLA complaints with the United States Department of Labor or may bring private lawsuits alleging FMLA violations.

LEAVE OF ABSENCE REQUEST PROCEDURES:

1. Employee advises supervisor of need for leave of absence
2. Supervisor or Human Resources Provides **Employee Request for Leave of Absence** Form.
3. Employee completes form and emails or faxes to Human Resources
4. Human Resources determines the eligibility of leave and approval is requested from Supervisor or Area Coach if necessary
5. If granted leave, employee maintains contact with supervisor and/or Human Resources and informs of any changes.

***All leaves of absence must be reported to Human Resources.**

Other Leaves:

Bereavement Leave

MRCO provides salaried management with bereavement leave to arrange and attend a funeral and to see to the affairs of the estate of a deceased member of his or her immediate family. A bereavement leave is a paid leave and maintains all aspects of the employment relationship during the days of work when the employee is absent. Typically, a bereavement leave is allowed for up to two (2) days.

An employee should request a bereavement leave through their Area Coach as soon as they learn of the death of a member of their immediate family. Bereavement leave requires the approval from the Market Coach.

Jury Duty

MRCO and Affiliated Companies realizes that it is the obligation of all U.S. citizens to serve on a jury when summoned to do so. All employees will be allowed time off to perform such civic service as required by law. Employees are expected, however, to provide proper notice of a request to perform jury duty and verification of their service.

Employees also are expected to keep management informed of the expected length of jury duty service and to report to work for the major portion of the day if excused by the court.

Employees on jury duty leave will be paid for their jury duty service in accordance with state law; however, exempt employees will be paid their full salary for any week in which time is missed due to jury duty if work is performed for the Company during such week.



**MRCO, LLC & AFFILIATED COMPANIES
EMPLOYEE REQUEST
FOR LEAVE OF ABSENCE (LOA)**

Please Fax to Human Resources at 615-377-4222 or
email to zmay@mrco.net

Date of Request: _____ SSN last four only: _____

Employee Name: _____

Please provide contact information where you may be reached and/or receive correspondence while on LOA.

Employee's Add _____

Employee's Phone # () _____ Email: _____

DETAILS OF LOA REQUEST

Start Date: _____ **End Date:** _____

Reason (Check one) and then describe in detail below:

- _____ Bereavement Leave _____ Medical Leave for Family Member
_____ Medical Leave for Self _____ Other

Please note that supporting documentation may be requested in order for leave to be approved and/or a medical release will be required for any self-medical leave prior to returning to work.

Employee _____ Date: _____ Store# _____

Area Coach _____ Date: _____

To Be Completed by Human Resources		
Date Received: _____	EE Home Unit: _____	Position: _____
DOH: _____	Hours Worked: _____	Rehire: _____
Leave Type Approved: _____ FMLA _____ LOA	Duration of Leave: _____ days, weeks, months	Medical Release Required: _____ Yes _____ No
Date Letter Sent: _____	Leave Documented in Payroll: _____	Date Leave Ends: _____



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PAID AND UNPAID LEAVE

Revised February 1, 2024

The Sick Leave Policy has been removed and replaced by additional Paid Time Off (See PTO policy).

Salaried Managers will be expected to use their Paid Time Off to stay whole during time off. If a manager is out of PTO, then an unpaid leave will must be requested.

All requests for unpaid leave must be forwarded to Human Resources. The Area Coach shall have the authority to accept or decline any individual's request for authorization for unpaid leave, but his approval shall not be unreasonably withheld and should be consistent with the requirements of the Family and Medical Leave Act.

Individuals whose request for unpaid leave is approved shall be responsible for paying their share of any group health plan insurance costs. These payments should be forwarded directly to Human Resources as premiums are normally due. If the leave is for a period less than two weeks, this requirement is waived and benefits will be caught up on the next paycheck following the return.



POLICY MANUAL 2024

MINIMUM AGE

Revised January 1, 2023

MRCO Taco Bell Restaurant operating companies will require the following minimum age in order to hire individuals and/or promote individuals in its employment:

Team Member	16 years of age
Shift Manager and higher positions	18 years of age

There are certain special programs for hiring of individuals under the above minimum age requirements that are sponsored by local authorities. Generally, we will not participate in such programs; however, at times participation in such programs may be of value to MRCO Taco Bell Restaurant operating companies. In such circumstances, the program must first be approved by the Director of Operations prior to participation.



POLICY MANUAL 2024

VEHICLE USE REIMBURSEMENT

Revised January 1, 2023

It is the policy of MRCO Taco Bell Restaurant operating companies to provide limited reimbursement of vehicle use expenses to Management and/or Hourly Employees for travel that takes personnel away from their Principal Place of Business. The following procedures and statements are meant to state the company's reimbursement policy, and clarify the processes as noted:

Regular Use Personal Vehicles

There are certain special programs for hiring of individuals under the above minimum age requirements that are sponsored by local authorities. Generally, we will not participate in such programs; however, at times participation in such programs may be of value to MRCO Taco Bell Restaurant operating companies. In such circumstances, the program must first be approved by the Director of Operations prior to participation.

1. Individuals whose position requirements mandate making a personal vehicle available for
2. Daily (if needed) business use will be reimbursed for that use at a rate of \$0.48 per mile driven for business purposes. This amount is intended to cover a reasonable estimate of the total costs of operating a vehicle including long term depreciation, gasoline, insurance and maintenance. Examples of positions normally covered in this manner are Area Coaches, Market Coaches and the Director and Vice President of Operations.
3. Mileage Logs (acceptable to the IRS) must be kept to document business miles driven and to use to submit for reimbursement payments.
4. Payment of mileage reimbursements should be requested via Expense Reports which should be filed on a monthly basis and subject to approval at MRCO's Restaurant Support Center. No mileage reimbursement payments are authorized from cash funds at MRCO Restaurants.
5. Mileage driven to/from the employee's personal residence to/from their Principal Place of Business will not be reimbursed. Reimbursed mileage should begin at the Principal Place of Business and continue through various business related stops to end at the conclusion point of the day's travel.
6. Employees with company provided offices should use that location as their Principal Place of Business. Employees that provide offices at home (at the request of MRCO) should consider their home as their Principal Place of Business and should therefore start reimbursable mileage at the point of departure from home unless otherwise directed on a per person basis.
7. Individuals who have obtained approval to voluntarily reside outside of the established "Target Area" desired by the company for the residence of the holder of that particular position will be assigned a starting point to be used as the "Principal Place of Business" for mileage reimbursement purposes.
8. Exceptions or special applications of the reimbursed mileage provisions of this policy must be approved in writing by the Vice President of Operations.



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Occasional Use Personal Vehicles

There are certain special programs for hiring of individuals under the above minimum age requirements that are sponsored by local authorities. Generally, we will not participate in such programs; however, at times participation in such programs may be of value to MRCO Taco Bell Restaurant operating companies. In such circumstances, the program must first be approved by the Director of Operations prior to participation.

1. Individuals whose position requirements mandate making a personal vehicle available for occasional business travel, will be reimbursed for that use if the total (round trip) distance driven is in excess of 20 miles. The reimbursement should cover the approximate amount of gasoline used by their personal vehicle for each (over 20 mile) particular trip. Positions normally covered in this manner are Unit Managers, Assistant General Managers and hourly positions.
2. Area Coach (or higher level) approval is required the first time an amount is determined as appropriate for a particular trip and vehicle's use. Subsequent trips in the same vehicle to the same location can be reimbursed without specific Area Coach approval.
3. Payment of reimbursement amounts should be made following ops guidelines and should be substantiated with a receipt from a gasoline sales business.
4. Miles driven to/from the employee's personal residence to/from their Restaurant or other Principal Place of Business will generally not be eligible for Gasoline Reimbursements.
5. Exceptions to this policy are not permitted without specific written approval from the Vice President of Operations.
6. This policy intends to reimburse gas costs for trips to business meetings, training sessions and such but does not intend to reimburse normal position requirement trips such as bank deposits, product transfers from nearby units etc.



POLICY MANUAL 2024

RELOCATION OF PERSONAL RESIDENCE

Revised January 1, 2023

It is the policy of MRC Taco Bell Restaurant operating companies to require the relocation of personal residences, in situations where position promotions or lateral transfers are offered by the company as well as accepted by management personnel. These relocations will only be required if, in the company's opinion, business conditions warrant that change. Additionally, MRC will provide limited reimbursement of related expenses to applicable management personnel when these situations occur. The following procedures and statements are meant to state the company's relocation parameters and reimbursement position.

Above Store Leader (Area Coach and up) Relocation Requirements/Reimbursements

1. Individuals who accept placement into Area Coach level positions (or higher) are to do so with the understanding that relocation assistance will be provided and that job requirements mandate living in an area that is reasonably accessible in a short time period to the units that the person will supervise. This rule intends to impact drive time realities as well as reimbursable costs (mileage) associated with the person's principal place of business.
2. Target zones for personal residences will be established by determining an approximate geographical center for the applicable area and drawing a map with a 40 mile diameter that includes that center point (20 mile radius circle). This zone will be stretched if necessary to include at least one above average size city for the actual area to be supervised.
3. Individuals will be expected to relocate to within the target area, in order to accept the applicable role and keep their mileage reimbursements based on their principal place of business, which is generally their office at home.
4. Personal situations that cause a person to prefer to live up to 20 miles outside the target zone circle will be accommodated provided that the employee agrees to shift their principle place of business (from a mileage standpoint) to the point closest to the 20 mile radius map (or a reasonable spot considering traffic patterns) previously referred to. Reimbursed mileage should begin at that new Principal Place of Business and continue through various business related stops, to end at that same Principal Place of Business, if the day's travel takes that person back to the personal residence.
5. Employees will not have the option to reside more than 40 miles from the center point of their area without the direct approval of the Director of Operations. The DO will routinely approve requests to drop significantly remote units from Target Area determinations.
6. Expense reimbursement will include costs associated with the physical relocation of household belongings and necessary travel expenses including mileage to search for a residence and to conduct the actual move. Additionally, there will be a \$500 miscellaneous payment to help with non routine costs that were not on the initially agreed to list of reimbursable expenses. (This may



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be increased to \$1000 when presenting a lease). The actual list of costs that will be reimbursed and the payment method that will be used will need to be agreed to in advance by the DO to be paid by the company. This list will vary by position but will be consistently and fairly administered within each position.

7. Actual receipts will need to be provided via relocation Expense Report within 15 days of the actual move to complete the process. Reimbursement of non advanced amounts will be made within 15 days of the company's receipt of the Expense Report.
8. Personal relocations that were made based on an employee's personal preference, as opposed to at the company's request, will not be eligible for reimbursement benefits.

Unit Management Relocation Requirements/Reimbursements

1. Individuals who accept placement into Unit level positions are to do so with the understanding that relocation assistance will be provided and that job requirements mandate living an area that is reasonably accessible, in a short time period, to the unit that the person will supervise. This rule intends to impact drive time realities as well as emergency response times when unexpected events occur at the restaurant. Positions normally covered in this manner are Unit Managers and Assistant General Managers. Hourly positions can be included if approved by the Director of Operations.
2. In general, the company prefers that unit level employees reside within a 20 minute drive time of the unit that they will supervise. Relocation assistance will be provided in situations where the relocation will accomplish this objective. Position promotions or lateral transfers should not be offered by Above Store Leaders or accepted by store employees if the change will cause any person to reside more than 40 minutes from their restaurant.
3. No Manager, in good standing with the company, should ever be forced to change units, thereby requiring a relocation of a personal residence, in order to maintain their current position.
4. DO advanced approval is required in order to authorize payment of specific related expenses as well as cash advances prior to company requested relocation.
5. Payment of reimbursement amounts should be initiated via DO request for checks, payable directly to the employee, from the accounting department at the Restaurant Support Center. No payments are authorized from store funds.
6. Personal relocations that were made based on an employee's personal preference, as opposed to at the company's request, will not be eligible for reimbursement benefits.
7. Expense reimbursement will include costs associated with the physical relocation of household belongings and necessary travel expenses as well as a \$500 miscellaneous payment to help with non routine expenses that normally occur with any personal relocation. (This may be increased to \$1000 when presenting a lease). The actual list of costs that will be reimbursed and the payment method that will be used will need to be agreed to in advance by the DO to be paid by the company. This list will vary by position but will be consistently and fairly administered within each position.



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8. Temporary supervisory arrangements that do not require relocation are considered acceptable provided that the assignment remains "short term" and specific timeline approval is obtained from the DO prior to the individual assuming the role. Reasonable gasoline allowances can be considered in situations of this sort and this aspect should be dealt with at the time that the approval for the assignment is sought.
9. Exceptions to the Unit Level provisions of this policy are not permitted without specific written approval from the Director of Operations.



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REHIRING OF PREVIOUS EMPLOYEES

Revised January 1, 2023

MRCO Taco Bell Restaurant operating companies will require the following process to be followed in order to obtain authorization to rehire any past employee of the various related companies.

Process

Employment applications must be completed and retained on all rehires as that document will show whether or not a person has worked for us, if they are being honest. If we later find that someone deceived us to avoid the approval process on rehires, we will have the legal right (because of their dishonesty) to immediately terminate without further process. If the application, or other knowledge on our part, shows a previous work history with MRCO, the following rules should be applied.

Rehires of previously salaried personnel (including if they would be rehired as hourly) must be approved by the Director of Operations in writing prior to offering employment. Additionally, approved rehires of salaried management and hourly management are subject to the pre-screening policy requirement. Area Coaches should request approval via e-mail for any person that they or their unit managers would like to rehire in any capacity. Individuals that unit managers request approval for, but the Area Coach does not wish to rehire, do not need to be submitted to the DO for approval since Area Coaches have the authority to block a rehire that would work within their Area.

Rehires of previous hourly personnel must be approved by the appropriate Area Coach before being offered employment by unit managers. This approval is intended (among other things) to ensure that all provisions of this policy are followed before a job offer is made.

No Area Coach should approve a rehire request from unit management until he/she is certain that the appropriate person (usually the potential employee's previous unit manager) is consulted regarding our past experience with the individual. This can be done between unit managers prior to requesting the OK from the hiring store's Area Coach.

Theoretically, if the hiring manager and the previous manager are in agreement, the approval process (for hourly employees) should be simple and easy. If however, the two unit managers disagree, the process becomes more complex.

No unit manager has the absolute authority to block the rehire of anyone by anyone else. All unit managers do have the authority to prevent another unit manager from rehiring anyone without the approval of the hiring manager's Area coach.

Area Coaches are required to consult with the manager who opposes the rehire before approving or rejecting the request from the manager wishing to rehire. They are additionally expected to make a courtesy call to the supervisor of the opposing manager (if applicable) before deciding to go against the wishes of the opposing manager.

If the Area Coaches of both managers can not come to a mutual decision regarding the rehire request, the issue should be brought to the Vice President of Operations for final disposition.



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Cases where the previous manager is no longer available for consultation regarding rehires should be dealt with between the Area Coaches of the requesting manager and the unit for which the potential rehire previously worked.



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CLAIMS HANDLING PROCEDURES

Revised January 1, 2023

Our Workers' Compensation, General Liability, and Property Damage insurance are with PMA Insurance Group and will follow the below listed insurance claim reporting procedures.

Employee Injury Procedure:

- See to the immediate needs of the employee.
- MIC calls Medcor's 24 hour reporting hotline (1-833-919-1782) to report claim and determine treatment plan, if necessary. If treatment is necessary, employee needs to choose a doctor, clinic, or hospital from the list of medical providers ("Employee Choice of Physician" form) posted in the store and also located in the safety manual. Employee should be given a completed "Authorization For Treatment" form to give to the treating medical facility.
- Check out the area where the injury occurred and provide immediate action to fix any problems.
- eMail all Workers' Comp medical bills to Vicki Burnette vburnette@mrco.net

Note: A WC claim must be reported by the injured worker's immediate supervisor. You can not report a WC claim on yourself.

- Contact Vicki Burnette at 615-308-3624 for any questions or help.
- Provide immediate assistance.
- DO NOT discuss guilt and DO NOT authorize treatment.
- Obtain contact information from customer – name, address, and phone number.
- Explain to the guest that you will report the incident and a representative will be contacting them within 3 business days.
- Check out the area where the injury occurred and provide immediate action to fix any problems.
- Call and report incident to Vicki Burnette (615-308-3624).
- If the injured guest calls the store after the claim forms have been sent, have them call Vicki Burnette at 615-308-3624 for any questions or help.

It is the policy of MRCO that all potential claims are handled in a timely fashion to assure immediate medical care for injured worker(s) or guest(s), reduce claim costs, and to protect MRCO integrity. All potential claims are to be reported within 24 hours of the accident. It is a violation of MRCO policies and procedures to not report known potential claims within 24 hours and failure to do so can result in disciplinary action.



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EMPLOYEE ACCESS TO PERSONNEL FILES

Revised January 1, 2023

The following guidelines are being established to provide a standard process that allows active employees access to their store personnel file. Store personnel files and their contents are the property of MRCO and should always be kept in a secure file cabinet in the “Manager’s Office” of the restaurant. Access to these personnel files should be restricted to management personnel and on a need to access basis.

While there is no state law that requires employee access to personnel file information, it is accepted business practice that providing this opportunity; when requested by an actively employed individual, is good for employee relations and therefore is being implemented.

With the current use of electronic files, physical files are not often kept at the office and files could exist in HR and Payroll files in addition to the store. An employee has access to the hiring and onboarding paperwork they completed through TalentReef, but for other file information such as write-ups, please use the following guidelines:

1. The employee should make the request to review his/her personnel file contents to the Restaurant General Manager (RGM).
2. The employee and RGM will set a date and time in advance. The date and time selected should be convenient for the RGM and not prohibitive to the employee.
3. The RGM should be present during the file review and the employee should not be allowed to remove any documentation from the file.
4. The employee is permitted to take notes on the content of his/her personnel file.
5. If requested by the employee, the RGM will make copies of file contents for the employee. However, copying is restricted to the employment application, promotional and pay change authorizations, performance reviews, warning notices and records of employee discipline.

PLEASE ENSURE THAT THE STORE IS STORING ANY MEDICAL, LEAVE OF ABSENCE, BACKGROUND CHECK FORMS SEPARATELY. THESE PAPERS SHOULD NOT BE WITHIN THE EMPLOYEE FILE—IN FACT, THEY CAN BE SHREDDED ONCE A COPY IS SENT TO H AND HR HAS CONFIRMED RECEIPT.

This policy only addresses the request of an active employee. When a request to view personnel file contents by a terminated employee is received, the individual should be directed to call the Human Resources Director at 615-377-5706 to discuss the request.



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CREDIT CARDS

Revised January 1, 2023

The purpose of this policy is to establish credit card operational procedures, list daily management functions and give store management guidelines on how to handle individual situations that arise from time to time.

Operational Procedures

It is the responsibility of the store management and training team to properly train assigned cashiers on proper credit card procedures. This training should include the following:

1. When a customer wishes to pay for an order with a debit or credit card in drivethru, the cashier should swipe or insert the debit or credit card through the Secure Pay Device.
2. After swiping or inserting the card, the cashier must hand the card back to the customer immediately.
3. Once the receipt has printed, the cashier should hand the receipt to the customer.
4. The Cashier must keep the card visible to customer as much as possible.

Handling of Individual Situations

1. When a customer mistakenly leaves their credit or debit card at a store, the MIC should immediately place the card in a secure location (safe) for 48 hours. After this time if no contact has been made the RGM should call the customer service 800 number on the back of the card to report having it and follow directions given for disposition of the card.
2. When a customer's credit card is refused during the transaction approval process, the cashier should seek alternative payment from the customer. If the customer does not have an alternative form of payment and food has been made, "Manager Meal" the order in the interest of Customer Mania. If this is a reoccurring situation with a particular customer, good business judgment should prevail; i.e., we may have to ask the customer to return when they have either cash or a valid credit/debit card to use as payment for his/her purchase.
3. If a customer is "double" charged on a credit or debit card and the situation is discovered prior to daily settlement of credit card machines, a "void" should be done to correct the error. If the situation is discovered on a succeeding business day after settlement has occurred then a "return" should be done to correct the error. Always seek vendor Technical Support for assistance if not sure of how to properly transact a void or return.

Proper Cash Management, including store credit card procedures, is a very important store function. If at any time any cash handling or credit card procedures are intentionally violated, the individual(s) will be held accountable for the violation. This accountability includes disciplinary action up to and including termination, possible Federal prosecution for credit card fraud and possible restitution of the loss. No restitution can be accepted by any company representative without specific authorization from the Vice President of Operations.



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INFORMATION SECURITY

Revised January 1, 2023

1. POLICY ROLES AND RESPONSIBILITIES

1.1 *Policy Applicability*

These policies apply to all full and part time employees of MRCO and any personnel contracted to perform function within the prosperities owned or managed by MRCO.

1.2 *Chief Security Officer*

Chief Security Officer is responsible for enforcement with Payment Card Industry (PCI) and other security regulations as needed by MRCO.

1.3 *Information Security Department*

This department is responsible for managing the security and compliance for MRCO.

1.4 *System Administrators*

Not applicable if using Taco Bell Supported Systems, that include the certified Back Office, Point of Sale and Certified Broadband for connectivity.

1.5 *Human Resources Department*

This department is responsible for the staffing, any personnel issues including development, and conducting background checks for all new hires.

1.6 *Users*

Only authorized users that are current employees of MRCO or those contracted for a specific purpose.

2. PAPER AND ELECTRONIC MEDIA POLICIES

2.1 *Policy Applicability*

These policies apply to all full and part time employees of MRCO and any personnel contracted to perform function within the prosperities owned or managed by MRCO.

2.2 *Storage*

The storage of any payment card information in any format is strictly prohibited, any documentation that contains sensitive Personal Identifiable Information (PII) has to remain secured and only accessed by authorized personnel. Any electronic media that contains PCI or PII has to be secured.

2.2.1 *Physical Security*

All media that do or could contain PCI or PII information has to be physically secured when not in use. The physical security should be robust enough to stop a reasonable person for gaining access.

2.2.2 *Hardcopy Media*

This is any media that is not electronic that is human readable, this can be paper, plastic, or any other media that have, could or still do contain PCI or PII information.



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2.2.3 *Electronic Media*

This is any media that is not human readable to include optical media, soft magnetic media, or hard drives that have, could or still do contain PCI or PII information.

2.3 *Inventory*

A documented inventory of all material that does or could contain PCI or PII information has to be maintained and secured in the home office of MRCO. This documentation should also contain the date of the disposal of the material.

2.4 *Destruction*

Any physical media (paper, optical media, soft magnetic media, or hard drives) that contained or could contain PCI or PII information have to be securely destroyed. This should be certified by either an approved destruction vendor or the Chief Security Officer or the individual serving in this capacity.

3. **USAGE POLICY FOR CRITICAL TECHNOLOGIES**

3.1 *Policy Applicability*

These policies apply to all full and part time employees of MRCO and any personnel contracted to perform function within the prosperities owned or managed by MRCO.

3.2 *Approval*

Approval for usage is passed from the Chief Security Officer to the managers of the individual units to determine who is authorized to access both the back office computer as well as the point of sale terminals.

3.3 *Authentication*

Each device must have a unique user access code assigned to the users. Users are prohibited from sharing or allowing the use by another individual their personal access codes for either the back office computer or point of sale equipment.

3.4 *Device Inventory*

The inventory of the critical devices is maintained in the home office as well as the implementation department of Taco Bell. These devices include the back office computers and the point of sale terminals.

3.5 *Device Identification*

The devices are identified by their position within the restaurant; the back office computer is in the office, the point of sale terminals are on the front counter or in the drive thru areas.

3.5.a *Inspections of Secure Pay Terminals*

All secure payment terminals will be inspected for signs of tampering or modification by the MIC at least once per day (ideally, during opening procedures). Secure payment terminals will be inspected following the procedures provided by Taco Bell. The MIC will record the results of the inspection on the tracking log.

3.5.b *Verification of Payment Device Identification*

All secure payment terminals will be checked to confirm the device has not been replaced without authorization. The MIC should check the exterior of the device for signs of replace-



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ment, including: presence of labels or other decals; unusual marks or other physical characteristics; and verification the serial number matches the records.

3.5.c *Preventing and Detecting Changes to Payment Terminals*

All personnel and specifically store management should be aware of any changes that may be made to payment terminals, specifically:

- Verify the identity of any third-party persons claiming to be repair or maintenance personnel, prior to granting them access to modify or troubleshoot devices.
- Do not to install, replace, or return devices without verification.
- Being aware of suspicious behavior around devices (for example, attempts by unknown persons to unplug or open devices).
- Report all suspicious behavior to appropriate personnel (for example, RGM, area coach, franchise office, and/or Taco Bell Help Desk).
- Report tampering or substitution of devices

3.6 *Acceptable Use*

The only acceptable use of the critical equipment is for the management, sale of products, and training of store personnel located within a particular restaurant and are an employee of MRCO or have been given authority for training by MRCO.

3.7 *Permitted Locations*

The only permitted location for critical equipment are in the restaurant the equipment is assigned, or in a secure spare parts storage facility as identified by MRCO.

3.8 *Approved Products*

The approved products are identified and maintained by Taco Bell. Only those products that have been identified by Taco Bell are allowed for use in the restaurants.

3.9 *Session Disconnect*

This is not applicable as MRCO does not have the ability to remotely connect to their critical systems.

3.10 *Vendor Connections*

All of these types of connection are managed by Taco Bell and fall under the service provider assessment for Taco Bell.

3.11 *Cardholder Data Access*

This is only allowed in a one card at a time situation for the payment of merchandise using approved point of sale equipment as provided by Taco Bell for use by MRCO.

4. **EMPLOYEE IDENTIFICATION POLICY**

4.1 *Policy Applicability*

These policies apply to all full and part time employees of MRCO and any personnel contracted to perform functions within the prosperities owned or managed by MRCO.



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4.2 *Employee Requirements*

All employees are required to be in uniform. Non-managerial employees are not allowed behind the counter of any restaurants when not working or out of uniform unless escorted by a manager.

4.3 *Facilities*

The facilities included are the home office and restaurants owned and operated by MRCO. Proper identification is required at all times while in the facilities that have PCI and or PII information.

4.4 *Visitor Badges*

Visitor badges are not used, all visitors are escorted by the manager on duty at all facilities owned and operated by MRCO.

4.5 *Revoking Uniforms*

Uniforms are required to be returned upon termination of employment.

5. **THIRD PARTIES AND THIRD PARTY AGREEMENTS**

5.1 *Policy Applicability*

These policies apply to all full and part time employees of MRCO and any personnel contracted to perform function within the prosperities owned or managed by MRCO.

5.2 *Sharing of Cardholder Data*

PCI or PII data can only be shared with approved service providers such as the acquiring banks or Taco Bell, providing they have a business need for such information.

6. **PAYMENT CARDHOLDER DATA BREACH INCIDENT RESPONSE**

6.1 *Scope of Cardholder Data Environment*

These policies apply to all full and part time employees of MRCO and any personnel contracted to perform function within the prosperities owned or managed by MRCO.

6.2 *Breaches of Secure Payment Devices*

Due to the scope of the cardholder data environment, any detected tampering or substitution of secure payment devices will be immediately reported to MRCO management and the appropriate help desk.

6.3 *Breaches of Cardholder Data*

By using the secure payment devices, MRCO does not have any cardholder data stored either electronically or in physical form (hard copy reports); nor does MRCO have access to the cardholder data before it is encrypted for transmission to the bank. MRCO will report any suspected breaches of the secure payment devices that could have exposed cardholder data to the appropriate help desk.



POLICY MANUAL 2024

WINTER WEATHER AND STORE OPERATIONS

Revised December 27, 2023

It is the policy of MRCO managed operating companies and restaurants to remain open for normal business hours during winter weather conditions (snow and/or ice present) as long as possible in order to be consistently available to customers who try to drive to our properties. Although customer service is a top priority, this does not mean we should disregard employee safety and actual customer visit patterns when deciding whether or not to alter normal operating hours.

MRCO does expect all employees to make reasonable efforts to work scheduled shifts during bad winter weather conditions but no hourly employee is required to drive in unsafe situations in order to avoid loss of employment as a consequence for not coming to work. A combination of reduced hours available from slower sales in bad winter weather and excused absences from hourly employees not able to get to and from work should result in adequate staffing with good unit management planning and communication.

Salaried managers are expected to be physically present, if required, to keep the units able to operate in bad winter weather situations but are authorized to handle this responsibility by staffing the store with other qualified personnel who are able to safely travel to and from work during these times. Hazardous roads are not a legitimate excuse for Salaried Management to fail to keep units opened until authorized to close by an Area Coach or higher level personnel.

No unit is authorized to fail to open or to close before normal closing times without an Area Coach or higher level authorization to do so.

Store level personnel who feel that conditions warrant consideration for early closing should contact the Area Coach to discuss the situation and to ensure that the Area Coach is aware of conditions in the individual trade area.

Area Coaches will not authorize early closings without approval from their Market Coach and Vice President of Operations. The VPO will keep ownership posted as appropriate. Any or all of these individuals will consider it appropriate to bypass any higher level if an individual is not available during a time period that would be critical to any of our stores.

All levels of authority are expected to remain sufficiently aware of forecasted winter weather conditions affecting our units so that communication links can be maintained in order to ensure that no employee at any level needs to worry that no one knows of the dilemma being faced in any unit's trade area. We should all operate with respect for the fact that subordinates at every level deserves effective communication of what to expect.

Winter road conditions and current weather forecasts should be measured against customer transactions so as to attempt to sell products through all main lunch and dinner periods. As a general guideline, early closing requests should be considered by Area Coaches if the last 2 hours of business total \$225 or less or if the last hour is both at or after 8 PM and below \$140 in net sales. No absolute formula related decisions are required here and it is assumed that Area Coaches will attempt to make the best final conclusion/recommendation to match the situation.



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Primary responsibilities during Winter Weather Conditions for every position -

Hourly Employees – Attempt to get to work as scheduled. Notify MIC as soon as possible if unable to work scheduled shift. Consult with MIC during shifts to understand operating hours planning.

Shift Managers – Attempt to get to work as scheduled. Speak directly with Salaried Managers to understand the operating plan. Communicate with hourly employees so everyone knows what to expect.

Salaried Managers – Get to the store if other staffing arrangements have not been made. Call your Area Coach if you feel operating hours may need modification. Verbally notify MICs of what to do and expect on every impacted shift. Prepare for regular sales/conditions report to Area Coach as requested.

Area Coaches – Activate verbal, text or email communications with RGMs as appropriate. Contact Market Coach if operating hours modification is expected. Assume responsibility for tracking conditions/sales patterns. Ensure that MICs in all units are being communicated with. Authorize closing time changes as agreed to with Market Coaches.

Market Coaches – Consult with VPO and serve as AC contact point to approve closings. Ensure that proper logic check is in place for the decision processes.

VP of Operations – Is available to discuss and assist the Market Coaches with their logic check for closing decisions. Will be responsible for communicating with ownership partners of impact to units regarding winter weather events.



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SOCIAL MEDIA

Revised January 1, 2023

Many employees have personal web pages on social community sites such as LinkedIn, MySpace, Facebook, TikTok, and others. While it's a great forum for self-expression, it is important that you follow proper Taco Bell guidelines.

If you talk about Taco Bell online (e.g., blog posts, message boards, forums, videos, photos, etc.), please make sure you are respectful. **Everything you post can be tracked, and anything that breaks the law and/or Taco Bell policies could result in disciplinary action. Keep in mind that even if you delete a post, it could still be stored online permanently.**

Here are some tips for online and social community practices:

- **Don't** be disrespectful about Taco Bell, its employees, or its customers. You can talk about your job, but keep comments positive and don't use names.
- **Don't** post inappropriate videos, especially anything that happens in the restaurant.
- **Don't** post any Taco Bell operational guidelines online, including product build cards, training materials and visual identification picture materials.
- **Do** make it clear that what you're saying is your opinion.
- **Do** use common sense when posting materials online.
- **Do** be respectful of Taco Bell even when you are off the clock. Don't let the things you do and say reflect poorly on yourself, your job, or your community.
- **Do** think about what could happen. Taco Bell Public Relations monitors online postings. Be aware that crimes including theft, vandalism, and health code violations will be reported to the proper authorities.

Thanks for your understanding and support!



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AUTHORIZED DRIVER LIST

Revised October 22, 2015

It is the preference of MRCO Taco Bell Restaurant operating companies to limit those who drive on company business to Salaried Managers and Shift Managers. MRCO understands that there is not always a Manager available to run necessary errands in emergency situations to keep the stores running smoothly. Every RGM will be responsible for requesting an MVR and keeping an updated list of employees who are authorized to drive on company business for his/her restaurant. In January of every year, an MVR check will be performed for each employee on the Authorized Driver List. **All Authorized Drivers must be over 18 years of age and have a valid driver's license.**



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TELEPHONE USE

Revised January 1, 2023

The purpose of this policy is to provide guidelines for using company and personal telephones.

Efficient telephone service is vital to company business. Employees must adhere to the following guidelines:

1. Answer all calls promptly and courteously, always identifying yourself to the caller.
2. Personal calls, both incoming and outgoing, should be limited to emergency use. Essential personal business calls may be made at the manager's discretion and must be kept as brief as possible.
3. Abuse of business telephones will result in disciplinary action up to and including termination.
4. Use of personal cell phones, including texting, is allowed at manager's discretion. However, cell phones must never be visible to the customer unless the employee is on an official break and out of food service areas. Phones may be stored in personal pockets provided they cannot be seen by others and should never be in hand or checked before moving out of sight of customers (with manager's permission). **Additionally, personal cables may not be plugged into any store equipment, including but not limited to POS devices, back of house computers, or tablets.**
5. Use of laptops, tablets, and Bluetooth devices such as earbuds are allowed during breaks and must never be visible to the customer.

*We currently have several apps that can be used to help store operations. Please make sure that these functions are done away from the food preparation area and out of sight from customers. A customer may see you on your phone and think you are not giving them priority even if you are completing a necessary work task through an application.