

MLY Investments, LLC

Freddy's Frozen Custard & Steakburgers® of Iowa



MILY
INVESTMENTS, LLC

THE TASTE THAT *brings you back.*

Management Handbook

FY 2023

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Welcome to Freddy's Frozen Custard & Steakburgers®!

We want you to be very successful within our organization, whether you are going to be with us part-time for the next few months, or full time for the rest of your career! It is our goal to provide you with the tools you need to perform, and we ask you take the time to learn everything about our great food, systems, and policies.

We want our guests to have the best dining experience, and that is most easily achieved by making our employees feel that they are an important part of the Freddy's team. **You are extremely important to our success!** Because of that, we will do all we can to make Freddy's the absolute best place to work.

This handbook has been prepared to assist you in becoming a productive member of the Freddy's team. It highlights many of the Company's rules, policies, practices, values, and beliefs, all of which are important aspects of treating our guests the "Freddy's Way". When our guests get treated the "Freddy's Way", they receive the absolute best dining experience. So, read this handbook carefully and thoroughly because you will be expected to know it and adhere to it.

The policies and practices contained in this document have been adopted voluntarily by the Company and are not intended to be construed as nor do they form a contract between the Company and any of its employees. *You are an "at will" employee, meaning that your employment is for no definite period of time and may be terminated by you or the Company at any time and for any reason.*

Having the knowledge and skills to do your job will make it easier for you to do your job well, so if you have any questions let your Manager know right away. They are there to help.

We are excited to have you on board with our company and look forward to working with you to create a restaurant environment that creates a "cult-favorite" destination in the communities where we have stores!

"The Taste That Brings You Back"!

DISCLAIMER

This handbook is for your personal education only, and therefore cannot be construed as a legal document.

We are an "employer at will" company, whereby the company may hire or discharge a Team Member without cause. We abide by state and federal requirements regarding Equal Employment Opportunity, Americans with Disabilities Act, Military Leave, Worker's Compensation requirements and Family Medical Leave laws. We do not permit harassment or discrimination. No solicitation of any type is allowed during work times or in work areas by anyone representing an outside interest. This handbook supersedes all prior team member handbooks, policies, procedures and/or practices of the Company, oral or written. Furthermore, the Company may change, in whole or in part, a team member's compensation, fringe benefits, assigned work hours and/or assigned work location, at any time, without advance notice.

VALUES AND BELIEFS

Freddy's Core Values:

- Honesty
- Respect
- Gratitude
- Passion
- Sense of Urgency
- Work Ethic
- Humility
- Hospitality
- Sparkling Cleanliness

Remember, you are the one who must make the values a reality! To be successful at helping us to bring the Freddy's system and the "Freddy's Way" to life, focus on these core values and instill them in the way you carry yourself on the job.

MLY's Vision, Mission & Goal

Our Vision

As a franchisee of Freddy's Frozen Custard & Steakburgers, we hold ourselves, our managers and team to a very high standard. This high standard is our Vision of what we want to become as we grow as a company.

The MLY Investments, LLC Vision Statement is: *To make a Positive Impact in the lives of every person we meet, by being a Bright Spot in their day.*

Our Mission

Our Mission Statement is what we need to do to develop and reach the Vision Statement. Once the Vision and Mission are identified and clarified, we can begin planning and setting goals to realize them.

The MLY Investments, LLC Mission Statement is: *Provide CRAVEABLE food with uncompromising dedication to the Three Pillars of Success – Quality, Hospitality and Cleanliness.*

Our Goal

The Goals we set are final outcomes for us to achieve which result when we are meeting our Mission Statement. In addition to Goals related directly to the Mission Statement, Goals must be set to achieve company profitability and growth.

The MLY Investments, LLC Goals is: *Set up every Fredhead for Success by Developing them in the Best Training Program in the nation.*

Our Keystone Goal

Each year our company sets forward one primary Goal in Operations to drive the Vision, Mission and Goal statements above. This Goal is the "Keystone" of all that we wish to achieve in the current year.

The MLY Investments, LLC 2023 Keystone Goal is: *Establish a Culture of Professionalism with a Focus on Creating a Daily Positive Impact for our Guests and Teams.*

Freddy's 3 Pillars of Success

Hospitality, Quality, and Cleanliness

These are the 3 traits, or “Pillars”, that ultimately make up the Freddy’s experience for our guests: Hospitality, Quality and Cleanliness. The guest comes to expect these in EVERY visit. And without all three present during the guest’s visit, he or she will not receive the true Freddy’s experience. These 3 Pillars of Success differentiate us from the competition and together they create something very important to the guests – value. The excellent value they receive at Freddy’s is why they come back again and again. When these 3 Pillars are in place, there is nothing out there like Freddy’s!

Hospitality

Exceptional hospitality is a fundamental part of the Freddy’s experience. When a guest walks into Freddy’s, they are greeted with warm smiles and energetic people who have the attitude that they will do whatever it takes to make sure that the guest’s visit is a very memorable one. Whether it is opening the door, happily accommodating special requests, or greeting regulars by their first name, we provide a remarkably high level of service that we call “Hospitality”. It is important that this hospitality comes from everyone, from all areas of the restaurant, whether it’s from the Hot Line Team at the expo counter, the cashier at the front register, or the person working the dining room. Our goal is to provide a high level of hospitality to every one of our guests, and it is the responsibility of every Team Member in the building to accomplish this. We want our guests to easily recognize the pride that lives within the Freddy’s team and that each member of the Freddy’s family is part of an elite and distinguished group. **Service meets expectations; hospitality exceeds them!**

So where does Hospitality begin?

Hospitality begins behind the counter between our Team Members. We must treat each other, as co-workers, with hospitality first! Respect, courtesy, and helpful attitudes must exist within each Team Member. This creates a positive environment where people truly enjoy coming to work every day. This is inherent in Freddy’s culture, and it’s the starting point for providing the Freddy’s experience for our guests.

Remember: Hospitality must exist with each other behind the counter before it can be delivered to guests!

Quality

From the facility to the people, to the products, quality is a part of every aspect of Freddy’s. Superior quality is the first factor considered in every decision made at Freddy’s; it is a Freddy’s trademark. When the guest bites into that Double California Burger or experiences the phenomenon of the famous Turtle Sundae, they taste quality. Freddy’s menu items are made from the highest quality ingredients possible to make for an unforgettable taste. Quality is further seen in the building. When the guest first catches a glance of our handsome facility with the bright red and white awning, the nicely groomed landscape, and of course that majestic cone, they experience quality. When they walk in the front door, again they experience quality when they see an upscale, sparkling clean interior with stylish décor and comfortable surroundings. When they are greeted by an intelligent, articulate, and caring individual-they encounter quality. When they see our processes, our equipment, and the innovative tools we use...that’s right, they see quality.

Cleanliness

This Freddy's trait comes from the team taking GREAT PRIDE in the sanitation, cleanliness, and appearance of Freddy's. Each Team Member is responsible for the sparkling cleanliness of all areas of the restaurant. This requires seeing everything from the GUEST PERSPECTIVE – that includes the parking lot and grounds, the building exterior, the patio, the entrance vestibule, the dining room, the kitchen, and the restrooms. Each Team Member must have a good eye for detail to keep the restaurant spotless.

G.P.S. – Guest Perspective Standards

GPS is meant to give both Managers and Team Members a basic list of tasks that can be performed quickly yet have a direct impact on the guest's perspective of the store. You'll hear a lot about GPS, and you'll personally be responsible for executing GPS. These tasks can be performed in that first minute when the line/screen clears, and before another rush starts. Complete these tasks from the perspective of our guests – what are the guests looking at? From their table, beverage station, Expo counter and bathroom, see the restaurant through their eyes, making sure it looks great!

GREAT SERVICE AND CONDUCT

Rules of Service

To fulfill our mission to provide the absolute best food and custard with EXCEPTIONAL service, Freddy's management and Team Members must follow these 5 basic rules of service:

1. **You are empowered to satisfy any guest request.**
2. Pay attention to detail and make a commitment to quality.
3. Maintain a sense of urgency with everything you do.
4. Follow the golden rule; Treat others how you wish to be treated!
5. Always remember that our guests are our most important product. SMILE and let them know you are glad they are in your store!

GUEST SATISFACTION IS OUR #1 PRIORITY!

We must always satisfy our guest's expectations and desires EVERY time they come into our store. Treat EVERY guest who walks through our door as an important individual.

GUESTS ARE NOT AN INTERRUPTION OF YOUR WORK —THEY ARE THE PURPOSE OF IT.

Never lose sight of how important the guest is. Be respectful of every guest, no matter his or her age. From small children to our elderly guests and everyone in between, we need to be respectful in how we interact with each and every guest.

How is guest satisfaction accomplished?

Simple – just remember our 3 Pillars of Success- Hospitality, Quality, and Cleanliness. Obviously, the quality of our product must be excellent. The restaurant must be clean, attractive, and comfortable. Yet the most critical element in satisfying our guests and generating repeat visits is YOU and your fellow Team Members, and the hospitality and friendliness, which YOU provide. Guests should be treated as if they were a guest in your home. That means you and your fellow Team Members need to be warm and welcoming, and again, just as you would treat a guest in your home, pay attention to our guest's needs and anticipate whatever you can to make their visit a special one.

What do guests expect?

Guests expect us to provide their food promptly and accurately. They expect our Team Members to be attentive, friendly, neat, and interested. Guests must not feel that they are being “processed” or treated in an impersonal manner. Our service must reflect an interest in the guests as people with feelings and needs. This is a must to generate repeat business. When guests do not receive this type of service, they do not come back.

Be Prepared!

If we aren't ready for the lunch and dinner rush it will be very difficult to execute great service, etc. Being ready is everything in our business. We don't have time during our “rush” to be doing the things in which should have been done before the “rush.” We will have checklists for this, but we're not perfect and we ask that you anticipate these things and see that they get accomplished before the “rush.”

Have a Great Attitude

When you enjoy serving and pleasing others, it shows. A positive hospitality image is one that reflects real enjoyment of pleasing others and a genuine concern for the welfare and satisfaction of each and every guest. A positive attitude allows you to be pleasant even though you may be in a bad mood. You exhibit warmth and friendliness 100% of the time no matter what. When you are enthusiastic about what you are doing it shows!!

Always Be On Your Best Behavior

The most important, single thing you can do is simply smile at each and every guest. Combine that with a warm greeting and a sincere thank you, and you have gone a long way towards executing our first Pillar of Success – Hospitality. Other behaviors such as making eye contact with our guests, taking time to listen, carrying yourself in an assured manner also provide hospitality. Individually these actions may seem unimportant, but the combined effect of all these actions together adds up to a very satisfied guest.

Use Your Speech in a Positive Way

The manner in which you speak impacts your hospitality image. You must speak in a loud enough and clear voice. Make sure you are engaged in every conversation with every guest. Appropriate words can take on the wrong meaning if they are conveyed in an aloof, bored, or hurried manner.

It All Adds Up to Guest Satisfaction!

When our Team Members implement these actions, we have excellent service and excellent guest satisfaction! If you strive to provide excellent service, we guarantee that you will enjoy your job more, and your guests will love coming back again and again.

Physically Impaired Guests / Specialized Seating

Offer extra help to any physically impaired guests, who may require special attention. For these situations, offer help with ordering/cashier service at a table, and then offer to deliver their food if they wish. Do anything you can to make their experience a great one.

Guest Complaints

(Don't just read this; learn it!!) At some time one or more of our guests may have a problem or complaint. When a guest comes to you to complain, you are to give that guest your **undivided attention** to show that you are concerned. At Freddy's there is an acronym for handling guest complaints:

L.E.A.R.N. T.O.

Every Team Member can properly **handle any guest issue** by using the "LEARN TO" Method.

Listen – While making clear eye contact, listen carefully to the guest to gain a clear understanding of why they are coming to you with their complaint.

Empathize – After you understand the complaint, comfort the guest by letting them know that you have a good understanding of the situation at hand.

Apologize – Always offer a sincere apology to the guest. Inform them that the situation will be resolved immediately.

Resolve – Take immediate action to resolve their complaint.

Notify – Notify management before the issue is resolved if you are uncomfortable handling the situation or notify management after you resolved the guest issue on your own.

Thank – Sincerely thank the guest for choosing Freddy's and for their patience during the time it took to correct the issue.

Overcompensate – Overcompensate the guest to further enhance their experience in a positive way.

Try to satisfy complaints without returning cash. Offer a soda, custard cup or another steakburger, whatever is about equal to or more than the price of our error. A good strategy is to not just make the situation right, but to make it better. *You have the power to do this!* Every guest complaint should be handled within 60 seconds. A timely, fair, and generous response is key to the happiness of our guests and thereby the success of our business.

Always notify your Manager after handling a guest complaint. Each transaction must be reported so the appropriate bookwork can be done to account for it.

Teamwork

Teamwork is essentially having every Team Member do what they can to make the job easier and better for each other, which makes the job more fun for everyone. It is the combination of helping each other automatically without any second thoughts and working as a group to achieve a common goal. Remember our mission - *to provide the absolute best food and custard with EXCEPTIONAL service*. We accomplish this through teamwork!

Here are ways to achieve our mission through teamwork:

- Using established “courtesies” such as saying, “Behind you,” “Please,” “Thank you,” “Hot,” etc.
- Asking for help when you need it.
- Offering to help when you have extra time.
- Restocking work areas, as needed, so the Team Member who follows you is prepared for success.
- Keeping your work areas neat and clean, floors included, so the Team Member who follows you is prepared for success.
- Communicating with management on any concerns you may have.
- Always pick up what you sweep immediately, and not leaving it for another Team Member.
- After using a mop and bucket, empty and rinse both out for the Team Member who will need to use them next. Hang the mop in the designated area so it will begin to dry.

Every time you are in a restroom: Help keep restrooms clean by picking up debris, checking then wiping the sink, toilet, and mirror as needed every time you are there.

Every time you see unwanted debris: Pick up debris both inside and outside the building, whenever you see it, without being told. By working together, we keep our restaurant clean, inside and out, and it is not too difficult for any one person.

Having clean restrooms and a clean store, inside and out, is everyone’s job.

Professionalism and Confidence

Professionalism and Confidence ties back to our policies on general attitude and behavior – it is basically about using good manners! Here are a few simple tips to follow that will ensure you always maintain a professional and confident appearance to our guests:

- Smile!!
- No gum chewing.
- Never roll your eyes.
- Don’t lean on things. Stand up straight.
- Move quickly and with purpose. (Don’t wander aimlessly or stand idle.) *If you are unsure what you should be doing, ask management for direction.*
- Never lose your temper with a guest or Team Member.
- Don’t let the guest know about your personal problems or any restaurant problems.
- Always use direct eye contact with the guests.
- Be patient. Don’t appear rushed and don’t ever rush the guest.

- Guests always have the right of way so always let them go in front of you. Remember, guests are our number one priority!!
- Be friendly and polite.
- Smile!! (We can't say it too many times 😊)
- Use of profanity while working will not be tolerated.
- Say please and thank you constantly.
- **Above all — have a positive attitude with both guests and Team Members!!!**

Uniforms and Appearance

We care very much about what our guests think when they visit our restaurants. Their confidence in us depends not only on how we treat them, but also on how we look on both sides of the counter. One of the ways that we want to make a great impression with our guests is to be consistent in our dress code.

It is your responsibility to come to work dressed appropriately and professionally. This includes your attire as well as your grooming. Managers reserve the right to determine the appropriateness of a Team Member's attire or grooming, as well as the Team Member's readiness to work.

Uniforms

Freddy's has specific uniform regulations that must be followed. In general, your clothes must be clean and wrinkle-free every time you come to work. You may not wear worn, torn or faded clothes. All employees, especially managers, need to look sharp and professional. If your uniform is determined by a Manager to be below Freddy's standards, you will be sent home to change. If you are unsure of your uniform, please speak with your Manager to clarify.

Management Uniform

- Shirts: Freddy's manager polos be supplied to you by the Company for your work use. Polos will be long enough to stay always tucked in.
 - Other Freddyswear such as jackets, quarter-zips and d, long-sleeve shirts and jackets may be purchased and deducted via payroll at the DOO's discretion.
 - All Freddy's clothing should be clean, wrinkle-free and in good repair.
 - Managers are NOT allowed to wear Team Member t-shirts or sweatshirts.
- A plain, one color, long sleeve shirt may be worn under a Team Member's t-shirt for comfort.
 - The shirt must be free of patterns, stripes, or logos and should be clean, in good repair and tucked in around the entire waist.
 - Only red, black, white, and grey shirts are allowed, unless specific permission is given by the DOO.
- Management Team Members must wear blue jeans, black jeans, khakis, or slacks that are clean, in good repair and free of tears, patches, rips, frays or designs.
 - Capris and shorts are allowed only during the months of April to October.
 - Cargo pants are not allowed, but Cargo shorts ARE allowed.
 - Shorts must be within 3 inches of the knee, above or below.
- A plain, flat, black, or brown leather belt should be worn through the belt loops. All pants must have belt loops. Pants must be worn at waist level.

- A baseball cap or visor will be supplied to you for use by the company if you wish to wear one. Hats are to be worn “bill-forward” at all times, with the logo facing front. Managers are not required to wear hats.
- Managers must wear clean shoes with a non-slip sole. It is required that all Managers wear non-slip shoes, to be purchased by the Manager. You will not be able to start work until your shoes have been purchased and approved by management.
- Socks must always be worn. No open toe shoes and no open back shoes should be worn.

Upon request, reasonable accommodations will be made to this dress code as required by law (e.g. due to pregnancy or religious requirements).

Hair and Personal Appearance

Hair

Health codes require that hair be contained by a hat or hairnet while working with food. *At no time is your hair allowed to touch your shoulders or hang in your face.* Hair must be neatly styled, and natural in appearance and color.

- Hair longer than chin length must be tied back and then secured or braided.
 - If your hair becomes a sanitation issue, you will be required to adjust and/or use a hairnet.
 - If a hairnet is required, a discussion form must be issued as well.
 - Hair may include streaks of color but must be primarily of a natural shade.
 - In all cases hair, should reflect good taste and grooming habits.
- Facial Hair: all styles must be always kept to a length of 1/4 inch or less.
 - If a beard net is required, a discussion form must be issued as well.
 - Sideburns are to be moderate in style, no longer than 1/4 inch below the ear lobe.
 - In all cases facial hair should reflect good taste and grooming habits.

Personal Appearance

Your personal appearance is very important:

- Fingernails: For health and safety reasons, fingernails must be kept neat and trimmed to a length no longer than ½ inch beyond the tip of the finger.
 - Artificial nails are permitted; however, gloves must be always worn while working with food.
 - Nail polish must not contain any glitter, jewels, sparkles etc. or any other substance that may fall off when gloves are removed.
 - Nail polish that is chipped or flaking must be removed for the same reason
- Tattoos: No visible tattoos may be displayed that are inappropriate in content. This includes tattoos that display pictures of body parts, inappropriate words, symbols, or anything that might be a violation of the discrimination policy. Single and small tattoos that are normally in sight on the arms and hands while wearing a short-sleeved shirt do not need to be covered. Management does reserve the right to ask a Team Member to cover anything that may be deemed offensive or distracting to customers.
 - Ordinarily, tattoo “sleeves” covering the forearms are not acceptable. A long-sleeved shirt may be worn to cover the arm tattoos.

- Facial tattoos are not allowed.
- Piercings: Small earrings provided they do not dangle, or ear spacers/gauges/plugs no larger than a dime in size may be worn.
 - Earrings may be studs or hoops no greater than ¾ inch in diameter.
 - Only one ear spacer/gauge/plug per ear is permitted.
 - Ear spacers/gauges/plugs must be solid in color and cannot be clear or empty (i.e.: as a hole).
 - Body piercing jewelry (tongue rings, nose hoop rings, lip rings, eyebrow rings, facial studs etc.) is never permitted while working.
 - Nose Rings are only allowed in stud form, and only one is allowed to be worn. Bull rings are never allowed.
- Must be always clean smelling/odor free.
 - No body odor, smoke odor, or excessive perfume or cologne odors are permitted.
- Teeth must be brushed.
- No gum chewing is ever allowed under any circumstances.

Hygiene and Sanitation and Safety

Your personal hygiene is very important. First and foremost, **wash your hands often.**

You must always wash your hands before starting work, when switching gloves, and after using the restroom.

Your hygiene and health are vital in food sanitation. No person, while infected with any disease in a communicable form, or while a carrier of such disease, or while afflicted with boils, infected wounds, sores, or an acute respiratory infection shall work in any area. Food handlers can become sources of bacteria, causing illness in others through transmission of germs or through food poisoning. Experience has shown that food-borne illnesses can be transmitted by Team Members who were ill, practiced poor personal hygiene, or applied unsanitary food preparation methods. To assure the safety of the staff and our guests, all management and Team Members must maintain the following requirements:

1. Teeth must be brushed.
2. Must be always clean smelling/odor free. No body odor, smoke odor, or excessive perfume or cologne odors are permitted. Always wear an approved hat while on duty.
3. Hands and nails are to be clean – wash your hands regularly!
4. Wear clean, approved, comfortable, shoes.
5. Wash hands frequently and every time following restroom visits, coughing or sneezing into the hands or handkerchief, smoking, handling money, garbage, etc.
6. While working, control any bad hand habits. Do not scratch your head or other body parts, arrange your hair, stroke your mustache, etc.
7. Use disposable plastic gloves if food is going to be handled, but remove gloves while cleaning tables, ringing on cash registers, handling money, or doing other things that would soil the gloves.
8. If you should get a cut or sore, be sure that it is always covered with a bandage. (Hand or finger cuts require a plastic glove be worn over the bandaged area when handling food.)
9. If a person is cut and bleeds, the Manager on duty must be alerted immediately. The person who is to clean up the blood must exercise caution to prevent touching the blood with bare hands, especially if they have cuts on their hands. Plastic gloves must be worn, and the gloves, cloths and/or paper towels used to clean up the blood should be disposed of in a sealed plastic bag. Then the surface that was touched by

the blood must be sterilized with a solution of one cup bleach to one gallon of warm water. Any food that is touched by the blood must also be disposed of immediately.

10. All soaps and other chemicals (mostly cleaning materials) are to be kept in a separate storage area (shelves) away from food areas. If you see cleaning items anywhere except the chemical storage area, please correct the error. The Material Safety Data Sheet (MSDS) binder and Safety Manual are located where chemicals in your store are stored.
11. Always dry up wet floor areas to prevent slips.

Attendance and Work Information

Parking and Transportation

Where to Park

We want to make it easy for guests to park and come to our store. We also must honor our guest's needs. Use common sense when parking so as not to take a space that would be most convenient to the guests of the store. Please see your Manager for details, as parking requirements will vary per store location.

Transportation to Work

It is your continuing responsibility to maintain your method of transportation to work and not let it interfere with your job schedule.

Management Team

Learn who your Managers are and feel free to discuss any problems or concerns you have about your job description or job performance. Your management team consists of a combination of a General Manager, Assistant Managers and Supervisors who work together to make decisions and assure that the restaurant runs correctly.

Scheduling

All schedules are to be written by the General Manager. Work schedules begin on Thursday, with the workweek ending on Wednesday, and are available to you on Saturday of each week. **It is your responsibility to find out your schedule.** A Manager will call or notify you immediately of changes to the posted schedule.

Your schedule will be based on your schedule availability, job performance and your ability to master the following criteria:

- Hospitality to guests, management, and co-workers.
- Attitude and dependability. You must work with a positive attitude that is apparent to guests.
- Cooperation and teamwork with co-workers and management.
- Work area appearance.
- Job knowledge and display of consistent performance.
- Speed and efficiency of your job duties.
- Flexibility and initiative.

You are asked to report to work a sufficient amount of time ahead of your scheduled starting time to allow yourself time to hang your coat, assess your grooming, etc. You are to punch in ready to work at the time you are scheduled for, not earlier or later than that time. When you were hired, your availability time was established to fit in with your school, family, and other job or outside activity demands. When your schedule needs to be changed, inform your Manager in writing well in advance so this request can be honored whenever possible. We want to help you when you have special needs, and by the same token we expect you to help us when we have special scheduling problems to solve and so, occasionally, you may be asked to continue working past your scheduled time to leave, or to come in to fill someone's slot. When you cannot work a slot, you are scheduled for we require you to find a replacement for the shift or this absence is unexcused and subject to disciplinary action.

Tardiness and Absenteeism

Tardiness

You are to be at your work location by the time your shift begins. If you are going to be late, it is your responsibility to call and notify your supervisor prior to the time you are to report to work and advise him/her of the situation and the reason. Continual tardiness (more than one in a 30-day period) will be subject to disciplinary action, up to and including termination.

Leaving Your Shift Early

You must check with your current supervisor before leaving your shift to assure that certain tasks have been accomplished to maintain the restaurant and to make sure the next shift is appropriately supplied and prepared to operate. If an individual leaves the shift without permission of a Manager, they will be subject to disciplinary action, up to and including termination.

Absenteeism

If you are unable to report to work as scheduled, you are to call the Manager at least four hours in advance of your scheduled arrival time. *Do not leave a message with another Team Member*; you must speak directly to the Manager on duty. Repeated absences that are not related to a serious medical condition with appropriate documentation will be subject to disciplinary action, up to and including termination. Absences greater than one per month are considered excessive and those without prior notice are grounds for disciplinary action.

If you fail to show up for a scheduled shift and do not call, the Company will consider you a "no call, no show" which is a voluntary resignation.

Absenteeism will be reviewed on a case-by-case basis.

Resignations

We hope and expect that your employment with us will be rewarding. If, for some reason, you should leave your job with us, your Manager would appreciate as much advance notice as possible. A minimum of two weeks is expected. You should give your notice in writing with your last day at work indicated. The amount of notice you give if you resign will be considered should you reapply for work with us, or other Freddy's locations in the future.

If you wish to resign, you are encouraged to provide two (2) weeks' notice to your manager or directly to Human Resources. You are encouraged to submit your resignation notice in writing, and to include the reason for resigning and the effective date in this notice.

You will receive your final paycheck on the next regularly scheduled payday. Assuming you have complied with the two (2) weeks' notice requirement set forth above and have satisfactorily worked throughout your notice period, your final paycheck will be paid at your usual rate of pay. However, if you do not provide two weeks' notice before self-terminating your employment or do not satisfactorily work out your notice period, your final paycheck will be paid at the minimum wage rate currently in effect. This policy applies to all employees hired after October 31, 2019.

Break Policy

As of the publication of this handbook, there are currently NO federal, state, or local laws that require breaks for Team Members. Breaks are not mandatory by law for either full-time or part-time Team Members. The law leaves the issue of breaks up to each individual company. Breaks will be offered as fifteen minutes paid, or thirty minutes unpaid, at the discretion of the Manager on duty.

Time Clocks

Every Manager is responsible for making sure they are clocking themselves in and out for each shift. No other Team Member should EVER clock a Team Member in or out. A Manager may sometimes need to do this when someone forgets to Clock Out, and a documentation must be issued. This policy applies to all Team Members on every shift and for every unpaid break. Note the following guidelines:

- Each Team Member and Manager should:
 - Clock in immediately at the start of their shift.
 - Clock out immediately following the completion of their assigned shift.
 - Clock out at the beginning of each unpaid break.
 - Clock in at the end of each unpaid break.
- Team Members & Shift Supervisors are required to take a 30-minute unpaid break for shifts 5 hours or longer.
- **Managers (Hourly and Salaried) are not allowed to leave the store premises on their breaks without permission of the General Manager or Multi-Unit Manager. Doing so is grounds for immediate termination.**

Age Restrictions / Labor Issues

Age Restrictions

Here at Freddy's, we believe in giving everyone we can the chance to start a career, therefore we hire 14 and 15 year olds. There are, however, certain restrictions that we must adhere to. If you are not familiar with your state's policies regarding working minors, you may ask your General Manager or the Director of Operations for clarification. All work rules apply to all persons aged 16 years or older. There are no work-related restrictions on the number of hours worked or the times worked for those aged 16 or above. However, they are NOT allowed to drive any motor vehicles on behalf of company business, theirs or ours.

Labor Related Issues

Team Members should feel no fear of reprisals from management when bringing labor related issues to management's attention. Team Members may call the Director of Operations or the Human Resources Department directly to express concerns regarding any of the above topics.

How We Treat Each Other at the Company

How you feel while you are working for the Company is very important. We want every moment with us to be as comfortable and enjoyable as possible. If you are having fun, our guests will have fun! Maintaining a professional and hospitable atmosphere for our team and guests is paramount to our success. Here are some things you need to know to help make our work environment the best possible.

Equal Employment Opportunity

The Company has been and will continue to be an equal opportunity employer. It is the Company's objective to afford equal opportunity to all employees and applicants without regard to race, color, creed, gender identity, genetic information, religion, national origin, physical or mental disability, military status or Vietnam-era veteran status, sexual orientation, sex, age, or any other protected status under applicable local, state or federal law.

This applies to all categories of employees and all personnel actions, such as recruitment, selection, compensation, benefits, Company sponsored training, transfers, demotions, terminations, and Company sponsored social or recreational programs.

The Company's management team has overall responsibility for the Company's Equal Employment Opportunity Program.

Discrimination

It is the Company's policy to provide a workplace free of unlawful discrimination towards employees by other employees, suppliers, or customers. The Company will not tolerate discriminatory conduct that affects tangible job benefits, that interferes unreasonably with an individual's work performance, or that creates an intimidating, hostile, or offensive working environment. Discrimination, in general, is defined as any unwelcome conduct, whether verbal, physical, or visual, that is based on that individual's protected status, such as race, color, creed, gender identity, genetic information, genetic testing, religion, national origin, physical or mental disability, military status or Vietnam-era veteran status, sexual orientation, sex, age or any other protected status under applicable local, state, or federal law. Discriminatory behavior can come from managers, fellow team members, or subordinates.

It is the policy of the Company to encourage team members to report concerns they may have regarding discrimination without fear of retaliation. Anyone who violates the Company's policies regarding discrimination will be subject to discipline which may include termination.

E-Verify

Freddy's participates in the use of E-Verify for all new hires. Below you will find information related to this program and a contact number if you have additional questions or concerns.

E-Verify Information

You may not have heard of E-Verify before and wonder why your employer participates. Though participation in E-Verify is required of some employers, most employers participate voluntarily. E-Verify is fast, free and easy to

use—and it's the best way companies can ensure a legal workforce. Until E-Verify, there was no way for employers to verify that the information that employees provided was valid or that the documents presented were genuine. E-Verify offers employers a powerful tool in protecting themselves against those who try to cheat the system.

Employees also benefit when their employers use E-Verify. E-Verify can alert you to possible errors with your government records and correcting those errors now rather than later may save you significant time and frustration in the future.

E-Verify compares the information you provide on Form I-9, Employment Eligibility Verification, against millions of government records and generally provides results in three to five seconds. If the information matches, you do not need to do anything. If there's a mismatch, E-Verify will alert your employer—and you can choose to contest the mismatch and work until you and the government resolve the mismatch. E-Verify works by comparing information entered from your Form I-9 to:

455 million Social Security Administration (SSA) records

80 million U.S. Department of Homeland Security records

Department of Homeland Security databases contain records about employment-based visas, immigration and naturalization status and U.S. passport issuance, which allow E-Verify to compare information against a wide variety of sources.

How it Works

Before your employer can use E-Verify to verify your employment eligibility, your employer must first enter into a written agreement with DHS in which it agrees to follow strict procedures designed to ensure that you are treated fairly. When you apply for a job with an employer that uses E-Verify, the employer should notify you that it uses E-Verify. After hire, within three days of starting work, you and your employer must complete Form I-9. If your employer uses E-Verify, you must provide your Social Security number on Form I-9.

(Providing a Social Security number on Form I-9 is voluntary unless your employer participates in E-Verify.) Also, if you present a List B document with Form I-9, the document must contain a photo. (Some List B documents without photos would be acceptable if your employer did not participate in E-Verify. You can also be provided an accommodation for religious practices.)

Once your Form I-9 is completed, your employer will enter the information from it into E-Verify. Depending on the documents you provided, your employer may have to compare a photo displayed on a computer screen to the photo on your document. The photos should match, which ensures the document photo is genuine and hasn't been altered.

Once the information has been entered and submitted, E-Verify will compare it against millions of government records. If the information entered matches, E-Verify will return an "Employment Authorized" result. This confirms you are authorized to work in the United States. Your employer then simply closes the case to complete the E-Verify process.

If there's a mismatch, E-Verify will return a "Tentative Non-confirmation" (TNC) result. If this happens, your employer needs to print and review a notice with you that explained the cause of the mismatch and what it means for you.

You have the right to challenge the mismatch. If you do so, your employer will refer the case in E-Verify to the appropriate agency (either SSA or the Department of Homeland Security) and print a letter that it must give to you. The letter contains important instructions and contact information that you will need to resolve the mismatch. You then have eight federal government workdays from the date the case was referred in E-Verify to initiate contact with the appropriate government agency to start resolving the problem. During this time, your employer must allow you to continue working and may not delay your training, reduce your work hours, or take any other adverse actions against you.

E-Verify will alert your employer of an update in your case. If you successfully resolve the mismatch, E-Verify will return a result of "Employment Authorized." If you don't resolve the mismatch, E-Verify will return a "Final Non-confirmation" (FNC) result. Your employer may terminate you because of E-Verify only if you receive an FNC.

In rare cases, the Department of Homeland Security or SSA might need more time to verify your employment eligibility. When this happens, E-Verify will return a "Case in Continuance" result. When your case is in continuance your employer must allow you to continue to work until E-Verify gives a final result of "Employment Authorized" or an FNC.

Employee Contact Information:

Office of Special Counsel for Immigration, Related Unfair Employment Practices (OSC)

Phone: 1-800-255-7688

TTY: 1-800-237-2515

Website: www.justice.gov

Compensation and Benefits

Full time employees are defined as working on average 38 hours or more per week. If you are part-time, you will average less than 38 hours per work week. If your availability or the needs of the store change, your status from full-time to part-time may change.

Paydays and Direct Deposit

Payday

Paydays are every other Friday. The pay period is 2 weeks long and begins on a Thursday and ends on a Wednesday. Payday is on the Friday 9 days after the pay period ends.

Direct Deposit

Direct deposits are required for all individuals working for Freddy's. You must complete a form and include a voided check for your payroll check to be deposited. When electing direct deposit, you will no longer receive a paper paystub. Your pay stub will be online for your convenience. The Company reserves the right to end direct deposit upon termination and at which time; the final paycheck will be mailed to your last known address on file.

Overtime Pay

Hourly employees are paid overtime after 40 hours worked in a workweek (Wednesday through Tuesday) at a rate of time and one-half times your regular hourly rate where federal, state, or local statute provides. For the purpose of calculating overtime, time worked includes any daily breaks in duration of 20 minutes or less.

Immediate Pay

MLY has a relationship with the next-day payroll company, Immediate Pay. This is available to all employees and allows anyone to receive an advance of up to 50% of their upcoming paycheck at any point in time during the pay period. At the end of the period, the advance is deducted in full from the employee's check. Further details can be provided upon request.

Performance Reviews & Merit Increases

Performance Reviews are completed in January and July for all hourly and salaried management. Each member of management first completes a self-evaluation, then an evaluation is completed by their General Manager or Multi-Unit Manager. Compensation is evaluated in January of each year and is pro-rated accordingly for new hires from the previous fiscal year. Merit increases for exceptional work are at the discretion of the Director of Operations and are coordinated on a semi-annual basis.

Planet Fitness Membership

MLY has a relationship with Planet Fitness and allows all employees to utilize their facilities at no charge. This membership covers the basic monthly fee associated with membership, and any further upgrades must be covered at the employee's expense. For further information, please contact the Human Resources Manager.

Meals and Discount Policy

Employees are provided with meal and product discounts at Freddy's locations in the following ways:

- All Team Members and Managers are allowed **1 discount per day**, either a 50% discount on days they work, or 25% on days they do not. This discount does not apply to Retail Freezer items (i.e.: Quarts, Pints, and Cookies).
 - Manager Discounts are 100% is provided for personal consumption inside the restaurant during a break, and before or after your work shift on any scheduled workday. This discount also applies to all drinks including malts, shakes or any other such item. The discount is limited to \$14 in total per shift.
 - A 50% discount is provided to Team Members for a meal (note – a “meal”, not “meals”) purchased for personal consumption inside the restaurant during a break, and before or after your work shift on any scheduled workday. This discount also applies to all drinks including malts, shakes or any other such item. The discount is limited to \$7 in total per shift (i.e. up to \$14 of food can be purchased at discount).
 - A 25% meal discount is provided to Team Members or Managers when not on duty. This discount is applicable to all drinks including malts, shakes or any other such items. This 25% discount also applies to you and 3 of your friends or family who are physically with you INSIDE the store and dining on the same tab. The discount is limited to \$14 in total per visit (i.e., up to \$56 of food can be purchased at discount).

- When ordering food, you must get into line for your order to be taken and payment collected. No one is permitted to order or make their own food, since you are a guest at this time and should receive the same Freddy's experience as others.
- All discounts must be approved and completed by a member of Management.
- When working a scheduled shift, all fountain sodas are free, but you are asked to use the approved employee foam cups or cones.
- **Veteran Discount:** Every Day at Freddy's we have a Military Discount, where all active, off-duty, and retired armed forces Guests are awarded a 15% discount. This discount is also extended to law enforcement, firefighters, and other first responders.
- **Senior Discount:** Every Day at Freddy's we have a Senior Discount, where all Guests over the age of 65 are awarded a 10% discount upon request only.

Note: Our Company prohibits barter or trade of product in exchange for personal products or services. On occasions, we will barter or trade product in exchange for marketing or public relations events. The administrative office must approve any barter of this type.

Development Portal

MLY has created an Employee Development Portal that give all employees direct access to Mentorship Programs with the above-store staff, including the Director of Operations, Multi-Unit Managers and the Accounting, Marketing, Recruiting and Human Resources Teams. Further information on this program can be found on the MLY Portal at MLYinvest.com.

Management Bonus Plan

Goal of the Bonus Plan:

The goal of the Bonus Plan is to reward managers based on their ability to **grow** sales and profit while building long-term guest loyalty because the store is managed "The Freddy's Way" with an emphasis on Cleanliness, Friendliness/Hospitality, Fast Service, Food Safety, Workplace Safety, and a Fun Work Environment.

Eligibility:

Individuals in a salaried & hourly store management position AFTER completion of their management training, having worked for a full period in a store open at least 8 weeks are considered eligible for this bonus program. Manager must be employed and not have provided notice to step-down or resign on or prior to the date of the payout to receive the bonus.

For further information, please refer to the **MLY Store Management Bonus Plan.**

MLY Partnership Program

In 2022, MLY Investments, LLC began a tenure-based Partnership Program. The goal of the Partnership Plan is to reward our GM, GM-Ready and MUM leaders for their long-term loyalty to Freddy's over a five-year period.

Eligibility:

Individuals in a General Manager, GM-Ready and Multi-Unit Manager position after 60 consecutive months combined in said positions. Manager must be employed and not have provided notice to step-down or resign on

or prior to the date of the payout to receive the Partnership Bonus. If a manager is demoted or leaves the company, the timeline restarts.

For further information, please refer to the **MLY Partnership Plan**.

401(k) Program

In 2022, MLY Investments, LLC engaged in a relationship with Principal Financial. To be eligible for this program, the employee must be 21 years of age, and employed with the company for 1 calendar year. The details of the 401(k) program can be delivered upon request.

Funeral / Bereavement Leave

Freddy's will continue a Full-Time Manager's regular pay for necessary absences which occur on scheduled workdays between the date of death and day following the date of burial, as detailed below. With Manager approval, available vacation time may be used to extend the amount of paid time off. Additional days off without pay may also be granted upon the approval of the Director of Operations.

3 Days (27-30 Hours) paid for parents, spouse, or child.

2 Days (18-20 Hours) paid for a sibling, grandparent, nieces, nephews, and grandchildren.

1 Day (9-10 Hours) paid for aunts, uncles, and cousins.

Jury Duty

The Team Member should provide a written verification of the required jury time and the date, to their supervisor as soon as possible after being summoned to jury duty. The company will comply with all requests for jury duty but the time from work is unpaid.

Jury Duty – Full-Time Team Members

If you are notified to serve on jury duty or called to testify as a witness in a criminal proceeding, and, in Iowa, as a plaintiff, defendant, or in a civil proceeding regarding domestic violence or elder abuse, you must give your manager a copy of the notice to report when you receive it. If you are called for jury duty and you are a full-time team member, we will pay you the difference between what you earn on your normal schedule and what the court system pays for your jury duty services. You will be required to produce a record of the amounts paid to you for your jury duty services.

Military Leave

If you are a member of the National Guard, organized reserved of the United States armed forces, the civil air patrol or military reserve unit, you may request a leave of absence for military service or civil air patrol, you may request a leave of absence for military duty or annual training obligations. Upon presentation of formal military order, we will pay the difference between regular wages and the military pay received for the first two weeks. If the military leave extends beyond two weeks, your leave will be unpaid. Upon completion of military duty, re-employment will be in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA) and any applicable state laws.

Voting

On days when elections for public officers and primary and general elections are scheduled throughout the state, county, city, or town in which you work, your schedule can be modified to ensure work either starts at least three hours after the polls open or ends three hours before the polls close.

You should inform your manager in advance of the schedule preparation if you expect any conflict between work schedule and the exercise of voting rights in any election for public office.

Religious Observance

Reasonable observance of religious days will be made upon request to management. Requests should be made as early as possible, but typically at least two weeks in advance to allow for appropriate scheduling.

Insurance

All full-time Team Members and Managers are eligible for benefits that will begin on the first of the month after completing 30 days of employment with Freddy's. We will provide more detailed information about coverage available in your area by means of your General Manager, or Human Resources. If you choose not to sign up for insurance when eligible, you are eligible to sign up during the open enrollment periods scheduled each year. Please contact the Human Resources department for changes or questions.

Medical Leave

Medical leave must be pre-approved unless there are situations relating to emergencies that cannot be helped. The employee must contact their immediate Manager for appropriate paperwork and approval.

Any benefits that the individual is eligible for and receiving will continue during the leave, however premiums, which are the responsibility of the employee, must be paid, or arrangements must be made for benefits to continue. For requirements, please contact Human Resources.

For normal illnesses/injuries that result in a missed day of work (flu-like symptoms, broken bone etc.), salaried Managers are required to either make up the missed shift, use a vacation day, or forfeit the amount of time missed.

Family and Medical Leave Act (FMLA) Policy

Unless great rights are provided under applicable state law, employees who work in a facility where there are fifty or more employees employed within a seventy-five-mile radius maybe be eligible for unpaid Family and Medical Leave in accordance with the following policy. Where applicable state law provides greater family leave rights, covered employees will be eligible for family leave in accordance with such state law. Contact Human Resources for additional details.

General Requirements

You are eligible for up to 12 weeks of unpaid leave time during a 12-month period: (1) to care for a child born to or placed with you for adoption or foster care; (2) your own serious health condition; or (3) the serious health condition of your spouse, parent or child. To be eligible for FMLA leave, you must have been employed by the Company for at least 12 months and have worked at least 1,250 hours during the previous 12-month period immediately prior to the request leave of absence. The 12-month period of entitlement is measured backward

from the date you use any FMLA leave. Leave may be taken on an intermittent or reduced work schedule basis if medically necessary.

Leave is Unpaid

FMLA leave is unpaid leave. Certain types of paid leave must first be substituted and used for unpaid FMLA leave. You are allowed to use other paid time off during the leave if you request it. The substitution of paid leave time for unpaid leave time does not extend the 12-week leave period.

Notice of Leave

If you need for FMLA leave is foreseeable, you must give at least 30 days prior written notice. Where the need for leave is not foreseeable, you are expected to notify the Company as soon as practicable, generally within 1 to 2 business days of learning of your need for leave.

Medical Certification/Fitness for Duty

You will be required to provide a certification from the appropriate health care provider for medical leaves. The form can be obtained from Human Resources. The completed medical certification must be provided within 15 days after it is requested, or as soon as reasonably possible under the circumstances. Failure to provide requested medical certification in a timely manner may result in denial of leave until it is provided. You will be required to present a fitness-for-duty certificate from the same health care provider who signed the initial medical certification upon returning to work following your own medical leave.

Medical and other Benefits

During the leave, the Company will maintain your health benefits on the same conditions as if you had continued working. If paid leave is substituted for unpaid family/medical leave, the Company will deduct your portion of the health plan premium as a regular payroll deduction. If your leave is unpaid, you must make arrangement with Human Resources to pay your portion of the premium.

Returning from Leave

If you take leave under this policy, you are generally entitled to return to your same position or to an equivalent position with your equivalent benefits, pay, and other terms and conditions of employment.

The application of this policy and the procedures set forth herein may be modified in accordance with changes in applicable law.

Vacation Policy

Vacation Time is treated on an hourly basis as Paid Time Off (PTO), due to possible fluctuation between 4-day and 5-day workweeks. All managers are required to Clock-In and Clock-Out for their shift every single day*.

Required hours for Store Management is as follows:

- For Salaried Management 45 hours worked per week
- For Senior Hourly Management 42 hours worked per week
- For Hourly Management 37.5 hours worked per week

PTO is Accrued by Period but is Only Earned Annually on the anniversary of each employee's start date. Thus, the threshold for Accruing Vacation is as follows (including the use of any earned Vacation or Holiday Pay):

- For Salaried Management
 - 180 Hours worked per Period (Approx. 6.92 hours Accrued per Period)
 - 2,340 Hours worked per Year
- For Hourly Management
 - 160 Hours worked per Period (Approx. 6.15 hours Accrued per Period)
 - 2,080 Hours worked per Year

PTO for Store Management Positions is capped as follows:

- For Salaried Management
 - Years 1 through 4: 90 Hours
 - Years 5+: 135 Hours
- For All Hourly Management
 - Years 1 through 4: 80 Hours
 - Years 5+: 120 Hours

** Should any manager be discovered fraudulently editing their clock in and clock out punches, they will immediately forfeit 100% of all accrued vacation, without course to reconcile the loss. Should a manager forget to clock out, they will receive a Disciplinary Action Form, and cameras will be reviewed to identify the time at which they left the store.*

Vacation Request Requirements

One Day	One-week written notice prior to schedule posted
One Week	Minimum of four weeks written notice
Over One Week	Minimum of 45 days written notice

The Company reserves the right to refuse vacation time to meet guest and scheduling demands during peak seasons and as needed. For special circumstances, some consideration can be made but must have the approval of your immediate supervisor and the one above that person. Time must be pre-approved or will be unpaid and subject to disciplinary action.

Upon voluntary termination, the Manager will receive payment for the unused vacation days due ONLY if the former Manager gives two (2) weeks' notice and completes the full notice period of work time.

Upon involuntary termination the former Manager will not be paid for unused vacation days.

If a Company-recognized holiday (paid holiday) occurs during the time you are on vacation, you are eligible for the holiday pay, and your earned vacation balance will not be reduced for the day.

After 6 months of continuous, full-time service as a Manager, an employee may borrow up to 1 week of vacation from the vacation to be earned on the employee's first anniversary. If an employee voluntarily terminates employment prior to his/her first anniversary, this vacation time must be paid back.

Vacation is on a “Use-It-Or-Lose-It” basis. You must use your annual vacation grant before your next anniversary, or you will lose the vacation for that year. For example – Your anniversary is on May 1st. You have 2 days of vacation from your previous anniversary left on May 1st. You lose the 2 days from your previous anniversary.

Holiday Pay

All salaried Managers are given 30 hours of PTO, regardless of 4 or 5-day work weeks, accrued and earned after 6-months of employment for new hires. This Holiday Pay may only be used on Easter, Thanksgiving and Christmas.

All hourly Managers are eligible for 1.5 time on the following Holidays: New Years Day, Memorial Day, Independence Day, and Labor Day.

Company Policies

Suggestions and Complaints

It is up to you to make us aware of your concerns, complaints, or suggestions. If you feel you have been treated unfairly or have a concern or complaint, you must let us know about it. Our commitment to fair treatment means you can take your concerns or suggestions to someone in management without worrying that someone will retaliate against you. Here is what you should do:

1. Talk to your supervisor about it. Most problems can be resolved by taking this step.
2. If not resolved, then talk to your supervisor’s Manager.
 - a. It is your responsibility to communicate the issue farther up if you feel it is not resolved. That is the only way others above your supervisor’s level can be aware of your concerns.
 - b. It is requested that you attempt to ask your direct Manager before taking this step unless it relates to Harassment, Retaliation or Discrimination as well as violation of any law.

MOST IMPORTANT: You can talk to any member of management to state your grievances and you should do so at the first available opportunity. This includes Multi-Unit Managers, the Director of Operations, and the Human Resources Manager.

Commitment to fair treatment will only work if you take the initiative to let us know about your concerns, complaints, or suggestions.

Standards of Conduct

We have rules, regulations, policies, and procedures for defined reasons, and we expect you to follow them. In selecting you for employment, we anticipate you being a responsible individual whose acceptance of these guidelines reflects your responsibility. The guidelines were created to help make the working environment more pleasant and enjoyable for you and our restaurant more pleasant and enjoyable for our guests. In general, Team Members are expected to conduct themselves in a manner that will be beneficial, not only for Freddy’s and our guests, but also for you. Illegal, immoral, indecent, insubordinate, dangerous, or disorderly conduct on this property cannot be tolerated.

General Workplace Behavior Policy

No Drama: Gossiping and other inappropriate chatter/comments is not allowed at Freddy's. Any individuals who are involved in senseless discussions will be asked to leave their shift and will be subject to immediate discipline, up to and including termination.

No Jerks: Bullying, name-calling, etc. are strictly prohibited at Freddy's. Any individuals who do not treat others with kindness and respect will be subject to immediate discipline, up to and including termination.

General Offenses

As it is not possible to list every rule, the following are some offenses that may result in discipline ranging from verbal counseling or written warning to disciplinary suspension or discharge:

1. Speaking about a guest's or team member's physical appearance or body parts.
2. Excessive absenteeism or tardiness or failure to report absences and tardiness timely.
3. Failure to clock into work by scheduled time.
4. Failure to properly ring all items.
5. Use of threatening or abusive language or cussing.
6. Dishonesty or stealing. Theft or unauthorized removal of company property, funds, guest property or the property of fellow workers. Please be reminded that theft is a crime and is punishable by imprisonment and/or fine. In case of theft, in addition to dismissal, further action up to and including prosecution may be taken.
7. Possession, use or being influenced by drugs or alcohol on company property.
8. Insubordination to any Manager.
9. Rudeness of any kind to our guests.
10. Unauthorized phone usage.
11. Misuse or abuse of company property.
12. Any action that is detrimental to our reputation or guest satisfaction.
13. Intentional sabotage or altering the recipe of any food product.
14. Dishonesty in the application for employment or falsification of any company documents or records.
15. Wearing a uniform that does not meet requirements or not complying with hygiene requirements.
16. Leaving work area at end of shift without getting Manager Approval to leave.
17. Endangering self or others. Fighting or provoking a fight, scuffling or horseplay.
18. Spreading malicious rumors about fellow team members.
19. Discussing a Freddy's team member's health, injury, or illness with other employees.
20. Endangering public health.
21. Chewing gum or tobacco, smoking, or eating in unauthorized areas.
22. Failure to observe or follow standard operating procedures.
23. Sexual harassment and harassment or discrimination of any type to include rumors about fellow co-workers.
24. Unauthorized solicitation or distribution of literature or unauthorized use of company bulletin boards. This includes pamphlets, tickets (raffle or otherwise), membership in outside organizations, flowers, gifts, parties, etc., and sale of cosmetics, household goods, food or other products.
25. Gross misconduct detrimental to the company, company property or property of co-workers or guests.
26. Violating any health, safety rules or procedures that endanger company property, you, fellow team members or guests. To include consuming food in unauthorized areas.

We do not believe there is an effective method of pre-determining the seriousness or effect of any one violation of policy or procedure. Although some violations may be more severe than other violations, repeated violations, or combination of violations, may result in termination of employment. The company reserves the right to take any disciplinary action, including suspension or termination, in all cases in deems appropriate.

A manager will make a written action of all the facts leading to discipline. A copy of this form will be read and signed by you, indicating receipt of the report, and placed in your employee file.

Disciplinary Action

Possible disciplinary actions include, but not limited to:

Verbal Warning

When an infraction of a work rule occurs, a manager may discuss the incident with you. An oral, or verbal, warning alerts the behavior in question is unacceptable and gives you an opportunity to show improvement. Keep in mind that the Company may consider the infraction to be such severity that immediate termination will occur.

Written Warning

A written warning may occur when the infraction too severe for verbal warning. Alternatively, a written warning may occur when you have already been warned verbally for the offense. Or similar misconduct but have failed to show acceptable improvement.

Discharge

The company may discharge you for any reason, including unacceptable work performance or misconduct. If the discharge is due to poor work performance, you will be notified of such problems before the discharge. An attempt will be made to give you advance written notice of work problems so you might improve performance. If work remains unsatisfactory, then you will be terminated.

Nothing in this procedure or in this handbook is intended to limit in any way our right to terminate you at any time, with or without cause, and with or without advance notice.

Cash Management Policy

For your own protection the Company has a few simple procedures surrounding the handling of cash and cash register use. In general:

- ◆ Never assume responsibility for a cash drawer that has been used by another employee.
- ◆ Only ring on the drawer assigned to you.
- ◆ Keep your cash register drawer closed except when making a transaction.
- ◆ Never ring up your own sale.

Cash Drawers

- Drawers: Must be accounted for at each shift by the Manager in charge of the safe.
- Drawer assignments: Will be assigned by the Manager on duty.
- Managers are permitted to ring on any drawer in the store.

Check Acceptance

- Checks are not accepted at Freddy's Frozen Custard and Steakburgers®.
- We will not permit the cashing of any checks for anyone.

Manager Codes

- Manager's login credentials are meant to be always kept confidential.
- Discounts should always meet the Company guidelines.

Cashier Audits

- This policy is to be administered by management with no exceptions.
- Cashier audits must be completed after each drawer is pulled and signed by the Manager.
- Once a drawer has been removed from register it is never to be left unattended.
- Excess cash over/short is grounds for disciplinary action and is to be reported to the General Manager.
- Each cash drawer is required to balance (includes cash, credit card sales, coupons, and discounts).
- If there is a variance of \$5.00 or more, then disciplinary action can be taken for all individuals with responsibility for the drawer.

If you ever have any cash handling questions or concerns, speak with one of your managers immediately!

Company Investigation

The Company reserves the right to investigate all incidents resulting in loss, injury, risk of loss, or violation of company policy. Team Member cooperation with company officials and civil investigative agencies is a condition of employment. Individuals who fail to fully cooperate and/or provide false or misleading information during an investigation will be subject to disciplinary action up to and including termination, as well as possible criminal prosecution.

In general, it is your responsibility to report any employee that is a witness to, has knowledge of, or is involved in:

1. A crime,
2. Company loss,
3. Threats,
4. Other inappropriate behavior or misconduct.

Employees must immediately report any incident to their supervisor, General Manager, or Director of Operations.

In the event of a suspected cash management policy violation, it is the responsibility of the Manager on duty to notify the General Manager or Director of Operations who shall immediately involve the CEO in investigating and determining appropriate action.

Reporting / Subordinate Relationship Policy

Freddy's encourages a good working relationship for all members of the Company between Admin Staff, Management and Team Members. However, in fairness to all Company Team Members, we do not permit dating of individuals who have a reporting relationship to one another. This policy does not prohibit people from attaining a higher position within the Company or receiving any recognition, reward, or monetary changes because of a present affiliation but the relationship must not be created after the promotion or reporting takes place.

Here are examples of behavior that will **not** be permitted:

- Managers or shift supervisors having a romantic relationship with each other or a Team Member. If a romantic relationship develops, both parties should inform their supervisor immediately. If possible, arrangements will be made to transfer one or both to a different location.
 - Shift or Assistant Managers must not date other Managers or Team Members in the same store in which they work.
 - General Managers may not date Team Members or Assistant Managers or Shift Supervisors in the same store in which they work.
- Nepotism is not permitted – i.e.: members of the same family or employees in a relationship are not allowed to manage each other. If there is potential for nepotism to occur due to new hires or promotion, if possible, arrangements will be made to transfer one or both to a different location.

The Company will allow promotions to those who are currently in an equal position and one party wishes to move up. This situation will be handled so that the reporting structure is not in violation of the Company policy but in no way hinders advancement for relationships already in existence. For further information, please see the Human Resources Consultant or the Director of Operations.

Additionally, Manager & Team Member Fraternization and romantic relationships are not permitted at Freddy's. All managers and shift supervisors employed by Freddy's must act professionally in all settings at work and outside of work. Examples of behavior that is not permitted. include but are not limited to:

- Managers and shift supervisors spending time with Team Members outside of work in social settings unless it is a company outing available to all team members at the location.
- Managers and shift supervisors messaging, texting, or contacting team members outside of work. This includes social media such as Facebook, Instagram, Snapchat, etc.
- Managers, Shift Supervisors, and Team Members living together (whether it be a romantic or platonic relationship).

Any other behavior or actions that the Company considers inappropriate.

Harassment / Discrimination

Freddy's has a fundamental commitment to treating its Team Members with dignity and respect. All Team Members have the right to be free from any unlawful harassment and report any instances without concern for retaliation.

It is the company's policy to provide a workplace free of unlawful and improper harassment of Team Members by other Team Members, suppliers, or guests. It is also the policy of Freddy's to encourage Team Members to report concerns they may have regarding harassment without fear of retaliation. This policy covers harassment in

general as well as specifics on sexual harassment. Anyone who violates our policy regarding harassment will be subject to discipline up to and including termination.

Harassment, in general, is defined as any unwelcome treatment caused by an individual's differences. Harassment can come from Team Members including Managers, fellow Team Members or subordinates, guests, and vendors. Men as well as women can be targets of harassment.

Specifically, sexual harassment in the workplace, which is unlawful, is defined as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when: submission to or rejection of such advances, requests or conduct is made either explicitly or implicitly a term or condition of employment or as a basis for employment decisions; or such advances, requests or conduct have the purpose or effect of unreasonably interfering with an individual's work performance by creating an intimidating, hostile or humiliating or sexually offensive work environment.

While it is not possible to list all of the circumstances in which we consider to be harassment, the following are some examples:

- Unwelcome sexual advances, whether they involve touching or not;
- Verbal conduct such as epithets, derogatory jokes or comments, slurs, telling of sexual stories, gossip regarding one's sex life, comments on an individual's body, comments about an individual's sexual activity, deficiencies or prowess, or oral references to sexual conduct which unreasonably interferes with one's work performance.
- Speaking of any guests, vendors or Company Team Members in a physical context that includes their anatomy or attributes.
- Requests for sexual favors in exchange for actual or promised job benefits;
- Visual conduct such as derogatory and/or inappropriate sexual-oriented posters, photography, cartoons, drawings, or gestures.

Furthermore, our company does not permit discrimination because of Age, Disability, Genetic Information, National Origin, Pregnancy, Race/Color, Religion, Gender, Sexual Orientation, or any other protected status. If any Team Member feels that they have been discriminated against, they are to immediately bring the matter to the attention of their supervisor as outlined in the reporting procedures below.

All Team Members please take special note that retaliation against an individual who has complained about harassment or retaliation against individuals cooperating with an investigation or a harassment complaint is unlawful and will not be tolerated by the company.

Procedures

Management will refer all complaints of harassment, including the creation of a hostile environment, to the Director of Operations. The Director of Operations will investigate all complaints promptly and impartially. The investigation will be conducted in such a way as to maintain confidentiality to the extent practicable under the circumstances. As indicated, anyone who violates the Freddy's harassment policy will be subject to discipline, up to and including termination.

Any Team Member that feels he/she is being harassed can contact their Manager, the Director of Operations, Human Resources, or any representative of management that he/she feels comfortable discussing the matter

with immediately. The supervisor or Manager has the obligation to immediately refer the complaint to the Director of Operations for the investigation.

Retaliation

Retaliation against an individual who has complained about discrimination or harassment, or retaliation against an individual's cooperation with an investigation of a discrimination or harassment complaint, is unlawful and will not be tolerated by the Company.

All complaints of discrimination and harassment, including the creation of a hostile work environment, will be referred to Human Resources. A representative designated by the Human Resources Manager will investigate all complaints promptly and impartially. The investigation will be conducted in such a way as to maintain confidentiality to the extent practicable under the circumstances. Anyone who is found to have violated the Company's discrimination, harassment, or retaliation policies will be subject to discipline, including termination. If you feel you are being harassed, discriminated against, or the subject of retaliation, you should immediately contact a supervisor or any representative of management with whom you feel comfortable discussing the matter. The supervisor or manager has the obligation to immediately refer the complaint to the Company Senior Management Team for investigation.

Reporting Incidents

All members of management are responsible for preventing discrimination, harassment, and retaliation within their areas of authority. Complaints of discrimination, harassment, and retaliation should receive immediate attention and be reported to Human Resources, (319) 409-6891. Investigations will be conducted by appropriate personnel and may include conferring with parties and witnesses named by the complaining employee. Because of the sensitivity of such complaints, particular care will be taken in investigating an incident with an emphasis on confidentiality.

Disability Accommodation

The Company is committed to providing a workplace free from discrimination based on disability. In accordance with the Americans with Disabilities Act (ADA) and its corresponding state and local laws, the Company does not discriminate against any qualified employees or applicants based on that person's disability or perceived disability. Employees with a disability who believe that they need a reasonable accommodation to perform the essential functions of their job should contact Human Resources. **Please direct all requests to Human Resources.**

It is the responsibility of the employee or the applicant to request an accommodation for any physical or mental impairment that substantially limits a major life activity. The Company encourages individuals with disabilities to come forward and request reasonable accommodations. Employees are encouraged to make requests for reasonable accommodations in writing and should include relevant information such as a description of the accommodation being requested, the reason the accommodation is needed, and how the accommodation will help the employee perform the essential functions of his or her job. The Company makes determinations about reasonable accommodation on a case-by-case basis considering various factors based on an individualized assessment in each situation. In accordance with the ADA, the Company will take all such requests seriously and will promptly determine whether the employee or applicant is a qualified individual with a disability, and

whether a reasonable accommodation exists which would allow the employee or applicant to perform the essential functions of the job without imposing an undue hardship on the Company or other employee.

This policy is neither exhaustive nor exclusive. The Company is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable federal, state, and local laws.

The Company expressly prohibits any form of discipline, reprisal, intimidation, or retaliation against any individual for requesting an accommodation in good faith.

In the event you believe that a violation of this policy has occurred, please follow the Reporting Incidents procedure. The Company will investigate your complaint and take appropriate remedial action.

Weapons Policy

It is the policy of Freddy's to maintain a safe and intimidation free workplace for all guests, Managers and Team Members of the Company. The possession, threat, or use of weapons on Company property is strictly prohibited and grounds for immediate termination. A weapon could be construed as any object used to inflict bodily harm on another individual and includes but is not limited to; guns, knives, switchblades etc.

Recently, some states have elected that licensed citizens are permitted to carry concealed weapons into public places without notification to the facility. Freddy's considers Team Members carrying weapons regardless of licenses, a violation of Company policy and grounds for disciplinary action. It is the responsibility of any Team Member or Manager to notify their immediate direct report of any infraction to this rule. If you have any questions, please contact your General Manager for clarification.

Safety and Operations

Food Employee Reporting Agreement

The Food and Drug Administration (FDA) requires food employees to notify their manager when they experience any of the conditions listed below so the manager can take appropriate steps to preclude the transmission of foodborne illness.

You agree to report to your manager:

Any onset of the following symptoms, while either at work or outside of work, including the date of onset:

1. Diarrhea
2. Vomiting
3. Jaundice
4. Sore throat with fever
5. Infected cuts or wounds, or lesions containing pus on the hand, wrist, an exposed body part, or other body part and the cuts, wounds, or lesions are not properly covered (*such as boils and infected wounds, however small*)

Future Medical Diagnosis:

Whenever diagnosed as being ill with Norovirus, typhoid fever (*Salmonella Typhi*), shigellosis (*Shigella* spp. infection), *Escherichia coli* O157:H7 or other EHEC/STEC infection, nontyphoidal *Salmonella* or hepatitis A (hepatitis A virus infection)

Future Exposure to Foodborne Pathogens:

1. Exposure to or suspicion of causing any confirmed disease outbreak of Norovirus, typhoid fever, shigellosis, *E. coli* O157:H7 or other EHEC/STEC infection, or hepatitis A.
2. A household member diagnosed with Norovirus, typhoid fever, shigellosis, illness due to EHEC/STEC, or hepatitis A.
3. A household member attending or working in a setting experiencing a confirmed disease outbreak of Norovirus, typhoid fever, shigellosis, *E. coli* O157:H7 or other EHEC/STEC infection, or hepatitis A.

You understand the requirements concerning your responsibilities under the Food Code and this agreement to comply with:

1. Reporting requirements specified above involving symptoms, diagnoses, and exposure specified;
2. Work restrictions or exclusions that are imposed upon me; and
3. Good hygienic practices.

You understand that failure to comply with the terms of this agreement could lead to action by the Company or the food regulatory authority that may jeopardize your employment and may involve legal action against you.

Employee Health Policy

We at Freddy's take every course of action to serve the highest quality and safest food at each of our establishments. Infected employees could transmit a wide range of communicable diseases and/or infections through food or utensils.

Applicants, to whom a conditional offer of employment is extended, and food employees are required to report specific high-risk conditions, medical symptoms, and previous illnesses. The high-risk conditions that require reporting are to be used with the symptoms listed to identify employees who may be suffering from *Salmonella Typhi*, *Shigella* spp., *Escherichia coli* O157:H7, and Hepatitis A virus.

The Center for Disease Control (CDC) identified the specific conditions requiring reporting as significant contributing factors to the incidence of food borne illness. A food employee who suffers from any of the illnesses or medical symptoms or meets any of the high-risk conditions listed may transmit disease through the food being prepared and must comply with restrictions or exclusions imposed upon them.

Lesions containing pus represent a direct threat for introducing *Staphylococcus aureus* into food. Consequently, a double barrier is required to cover hand and wrist lesions. If food preparation practices entail contact on exposed portions of the arm, a barrier equivalent to that of the hand and wrist will be necessary.

This reporting requirement is an important component of our food safety program to protect the health of both consumers and employees.

The Americans with Disability Act of 1990 (ADA) requires employers to accommodate affected individuals, where reasonably possible. The ADA does not require an employer to keep an employee on-site if there is a risk of transmitting illness to other employees or the public.

References:

US Public Health Service, Food and Drug Administration, 1999 Food Code, Annex 2, p. 244-250

Safety

We are committed to a safe work environment for all Team Members and a safe environment for our guests. All Team Members are expected to discipline themselves to this end. Your health and safety, as well as that of your fellow Team Members and our guests, is the most important aspect of your job. Accidents don't just happen. In most cases there is a cause. Make "safety awareness" and "accident prevention" part of your everyday responsibilities.

Familiarize yourself with OSHA (Occupation Safety and Health Act) laws and abide by them. Do not use hazardous equipment or machinery of which is prohibited under OSHA. Those not yet 18 years of age CANNOT operate motor vehicles for the company. Conduct yourself in a safety-conscious manner.

See that your work area is kept neat and clean. Correct potentially hazardous situations if you are able. Immediately notify your Manager of existing or potential hazards. Make suggestions concerning our safety programs to your Manager.

The following safety rules are to be always followed by all Team Members. They are designed not only to protect you from possible injury, but also to protect those who work around you.

- No one is to operate any piece of equipment for which they have not been properly trained.
- No horseplay at any time.
- Pay attention to your work.
- Wipe up all spills immediately and pick up any pieces of food, or debris, which may have fallen to the floor. Our floors must be always kept clean and dry to prevent slips and falls.
- Wear slip resistant shoes.
- Don't run.
- Never set anything on the floor that could cause someone to trip and fall.
- When walking behind someone who might not see you, always let him/her know that you are there by saying, "behind you." This is especially true if you are carrying something.
- When walking around corners, stay to the right as you would in a traffic pattern to avoid bumping into someone.
- Always use hot pads when picking up something hot. Never use damp towels. The heat will turn moisture to hot water vapor and cause a bad burn.
- If you are lifting something, be sure to keep your back straight and lift with your leg muscles and not with your back.
- If a guest should have an accident, get a Manager immediately.
- Report all injuries, no matter how slight, to a Manager for immediate attention.

At Freddy's, the safety of our Team Members and guests must be considered as the top priority. To make this happen each store has appointed one of their Managers as safety officer who supervises the safety of the Team Members and guests. They perform safety inspections and safety orientations for all new Team Members while also maintaining safe work practices in the restaurant.

Please be careful when working and ask questions as they arise!

Emergencies

Every Company location is required to have and post emergency procedures. It is management's responsibility to ensure all new team members are familiar with these procedures, and that all team members receive a refresher course on a regular basis.

Some general rules for emergencies are:

You should familiarize yourself with the location of fire exits as well as the emergency evacuation routes.

In case of an emergency, you will be asked to quickly shut down equipment you are responsible for and follow instructions provided.

Always remain calm.

When evacuating the building walk quickly but carefully to your designated meeting area so your manager will be able to ensure everyone is accounted for. Remain quiet and listen for any instructions.

Do not stop to check for personal belongings. Evacuate the building immediately and do not re-enter without instruction to do so.

In case of medial emergency:

Contact your local emergency service (911).

Remain calm.

Keep space free from crowding and onlookers.

Anyone trained as a medical provider, doctor, nurse, emergency medical technician or certified in CPR should assist and provide instructions.

If you are not involved in assisting with the medical emergency, continue your duties as usual.

In case of a bomb threat:

Notify your local emergency service (911), ensure both police and fire departments are contacted.

Evacuate the building as described in the fire emergency section.

Do not re-enter the building until you have been instructed.

Workplace Violence Policy

The Company is concerned about the increased violence in society, which has also filtered into many workplaces throughout the United States and has taken steps to help prevent incidents of violence from occurring at the Company. It is the policy of the Company to expressly prohibit any acts or threats of violence by any Company employee or former employee against any other team member, manager, or vendor in or about the Company's facilities or elsewhere at any time. The Company also will not condone any acts or threats of violence against the Company's team members, managers, vendors, customers, or visitors on the Company's premises at any time or while they are engaged in business with or on behalf of the Company, on or off the Company's premises.

In keeping with the spirit and intent of this policy, and to ensure that the Company's objectives in this regard are attained, it is the commitment of the Company:

To provide a safe and healthful work environment.

To take prompt remedial action up to and including immediate termination, against any team member who engages in any threatening behavior or acts of violence or who uses any obscene, abusive, or threatening language or gestures.

To take appropriate action when dealing with customers, former employees, or visitors to the Company's facilities who engage in such behavior. Such action may include notifying the police or other law enforcement personnel and prosecuting violators of this policy to the maximum extent of the law.

To prohibit employees, former employees, customers, and visitors from bringing unauthorized firearms or other weapons onto the Company's premises.

To establish viable security measures to ensure that the Company's facilities are safe and secure to the maximum extent possible and to properly handle access to company facilities by the public, off-duty employees, and former employees.

In furtherance of this policy, you have a duty to warn your supervisors, managers, or Human Resources of any suspicious workplace activity or situations or incidents that you observe or that you are aware of involving other employees, former employees, customers, or visitors and that appear problematic. This includes, for example, threats or acts of violence, aggressive behavior, offensive acts, threatening or offensive comments or remarks, and the like. Employee reports made pursuant to this policy will be held in confidence to the maximum possible extent. The Company will not condone any form of retaliation against any employee for making a report under this policy.

Employee Conduct

The Company expects appropriate business conduct by its employees. Safety and Security of our employees and customers is vital to our continued success. The Company will not tolerate conduct, which does not support a safe profitable business environment. Inappropriate conduct includes, but is not limited to, violence, threats, discrimination, harassment, prohibited substance, theft, fraud, or any negligent act or omission of policy or procedures resulting in injury or loss of company assets.

Your Responsibility to Report

If you are a witness to; have knowledge of; or are involved in (1) a crime, (2) company loss, (3) threats, (4) or other inappropriate behavior or misconduct, you must immediately report the incident to your manager or Human Resources.

On the Job Injuries

Freddy's participates in a safe workplace and does everything possible to ensure that it maintains safety through preventative maintenance and timely equipment repairs. The Company also has Worker's Compensation insurance for all locations and reports all incidents in a timely manner and in accordance with state and federal requirements. If, at any time, you are injured on the job, it is your responsibility to notify your direct supervisor immediately. Failure to notify the Company of your injury could result in your claim being denied.

The Company requires that Team Members must provide a medical work release prior to return of work and time off is unpaid until a waiting period is met per state laws. For further information, please ask your General Manager.

Guest Injuries

Handling Guest Injuries

- Stay with the guest, and have another employee get the Manager on duty. There should always be a Team Member with the guest.
- Be courteous and helpful.
- Never discuss insurance or claim settlements with a guest.
- Never admit fault.
- Write down any facts relating to the situation.
- Do not attempt to move the guest if they are seriously hurt.
- Remember that the smallest incident can sometimes turn into a problem after a guest has left. Your Manager needs to be informed of all guest-related accidents so that the proper information can be documented for everyone's protection.
- We never provide any written documentation to the guest on the injury.
- All requests for information or claims should be directed to the Human Resources Consultant immediately.

Robberies

In the event we are victimized by a robbery, it is essential that you follow these guidelines:

1. Always cooperate fully with a robber. You should always comply with any wish a robber has and never do anything to increase the tension of the situation. *We are not looking for heroes!!* Give a robber anything they want. Give any cash or supplies on demand. Do not resist or attempt to deceive anyone concerning the amount or location of what is being asked for, however, do not volunteer any additional information either.
2. Observe the criminal's physical characteristics. Try to determine the person's height, weight, color of eyes and skin, etc. Listen closely to try to determine anything in particular about speech patterns, dialects or

accent and try to be aware of any out-of-the-ordinary bodily movements, right or left-hand dexterity, etc. Call the police immediately. Write down all the information pertinent to the incident before you forget.

3. If a robbery should occur, nothing about the incident should be spoken to anyone besides the General Manager and police.
4. Always cooperate fully with the police. When they arrive do not try to find answers to questions that you really don't know. Honesty is very important.
5. When talking with police, DO NOT let them know an estimate or amount of loss that occurred. This is something that should only be addressed by the CEO.

Confidential Information Policy

Personal Information and Credit Card Storage

Confidential information includes, among other things, technologies, recipes, formulas, processes, designs, business and financial data, marketing plans, and existing and future product information. Confidential information also includes any document containing an individual's first name and last name or first initial and last name in combination with any one or more of the following data elements: (a) Social Security number; (b) Driver's license number or state issued identification card number; or (c) financial account number, or credit or debit card number, with or without any required security code, access code, personal identification number or password. All information pertaining to the Company's business is confidential, proprietary and a protectable trade secret of Freddy's, except to the extent of the Company has made any such information public through a press release or a publicly filed report.

Team Member Responsibilities

Confidential information should be treated as secret and not disclosed or used for unauthorized purposes. It should be stored in a secure place, marked as confidential, and shredded when no longer needed. Confidential information should not, among other things, be left out where others can see it, sent to unattended fax machines or printers, or discussed where others may hear.

Each Team Member should exercise care to reduce the likelihood of unauthorized disclosures or use of confidential information. Team Members should guard against even seemingly innocent or inadvertent disclosures to spouses, friends, and business Team Members.

Team Members should properly always safeguard documents. For example, after a meeting, whether on or off Company premises, Team Members should not leave any written materials behind.

No Team Member should attempt to obtain confidential information that does not relate to his or her employment duties. Team Members should treat all confidential information as confidential while they are employed and after their employment with Freddy's.

Press Requests / Request for Information

At Freddy's, we keep private all the information relating to financial operations and cash handling policies. No member of the Company should provide this information to another individual outside of the organization without prior approval from an officer of Freddy's.

If there were an instance of theft or fraud, the CEO would be responsible for the amount of financial information, if any, that will be released to press or police.

We do not permit news crews or other outside parties to take pictures of our processes and premises without prior approval from the CEO.

The use of Company forms, materials, or information is owned by Freddy's and is not for the sale, distribution or use by other companies. No one is permitted to provide this information to individuals outside of the Company without written consent from the CEO. This includes but is not limited to: logos, forms and documents, profit and loss statements, unemployment or legal cases pending where you are not a party or subpoenaed individual and other information not listed here.

Reference Requests

Reference or wage inquiries are to be completed by the HR Consultant. These requests must be emailed to HR@MLYinvest.com and will be completed in two business days. Wage or personal information is not released without the Team Member's consent unless it is requested by a state or federal government office. No one is permitted to provide a professional reference representing work performed by a past or present member of the company except members of the Administrative Staff. Any completion of forms or references by other parties is subject to disciplinary action.

Conflict of Interest

The Company respects your right to engage in activities outside of your employment that are of a private nature. However, the Company expects that you will avoid situations which adversely affect your ability to meet Company work requirements, or which are, or could be, a conflict of interest. Therefore, the following guidelines have been set:

You must receive written approval from the Director of Operations before serving on a governing board of any company or business outside of the Company.

Advance approval from the Director of Operations is required if you spend Company time or use Company equipment or facilities for outside activities.

If you think you have a potential or actual conflict of interest, you should seek guidance from your manager or Human Resources. However, members of the Company Senior Management Team are solely responsible for interpreting this policy.

External Inquiries and Communications

As a member of the Company team, you may be contacted by people outside the Company to discuss our business or products. Due to the sensitivity of information and the need to have one voice, the Company generally limits any discussion with the press, investment community, or government agencies to members of your management team. If you receive any inquiries of this nature, you should decline comment and refer the inquirer to your General Manager. We will expect the strictest compliance with these procedures by all employees at every level. Failure to observe them may result in disciplinary action, up to and including termination of employment.

Nothing in this provision prevents you from cooperating with or otherwise participating in a federal, state, or local administrative agency investigation of the Company's compliance with employment, labor, or other laws without Company notification or approval.

Photos or videos may only be taken in stores with permission from the Director of Operations as long as it does not infringe on an employee's Section 7 rights. Examples of such protected rights include, but are not limited to, recording images of protected picketing, documenting unsafe workplace equipment or hazardous working conditions, documenting and publicizing discussions about terms and conditions of employment, documenting inconsistent application of employer rules, or recording evidence to preserve it for later use in administrative or judicial forums in employment-related actions.

If you see any person (customer or employee) taking pictures in your work area, you should contact your General Manager, Multi-Unit Manager, or the Director of Operations.

Internal Communications

We believe that clear, open, and honest two-way communication leads to greater success and a more enjoyable place to work. The best goodwill ambassadors for the Company are knowledgeable team members who proudly tell their family and friends what business we are in. There are a number of ways we help you stay informed about the fun and excitement at the Company:

Announcements and posters displayed periodically at your store location

Electronic communications through our scheduling software

Meetings or activities organized within your store location

New product roll-out training

Right-To-Know Law

There is in place, through applicable Federal and state law, a substance right-to-know law that allows you to request information about particular substances you may be exposed to while performing your job. The purpose of these laws is to protect your rights in matters of occupational health and safety. It is fully supported by the Company. Each store is provided with a Material Safety Data Laminate Sheet that is accessible to all team members.

Solicitations

The Company is widely known for its community involvement and contributions to charitable organizations. You are encouraged to become involved in community activities and charitable events either with the Company or on your own. If you or an outside vendor or party is interested in having the Company participate in or sponsors an event, please contact your General Manager.

To avoid interference with efficient operations, and to protect the privacy of our team members, customers, suppliers, and visitors, we do not allow solicitation or distribution of literature to team member if either the solicitor/distributor or the person being solicited or distributed is on work time.

Social Media Policy / Email and Computer Use

The use of Facebook, Instagram, Twitter, blogs, and other similar websites are part of the mainstream population. However popular, the Company maintains the use of these sites or other related sites, videos or pictures are to be professional in use. Use of websites and blogs should not include confidential company financial information, Company logos, pictures or video taken at work. Comments on these sites about any individuals with whom you work would be considered a violation of the harassment policy if they are violent or contain threats of violence.

Just as the internet has changed our world forever, social media has changed the way people communicate. The Company views social media and networking sites as powerful tools to strengthen our band and to further your personal reputations as staffing experts.

Social media can take many different forms, including internet forums, blogs & microblogs, online profiles, wikis, podcasts, pictures and video, email, instant messaging, music-sharing, and voice over IP, to new just a few. Examples of social media applications are LinkedIn, Facebook, Snap Chat, Instagram, Wikipedia, Twitter, the list is endless.

When you are participating in social networking, you are representing both yourselves personally and Freddy's Frozen Custard & Steamburgers. It is not our intention to restrict your ability to have an online presence or to mandate what you can and cannot say. We believe social networking is a very valuable tool and continue to advocate the responsible involvement of MLY Investment employees in this media. While we encourage this online collaboration, we would like to provide you with a Company policy and set of guidelines for appropriate online conduct and to avoid the misuse of this communication medium.

Policy Guidelines

- Managers are strongly discouraged from social networking with subordinate employees, former employees, vendors and/or customers on non-professional social media sites to maintain a professional and business-like relationship with all these parties.
- Do not post any financial, confidential, sensitive, or proprietary information about Freddy's Frozen Custard & Steamburgers or any of our customers, vendors, employees, or competitors.
- Speak respectfully about and do not defame or make disparaging comments about the Company's current, former and potential customers, partners, employees, and competitors. Do not engage in name calling or behavior that will reflect negatively on you or MLY Investments' reputations. The same guidelines hold true for MLY Investment's vendors and business partners.
- You should not post any content on social media that violates MLY Investment's harassment/discrimination policies or that is obscene or threatening.
- The rule does not prohibit any activities that are protected by Section 7 of the National Labor Relations Act, such as employees' rights to discuss the terms and conditions of employment or to seek any public support while there is a labor dispute.
- Your social media activity is covered by the Company's policies, including the Equal Employment Opportunity, Discrimination, Harassment, Sexual Harassment, and Retaliation.
- Beware of comments that could reflect poorly on you and MLY Investments. Social media sites are not the forum for venting personal complaints about supervisors, co-workers, or the company.
- Do not record audio/video or take pictures of non-public areas of the Company's premises or processes and display such content through social media without prior written approval from the Director of

Operations. An exception to this rule would be engaging in activity protected by the National Labor Relations Act, including, for example, taking pictures or making recordings of health, safety, and/or working condition concerns, or of strike, protest, or work-related issues, or other protected concerted activities.

- As a MLY Investment employee, be aware that you are responsible for the content you post, and that information remains in cyberspace forever.
- Use privacy settings when appropriate. Remember, the internet is immediate and nothing posted is ever truly private nor does it expire.
- If you see unfavorable opinions, negative comments, or criticism about yourself as an employee of MLY Investments or of MLY Investments, do not try to have the post removed or send a written reply that will escalate the situation. Forward this information to our internal Human Resources and Marketing Departments.
- If you are posting to personal networking sites and are speaking about job related content or about MLY Investments, identify yourself as a MLY Investment employee and use a disclaimer and make it clear that these views are not reflective of the views of MLY Investments. You should not represent that MLY Investments has authorized you to speak on behalf of the Company or that the Company has approved our message unless you receive prior written authorization to do so from the Director of Operations.
- You should not advertise or sell the Company's products via social media without the prior written approval from the Director of Operations. Should you decide to make social media postings about the Company's services or products, you must expressly state in your postings that you are an employee of MLY Investments and that your views are not necessarily those of MLY Investments or its affiliates.
- Be respectful of others. Think of what you say online in the same way as statement you might make to the media, or emails you might send to people you don't know. Stick to the facts, try to give accurate information, do not engage in misrepresentation or defamation and correct mistakes right away.
- Do not post obscenities, slurs or personal attacks that can damage both your reputation as well as MLY Investments.
- When posting to social media sites, be knowledgeable, interesting, and honest and add value. MLY Investments outstanding reputation and brand is a direct result of our employees and their commitment to uphold our core values of dedication, and excellence.
- Do not infringe on copyrights or trademarks. You may not use the Company's (or any of its affiliated entities') logos, brand names, taglines, slogans, or other trademarks or other protected information or property for any business/commercial venture without the express prior written authorization of the Director of Operations.
- Don't use images without permission and remember to cite where you saw information if it's not your own thoughts.
- MLY Investments corporate social media accounts and related postings, contact, and other information are the Company's property.
- At the end of employment, employees must return all information relating to the company's social media accounts and any personal social media account that was created or maintained for MLY Investment's related purposes, including log in information and confidential and proprietary information, and are forbidden from changing the log ins or confidential and proprietary information without the express written permission of the Director of Operations.
- Be aware that you are not anonymous when you make online comments. Information on your networking profiles is published in a very public place. Even if you post anonymously or under a pseudonym, your identity can still be revealed.

- You may not illegally disparage MLY Investment's product/services, or its vendors' or competitors' products/services. This means that you may not intentionally make maliciously false statements that denigrate MLY Investments products/services, or its vendors' or competitors' products/services.

MLY Investments respects your right to communicate on your own (or other employees') behalf concerning the terms and condition of employment. Nothing in this policy is intended to interfere with your right under federal and state laws, including the National Labor Relations Act, nor will the Company construe this policy in a way that limits those rights.

MLY Investments may monitor content out on the web and reserve the right to remove posts over which it has control that violate this policy.

Employees who violate this policy may be subject to discipline, up to and including termination of employment. If you have any questions about this policy or a specific posting out on the web, please contact Human Resources.

Open Communications

From time to time you may have a sensitive or difficult job-related problem. This might involve job responsibilities, co-workers, changes, personal issues, or other areas affecting performance. A solution is more readily achieved if you seek help. You have several resources available to listen and assist:

Talk with your manager. We strongly encourage daily, open, two-way communication between managers and team members. No concern is too small to be addressed, and most concerns can be resolved via these regular, informal discussions.

Resolving concerns or suggestions closest to the source is always most effective. However, occasionally communication at this level will not resolve the matter to your satisfaction or your manager may be unavailable. If so, you should discuss your concern or suggestion with the next level of management.

We whole-heartedly support an open-door policy. In keeping with this statement, you should feel comfortable to discuss problems with any manager.

Email and Computer Use

Freddy's provides store computers and email for business use only by Managers and select Team Members performing necessary clerical functions. The use of Company email at work should be for professional use only. Emails should not contain inappropriate pictures, jokes, materials, or release of information that is considered property of the Company to outside sources.

The use of personal computers or handheld devices by store personnel while at work and on the clock is not permitted. The use of games, music or visits to web sites blocked by the Company is not permitted during work hours. This is ground for disciplinary action, up to and including termination.

Driver Safety

Select Team Members may be responsible for driving from time to time during work hours. These individuals must be a licensed driver, over eighteen years of age and carrying the proper limits of car insurance as required by the state in which they reside.

When operating a vehicle during working hours, it is required that all parties follow safety rules including the use of seat belts and enforceable laws of the area in which they are traveling. It is also asked that while driving, the use of cellular phones is kept to a minimum and that if a call requires hands off the wheel, that the driver moves to the side to avoid a safety issue. The use of alcohol or altering drugs while driving is strictly prohibited while on Company time. If a Team Member loses their license or receives a moving violation citation, they are required to contact the Director of Operations within three days of such conviction and will not be permitted to drive for the Company unless approved.

Smoking

The Company's offices and stores are smoke-free environments. *Smoking is permitted outside the building (only in an approved smoking area) during scheduled breaks in accordance with federal and local statutes.* It's important that our stores look clean and neat to our guests. Please ensure you dispose of smoking waste appropriately.

Substance and Alcohol Policy

The Company expressly prohibits the unlawful or unauthorized manufacture, distribution, dispensing, use, or possession of alcoholic beverages and/or controlled substances while on Company premises or on Company paid time. The Company reserves the right to require that any prescription drugs be in their marked, pharmacy-supplied containers. Any exceptions to this policy regarding the use of alcoholic beverages for special Company-sponsored events must be approved by the Director of Operations.

Participants twenty-one (21) years of age and older may drink alcohol during company events should they choose to do so. However, alcohol consumption is at the participant's own discretion, risk, and liability. Excessive alcohol consumption is not condoned by the company. Each participant will be allowed a two-drink maximum at company events.

In addition to this policy, the Company will comply with any federal or state mandates that supersede the stated Company policy.

If you are taking any legally prescribed or over-the-counter drugs that might impair your mental or motor functions or cause a safety risk, you must notify your manager prior to reporting to work under such medication and/or prior to taking such medication after the start of work. A physician's statement may also be required.

If you feel you need medical treatment or counseling assistance related to the abuse of a controlled substance or alcohol, you are encouraged to confer with the General Manager or Human Resources for referrals to appropriate outside sources. Any information or guidance sought will always be treated as confidential.

If you suspect a team member is under the influence of alcohol, please bring this to your manager's attention.

Workplace Inspections

To safeguard the property of our employees, customers, and the Company, the Company reserves the right to inspect any packages, parcels, purses, handbags, briefcases, lunch boxes, or any other possessions or articles carried to and from the Company's property by employees and all other persons entering and leaving our

premises in accordance with applicable federal, state, and local law. In addition, the Company reserves the right to search any employee's office, desk, computer, files or other area or article on our premises. In this connection, it should be noted that all offices, desks, computers, files and so forth, are the property of the Company and are issued for the use of employees only during their employment with the Company. Inspections may be conducted at any time at the discretion of the Company. The Company is not responsible for the loss of personal property. Removal of Company property from the premises requires a signed release that can be obtained from your manager.

Persons entering the premises who refuse to cooperate in an inspection conducted pursuant to this policy will not be permitted to enter the premises. Team members working on, entering, or leaving the premises who refuse to cooperate in an inspection, as well as team members who after the inspection are believed to be in possession of stolen property or illegal drugs, will be suspended pending investigation and be subject to disciplinary action up to and including discharge.

Personal Conduct

Be on your best behavior. Freddy's Frozen Custard & Steakburgers needs to maintain our professional and customer friendly atmosphere. Romantic relationships in the workplace can make customers and co-workers uncomfortable and affect business. Use your best judgment and courtesy when you are involved in a relationship in the workplace. If the Company feels like a relationship is affecting the workplace you may be subject to disciplinary action, up to and including termination or be transferred to another store location.

While off the clock, do not be in the back of the house unless you have a business matter to take care of. Also, we request that you do not loiter or "hang out" more than 30 minutes in the store before or after your shift is over. We need to make sure the flow of our customers stays as constant as possible and that we are accommodating their needs. Talking to co-workers while they are on the clock is prohibited. They need to be working and servicing the customers. You are never permitted to "hang out" while off duty when the store is closed.

Team Member Store Phone Use

All employees are allowed to answer the store phone. Please always answer the phone with a pleasant greeting such as *"Thank you for calling Freddy's, this is [your name], how may I help you?"*

The use of cellular phones or devices while working is NOT permitted. We do not allow text messaging or talking on personal phones, as this is distracting and impolite to our guests. Cellular phones and devices should be used only on approved breaks.

Lost and Found

If you find any personal belongings left by a guest, the item needs to be taken to the Manager on duty immediately. At this time, the Manager would place item(s) in the office for safekeeping. Items such as credit cards, wallets, glasses, and cell phones will be placed in the safe until the owner is contacted and/or returns. Under no circumstances are you allowed to keep any lost item. This is considered stealing and your employment will be terminated.

Employee Arrests

Due to the Company's desire to uphold the image of Freddy's Frozen Custard & Steakburgers in the marketplace as well as MLY Investments in the community, employees arrested for a violent crime, a crime involving theft, or a crime involving the manufacture, deliver, or distribution of a controlled substance must self-reported to Human Resources within 24 hours of the arrest. Failure to self-report may result in termination of employment.

Each reported incidence will be reviewed on its individual circumstance for appropriate action. Such action could include unpaid leave, paid leave, suspension, or termination of employment.

As a member of the Management Team, you are not only required to follow the policies in this handbook, but also to make sure team members under your supervision follow the policies in this handbook.

Thank you for reading and learning everything in this Handbook. We look forward to working with you.