



## WELCOME TO SOUTHERN ROCK RESTAURANTS, LLC

and congratulations on your decision to work with one of the fastest growing McAlister's Deli franchises in the country! You have joined a proud and dedicated team of people who strive to maintain the highest quality standards in food service and customer service in the restaurant industry. All of us at **SOUTHERN ROCK RESTAURANTS**, LLC work very hard to foster and maintain healthy working relationships as well as strong customer satisfaction. It is our philosophy to uphold the tradition of quality, hard work, friendship and genuine concern for others that is essential to the success of the Company and its employees. In furtherance of this philosophy, **SOUTHERN ROCK RESTAURANTS**, LLC endeavors to treat all employees fairly by providing competitive wages, benefits and working conditions; maintaining a strong communication link between Managers and employees; and providing an attractive, challenging and fun environment in which to work. We recognize and respect the diversity of our work force and the individualism of each employee.

It is our hope that as an employee of **SOUTHERN ROCK RESTAURANTS**, LLC you will embrace our philosophy and will come to know and appreciate the fine group of people you work with as well as the loyal customers of McAlister's Deli. We look forward to your contribution in serving the customers and communities of **SOUTHERN ROCK RESTAURANTS**, LLC with pride and care.

### A BRIEF HISTORY OF THE COMPANY

McAlister's Gourmet Deli was started by Dr. Don Newcomb in 1989 in a converted gas station in Oxford, Mississippi. It started as a simple concept, making the perfect sandwich hot, fast, and DELI-licious. In 1992 a second store opened in Hattiesburg, Mississippi, and in 1993 a third store was added in Tupelo, Mississippi. In 1994, the Company opened their flagship store in Ridgeland, Mississippi, and in 1998 the Company was purchased and established as McAlister's Corporation.

In 1995, two friends, Dr. John Fullenwider, a pathologist from Oxford, Mississippi, and Mark Garrett, a successful businessman from New Albany, Mississippi, were meeting for lunch at the McAlister's Deli in Tupelo. They were so impressed by the restaurant that they decided to explore franchise opportunities. They eventually purchased the Tupelo store and became the first McAlister's Deli franchise in the country. That single event through new store growth, mergers and acquisitions has evolved into **SOUTHERN ROCK RESTAURANTS**, LLC, owned by David R. Blackburn a licensed franchisee of McAlister's Corporation.

## PURPOSE OF THIS HANDBOOK

This handbook is an informational guide for employees of **SOUTHERN ROCK RESTAURANTS**, LLC and is intended to help each employee learn more about the Company and its general policies and procedures. This handbook is not a contract of employment or an agreement of employment for a definite period of time; rather, it is a summary of policies, work rules, and benefits currently provided by the Company. This handbook is not the final word in all cases. Individual circumstances may dictate individual attention, and the policies and procedures set forth in this handbook may be modified or omitted in particular situations. In addition, from time to time, the Company may decide to modify, add to, revise, or delete the policies and procedures in this handbook in order to meet changing needs and business concerns. When such changes are made, the Company will notify you of the new or revised policy.

Employment with **SOUTHERN ROCK RESTAURANTS**, LLC is “at will” and for no specific duration. This simply means that either an employee or the Company may terminate the employment relationship at any time for any reason, with or without notice.

Each employee should become familiar with the information contained in this handbook. **SOUTHERN ROCK RESTAURANTS**, LLC, expects its employees to know and abide by the policies and work rules set forth in the handbook. If questions come to mind that are not mentioned in the handbook, or if you have specific questions about any particular policy or procedure, talk with your Manager or the Human Resource Manager. If he or she does not have an immediate answer to your particular question, he or she will get the answer for you.

No person, other than the President of the Company, has the authority to make any representation contrary to the foregoing paragraphs. All representations by the President contrary to the foregoing paragraphs must be made in writing in order to be valid.

All masculine pronoun references used in this handbook are intended to include persons of both genders. This handbook will supersede all previous handbooks or policy manuals or practices.

## WORKPLACE POLICIES

### EQUAL EMPLOYMENT OPPORTUNITY

It is **SOUTHERN ROCK RESTAURANTS**, LLC’s policy not to discriminate against anyone employed by the Company or any applicant for employment based on that person’s race, color, religion, age (over 40), sex, national origin, disability, veteran status, or any other prohibited basis under Federal or State Law. Our goal is to provide everyone who works for **SOUTHERN ROCK RESTAURANTS**, LLC, or who applies to work here, with an equal opportunity to succeed based on his/her merit, qualifications, and quality of work, performance, and attendance.

Decisions on employment will be based so as to further the principle of Equal Employment Opportunity. Every Manager and employee will be held accountable for conformance with our Equal Opportunity policies.

### HARASSMENT-FREE WORKPLACE

#### PURPOSE

To affirm our policy and guidelines against discrimination and harassment because of sex, race, color, age (over 40), religion, national origin, disability or any other legally protected category, and to keep our workplace free from such discrimination, harassment and intimidation.

## POLICY

**SOUTHERN ROCK RESTAURANTS, LLC** will not permit discrimination, harassment or intimidation because of sex, race, color, age (over 40), religion, national origin, disability or any other legally protected category. Employees of **SOUTHERN ROCK RESTUARANTS, LLC**, shall not commit any act of discrimination, harassment or intimidation toward any subordinate, co-worker, customer or any other person. Such acts, as defined below, shall subject the employee to disciplinary action up to and including termination.

## DEFINITIONS

Discrimination on the basis of sex, race, color, age (over 40), religion, national origin, disability or any other legally protected category is a violation of Federal and State Law. Harassment is defined as: verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his/her sex, race, color, age, religion, national origin or disability, or that of his/her relatives, friends, or associates; and that:

- Has the purpose or effect of creating an intimidating, hostile or offensive working environment;
- Has the purpose or effect of unreasonably interfering with an individual's work performance; or
- Otherwise adversely affects an individual's employment opportunities.

Sexual harassment is defined as: unwelcome sexual advances, requests for sexual behaviors, and other verbal or physical conduct of a sexual nature when:

1. Submission to the conduct is either an explicit or implicit term or condition of employment; or
2. Submission to or rejection of the conduct is used as the basis for employment decisions; or
3. The conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment.

## EXAMPLES OF PROHIBITED CONDUCT

1. Verbal abuse, jokes or "kidding" that is based on a prohibited form of harassment, including that which is sex-oriented. This includes comments about national origin, race, body or appearance, age (over 40), disability, etc., where such comments go beyond mere courtesy; telling offensive or "dirty" jokes; or any tasteless, sexually oriented comments, innuendoes, actions or displays that constitute harassment.
2. Displaying written or graphic material in the workplace that denigrates or shows hostility or aversion toward an individual or group because of race, color, religion, sex, national origin, age or disability.
3. Sexual advances such as patting, pinching, brushing up against, hugging, cornering, kissing, fondling, or any other similar physical contact.
4. Repeated sexual flirtation, requests for dates or inquiries of a personal nature.

Normal, courteous and mutually respectful pleasantries shared between Managers or employees, including men and women, that are acceptable to both parties are not considered harassment. All Managers and employees are expected to conduct themselves in a manner that is above reproach at all times, especially since their actions are subject to the perceptions of others.

## **HARASSMENT AND DISCRIMINATION COMPLAINT PROCEDURE:**

Any employee, who feels he/she has been or is being harassed or discriminated against, should follow this procedure, if possible:

1. If you feel comfortable, and if at all possible, you should attempt to discourage harassment or discrimination by confronting the person directly, pointing out the behavior you consider unacceptable, and explaining to the person that such behavior is a violation of Company policy.
2. If harassment or discrimination continues, or if you do not feel comfortable directly confronting the alleged harasser, report the complaint to your Store Manager or to the General Manager. If you do not feel comfortable contacting either of these designated persons, you may contact the Regional Manager, the Human Resources Manager, Director of Operations, or the President. When making a complaint, you should be prepared to discuss with the Company representative to whom you are reporting your complaint, the fact, dates and a description of the behavior believed to constitute harassment or discrimination.
3. Upon receipt of a complaint, the Company will begin an immediate investigation of the complaint. To the extent possible under the circumstances, the investigation and complaint will be kept on a confidential need-to-know basis. However, complete confidentiality cannot be guaranteed.
4. You will be informed that an investigation is under way. This investigation will be expedited as much as possible, and if circumstances otherwise permit, will be concluded within a short time from the receipt of such a complaint.
5. There shall be no retaliation or recrimination against any person for using this procedure to resolve the harassment or discrimination concern.

Any Manager, Supervisor or employee who is found to have engaged in any type of prohibited harassment or discrimination, or who has been found to have engaged in retaliation against an employee for reporting alleged harassment or discrimination, will be subject to appropriate disciplinary action, up to and including termination.

All members of management have the explicit responsibility and duty to take corrective action to prevent and stop any discrimination or harassment of **SOUTHERN ROCK RESTAURANTS**, LLC employees, customers or vendors. Any Manager who becomes aware of a discrimination or harassment complaint, or of any conduct which could in any way be construed as discrimination or harassment, should immediately take steps to stop the activity, and should immediately report such complaint and/or conduct to the Human Resources Manager or Director of Operations. In addition, any employee who believes he/she is being discriminated against or harassed, or becomes aware of another employee being discriminated against or harassed, is obligated to immediately report such harassment in accordance with the complaint procedures set out above.

## **COMPANY POLICY ON ALCOHOL/DRUG USE**

**SOUTHERN ROCK RESTAURANTS**, LLC has a significant interest in ensuring the health and safety, continued good performance, and attendance of its employees. In furtherance of this goal, the Company has established the following rules and regulations regarding the use, sale, or possession of alcohol, illegal drugs, or controlled substances. The obligations set forth in these rules and regulations constitute conditions of employment.

The term illegal drugs, as used in this policy, includes, but is not limited to marijuana, cocaine, heroin, and similar drugs whose possession and use are prohibited under State or Federal Law, as well as prescription drugs, unless validly prescribed to the employee by a physician. So called "designer drugs," look alike, synthetic drugs and similar substances are also considered illegal drugs for purposes of this

policy. This policy is also designed to cover other drugs that may be abused, whether available legally (such as over-the-counter medication or drugs or which an employee has a valid prescription), or never intended for human consumption (such as glue or other inhalants).

This policy covers all employees, including salaried employees, Managers, hourly, part time and temporary.

1. The use, sale, or possession of alcohol, illegal drugs, legal drugs without a valid prescription, or other controlled substances on Company premises may constitute grounds for immediate dismissal. Law enforcement officials will be notified whenever illegal drugs are found on Company premises or property.
2. The use, sale, or possession of illegal drugs or controlled substances off duty or off Company premises may constitute grounds for immediate dismissal.
3. If an employee reports to work under the influence of alcohol or drugs, he/she will not be allowed to work, will be sent home, and notified of disciplinary action up to and including discharge. "Under the influence" may be determined by observation or clinical testing. A test result indicating the presence of any amount of an illegal drug, or a blood alcohol concentration of 0.04 or greater, will be considered "under the influence."
4. An employee arrested or charged by the police with a drug law violation of any sort is required to notify the Company of such arrest or charge not later than the next work day following the arrest or charge. Failure to make such a report may constitute grounds for dismissal.
5. The Company has discretion to take any other appropriate disciplinary action short of termination, including assisting employees who have violated the above rules in recovering from drug/alcohol dependency. In this regard, the Company may suggest an Employee Assistance Program (EAP), to which an employee who has violated the above rules may be referred for counseling and treatment.
6. The Company is under no obligation to refer an employee who has violated the above rules to an EAP. Instead, the Company has discretion to determine whether such a referral is appropriate under the circumstances. Any employee referred to an EAP must agree to execute any releases necessary to permit the EAP to keep the Company informed of the employee's participation and progress in the EAP program.
7. The employee acknowledges that enrollment in an EAP is for the purpose of curing a drug/alcohol dependency or for counseling an employee against the use, sale, or possession of illegal drugs or controlled substances. In this regard, any use, sale, or possession of illegal drugs or controlled substances following treatment or counseling through an EAP will result in immediate dismissal. The employee thus acknowledges that the EAP is a "last-chance" program.
8. The legal use of drugs prescribed by a licensed physician may be permitted, provided such usage is consistent with job safety. For example, if a prescribed medication is labeled "Do not drive or operate machinery while using this medication," an employee would not be permitted to operate dangerous equipment while taking the medication. It is the employee's responsibility to refrain from using dangerous equipment whenever the employee may be on any type of medication that could impair the employee's ability to safely operate the equipment. The Company reserves the right to verify an employee's use of medication should an employee notify the Company that he/she cannot safely operate dangerous equipment.

## **Alcohol/Drug Testing**

In furtherance of its policy to provide for the health and safety of its employees and to ensure the health and safety of others, the Company has established the following procedure for the testing of alcohol/drug use among its employees.

The Company has the right to require blood and/or urine samples in any of the following situations:

1. Any current employee, who is involved in any accident at the work site or on duty, may be required to submit blood, saliva and/or urine samples for testing.
2. Any current employee who is involved in any accident off duty or off Company premises that indicates the possible illegal use of drugs or controlled substances, may be required to submit blood, saliva and/or urine samples for testing at the discretion of the Company.
3. Upon reasonable cause, the Company has the right to require that any employee submit blood, saliva and/or urine samples for testing. Such reasonable cause includes, but is not limited to  
(a) absenteeism; (b) declining productivity; (c) excessive tardiness; (d) suspect behavior.

The drug and alcohol testing program tests for the following substances:

1. Amphetamines: "speed," "uppers," etc.
2. Cannabinoids: THC, marijuana, hashish, etc.
3. Cocaine: "crack," etc.
4. Phencyclidine: PCP, "angel dust."
5. Opiates: narcotics, heroin, codeine, morphine, "smack," etc.
6. Barbiturates: "barbs," "downers," etc.
7. Benzodiazepines: "bennes," "uppers," etc.
8. Alcohol: Any alcoholic beverage and all liquids containing ethyl alcohol. Employees should read the labels of over-the-counter drugs for alcohol content. For example: Vicks Nyquil, Comtrex, Contact Severe Cold Formula Night Strength and Listerine all contain ethyl alcohol. An employee will be considered impaired due to alcoholic beverages in violation of this policy if the employee's blood alcohol level tests .04% or greater.

When an employee submits to a drug and/or alcohol test, they will be given a form by the specimen collector that will have a space for the donor to provide any information that he/she considers relevant to the test, including the identification of currently or recently used prescription or non-prescription medication or other relevant information. The testing facility will take the information regarding prescription or other medication into account when interpreting any positive confirmed test results.

Out of respect for employee privacy, any information received by the Company through its drug and alcohol testing program will remain confidential and will be initially disclosed only to the necessary management representatives as is reasonably necessary to take appropriate disciplinary action.

The Company reiterates that the rules and regulations of this policy constitute conditions of employment. Therefore, refusal to submit to alcohol/drug testing as provided for herein (including execution of the forms necessary for such testing) constitutes a material breach of the conditions of employment, and is grounds for immediate dismissal.

Any employee testing positive for illegal drugs or alcohol or otherwise violating the Company's Drug and Alcohol Policy will be subject to disciplinary action, up to and including termination of employment. If the Company determines that termination is not necessary or appropriate, the Company will provide the employee information on opportunities for assessment and rehabilitation.

## **DISABILITY/REASONABLE ACCOMMODATION**

In compliance with federal and state laws designed to afford equal employment opportunity to qualified individuals with a disability, **SOUTHERN ROCK RESTAURANTS**, LLC will employ and advance in employment qualified persons with a disability that does not preclude (with or without a reasonable accommodation) satisfactory performance of the essential job functions. In furtherance of this policy, **SOUTHERN ROCK RESTAURANTS**, LLC will make reasonable accommodation for the known physical or mental limitations of an otherwise qualified individual with a disability, unless such accommodation would create an undue hardship for the Company.

Any applicant or employee with a qualified disability who requires a reasonable accommodation in order to perform the essential job functions should request an accommodation from the Manager or the General Manager.

## **OPEN DOOR**

**SOUTHERN ROCK RESTAURANTS**, LLC is committed to maintaining a working environment in which all employees have the ability to openly express issues or ideas of importance. As such, the Company operates under an "open-door policy." This means that the doors to the offices of your Managers and corporate officers are open to you. If you have any problems, issues, or ideas to be discussed, you are encouraged to first talk to your Assistant or General Manager. If you prefer to discuss the matter with someone other than your Assistant Manager or General Manager, or if you do not get an adequate response, you are encouraged to discuss the matter with your Regional Manager or Human Resource Manager. If your issue or concern is still not resolved, you may contact the Director of Operations or the Company President at:

**SOUTHERN ROCK RESTAURANTS**, LLC 120 B Seaboard Ln, Franklin, TN 37067  
Telephone: 615-656-7250

Please remember that unless the Company knows that a grievance or issue exists, we cannot take appropriate action to resolve or address the matter. You will not be retaliated against in any way for taking advantage of this open door policy.

## **EMPLOYMENT APPLICATIONS**

The Company relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications or material omissions in any of this information or data may result in the Company excluding the individual from further consideration for employment or, if the person has been hired, termination of employment.

## **PERSONNEL RECORDS AND CHANGE OF STATUS**

The Company will maintain an official personnel file for each employee. An employee may review the contents of his/her personnel file in the presence of a management representative at any reasonable time.

Personnel file documents are the property of the Company and may not be copied except for use by Company management. The individual employee is the only person, other than management representatives, allowed and authorized to review his/her personnel file.

It is the responsibility of each employee to provide the Company with his or her current and correct mailing address in order for the Company to send the employee important information, including tax information and information regarding employee benefits. It is also the responsibility of each employee to promptly notify the Company of any changes in personal data, such as permanent mailing address, telephone number, marital status, number and names of dependents, name of person to contact in an emergency, educational accomplishments, etc.

## **EMPLOYMENT VERIFICATION REQUESTS**

Written Requests – Written employment verification requests from reputable inquirers will be responded to quickly through our Human Resources or Payroll Department. If you have a request, please forward it to the Store Manager for processing. Copies of all written employee verifications will be placed in the employee personnel file.

Telephone Inquiries – The only information about an employee that will be given over the phone is a verification of present employment.

## **PERSONAL APPEARANCE / DRESS CODE**

A well-groomed personal appearance is important to our overall business strategy of portraying a favorable image to our customers and the community. Therefore, the following rules regarding the personal appearance of employees must be followed at all times:

### **CLOTHES**

- **ALL employees** working in the store must dress neatly in clean and pressed uniforms (Khaki-colored slacks, McAlister's T-shirt or manager shirt as assigned by your job designation).
- **Shirt-tails must be tucked in at all times!**
- Employees on the kitchen staff must wear a McAlister's Deli hat.
- Wear comfortable non-scuffed, non-skid casual shoes with a closed toe and closed heel.
- Employees are required to wear **khaki-colored slacks**. No denim jeans are allowed. If pants have belt loops, then a belt **must be worn**.

### **HYGIENE AND SHAVING**

- Good personal hygiene must be maintained at all times.
- Nails must be clean and neat without polish.
- Hair must be neat, clean, well-trimmed, and combed. No outlandish or distracting hair-dos that may detract from the company's family-friendly concept will be tolerated. Any employee deemed to be in violation of this policy may be sent home at the discretion of the management.
- Beards are allowed if they are already grown. Beards in process are prohibited.
- Fully grown beards must be neat and closely trimmed.

## TATTOOS

- Profane or offensive tattoos must be covered with clothing at all times (no Band-Aids).
- Acceptability of tattoo size and style is left to the Manager's discretion.

## JEWELRY

- **Kitchen employees:**
- May not wear a watch while working.
- May only wear one ring (must be band or simple design).
- May only wear one set of small (loop or stud) earrings.
- **Front employees:**
- Male employees may not wear earrings.
- Female employees may wear one set of earrings plus one set of small studs. One small stud in the nose is acceptable.
- No Band-Aids covering earrings – NO EXCEPTIONS.
- All employees are strictly prohibited from wearing any other visible facial jewelry, (i.e., eyebrow, lip, cheek, tongue, etc.).
- All necklaces should be tucked into shirt or not worn at all.
- No bracelets allowed.
- All jewelry size and style decisions are left to the Manager's discretion.

Inappropriate dress or clothing will not be permitted. Your Manager can send you home without pay for unsafe or inappropriate attire. **You are subject to termination for reporting to work without your uniform on.** Therefore, if you are not sure about the appropriate dress style, ask your Manager before you wear it! Store Operations may amend the dress code during specific seasons.

## USE OR DISCLOSURE OF CONFIDENTIAL INFORMATION

**SOUTHERN ROCK RESTAURANTS, LLC** considers certain Company information to be strictly confidential. This information includes, but is not limited to, data resulting from all divisions' business, financial data, product formula, standards and operating procedures, methods of preparation of food items and other food products, recipes, procedures, improvements in the operations, or planned strategy to conduct business. Personal employee information, including salaries, performance histories, reason for departure of former employees, etc., is also considered confidential information.

All employees are prohibited from divulging to any other person, inside or outside of the Company, any confidential or proprietary information, whether technical business, financial, or otherwise, except as necessary in the performance of their duties for the Company. Similarly, all employees who have knowledge of, or access to such information, are prohibited from using it for personal gain, regardless of the nature of the information or how it was acquired. Any employee violating this policy on the use or disclosure of confidential information will be subject to disciplinary action, up to and including termination of employment.

**SOUTHERN ROCK RESTAURANTS**, LLC considers information owned by the employee to be confidential as well. No employee shall access any personal information such as personal mail or accessing someone's cell phone including but not limited to emails, text messages, tweets, etc. Doing so is a direct violation of personal privacy and may be grounds for disciplinary action up to and including termination. This does not negate management's right to inspect all personal belongings that an employee brings into the store.

## **OUTSIDE EMPLOYMENT**

Hourly Employees may also be employed in other jobs, subject to the following conditions:

1. Outside employment must not interfere with the work schedule and proper performance of the employee's job with the Company.
2. Outside employment must not constitute, nor give the appearance of, any conflict of interest with the Company.

Regardless of the nature of any outside employment, the requirements of employment with the Company must take precedence over the other jobs. These requirements include, but are not limited to: attendance at work as scheduled; being available for overtime work or work outside of normal hours if the job requires it; and being well-rested and physically fit so that Company work can be done properly and efficiently.

Salaried Employees may not be employed in another job.

## **SECURITY AND LOSS PREVENTION**

When you accept a position with **SOUTHERN ROCK RESTAURANTS**, LLC you accept the responsibility to protect the Company's assets, merchandise, money, equipment, and supplies, as well as the personal property and safety of other employees. The responsibility for protecting the property and physical safety of the Company and its employees belongs to everyone. To fulfill this obligation to the Company and your fellow employees, you must comply with the following policies and procedures concerning security and loss prevention. These policies are for the protection and benefit of all employees. Any violation of these policies is extremely serious and will be a basis for disciplinary action, up to and including immediate termination of employment and criminal prosecution.

- Your discount is an important privilege. Items purchased with your discount privilege cannot be resold, and you must confine your purchases to items for yourself. (Also see policy on "Employee Discount" found in the section governing "Compensation and Benefits.")
- All purchases made in the store, or packages brought in from other stores, are subject to inspection and will be checked when you leave the store.
- All **SOUTHERN ROCK RESTAURANTS**, LLC merchandise, supplies, equipment, monies, etc., belong to **SOUTHERN ROCK RESTAURANTS**, LLC Any employee found taking any of these items for personal use, giving these items to customers or friends without payment or management authorization, or borrowing or loaning Company property will be immediately terminated for theft of Company property. The Company will also seek criminal prosecution of the employee for theft.
- All transactions, whether sales, gift certificates, or comp meals, must be properly recorded and documented. All money and documentation must be placed in the register or safe. The register or safe must be locked and closed when appropriate.
- **SOUTHERN ROCK RESTAURANTS**, LLC will not cash any personal or payroll checks of any employee or customer. Personal or business checks are accepted for payment of food or merchandise

in the amount of the purchase only. If an employee's personal check is returned for insufficient funds or any other reason, the employee will be subject to disciplinary action, up to and including termination of employment. IOUs and "house charges" are strictly prohibited.

- Employees are strictly prohibited from entering the store after hours.

## **LOSS PREVENTION**

The Loss Prevention department has effective programs to prevent and identify security/loss prevention problems and concerns. In furtherance of these programs, the Loss Prevention department regularly uses special loss prevention techniques such as shopping services, surveillance (in camera or in person), and loss prevention interviews. If your store is involved in any investigative activity during your employment with **SOUTHERN ROCK RESTAURANTS**, LLC the Company expects and requires your assistance and cooperation. Failure to participate in a loss prevention interview will result in disciplinary action, up to and including termination of employment.

## **SECURITY INSPECTIONS**

**SOUTHERN ROCK RESTAURANTS**, LLC wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives or other improper materials. To this end, the Company prohibits the control, possession, transfer, sale or use of such materials on its premises. The Company requires the cooperation of all employees in administering this policy. Desks, lockers and other storage areas may be provided for the convenience of employees but remains the sole property of the employer. Accordingly, any agent or representative of the employer can inspect them, as well as any articles found within them, at any time, either with or without notice.

The Company likewise wishes to discourage theft or unauthorized possession of employees' personal property, as well as that of visitors, customers and the Company. To facilitate this policy, the Company and/or its designated representative, reserves the right to inspect all items carried in or out of the store during shift changes, breaks, or closing. This includes the inspection of packages, lunch bags, purses, knapsacks, book bags, etc. This policy applies to all field personnel visiting the store and all store employees. Any employee who wishes to avoid inspection of any articles or materials should not bring such items onto Company premises. All personal property brought onto the premises should be stored in the area designated by store management. Personal cell phones left in a purse, jacket pocket, cashier area or even in the office shell be done so at your own risk of damage or theft. SRR is not responsible for your personal belongings.

## **RELATIONSHIPS WITHIN THE COMPANY [Existing Relationships Grandfathered in Prior to 3.1.2012]**

The Company expects all of its employees to conduct themselves in a proper business-like manner with regard to their personal relationships at work. It is vital that all working relationships be free of actual or apparent conflicts of interest or favoritism. Thus, relatives and very close friends should not be allowed to work in situations where one can exercise direct or indirect influence over the salary, performance review, work assignment, disciplinary action, employment related opportunities, etc., of the other. It is better if they do not work in the same area. There is no hard and fast rule as to what constitutes sufficiently close relatives and friends. Clearly it always applies to grandparents, parents, children, siblings, and spouses, and in most cases to anyone living in the same household whether actually related or not. It also would apply to most dating relationships and to "best friends." It is intended to apply anytime the relationship between two people would be likely to create the possibility or appearance of favoritism or a conflict of interest. Management and supervisory employees are expected to exercise the good judgment to make sure that they are not involved and do not become involved in such situations. They are expected to be especially

aware of situations that have the potential for leading to allegations or to the appearance of sexual harassment or sexual favoritism.

## **RELATIONSHIPS OUTSIDE THE COMPANY**

Employees are to avoid any relationship with persons, firms, or other corporations with whom the Company transacts or is likely to transact business that may involve the employee in a conflict of interest or even in the appearance of a possible conflict of interest. The Company does business without favoritism, especially in its purchase of goods and services. An employee's personal interest or relationship is not to influence any transaction with a business organization that furnishes goods or services to us. No employee may have any direct or indirect interest in, or relationships with, any person or organization that might affect the objectivity and independence of the employee's judgment or conduct in carrying out duties for the benefit of the Company. Similar considerations apply to persons or companies that could be considered to be in competition with the Company.

## **GIFTS, GRATUITIES AND ENTERTAINMENT**

Employees and members of their families are not to give, trade for, solicit, accept, or agree to accept, at any time of the year, any gift or favor (including excessive or unusual entertainment) to or from any person, including friends and relatives, suppliers, prospective suppliers, or any person or organization who does business, may do business, or is seeking to do business with the Company. This does not apply to the occasional acceptance of gifts of only nominal or minor value that are of such a nature as to indicate they are merely tokens of respect or friendship and not related to any particular transaction or Company activity, except that cash is never to be accepted.

## **SOLICITATION AND DISTRIBUTION**

In an effort to assure a productive and harmonious work environment, persons not employed by the Company may not solicit or distribute literature in the work place or on Company property at any time for any purpose.

Employees are strictly prohibited from distributing in store work areas any advertising materials, handouts, or literature of any kind. Employees are likewise strictly prohibited from soliciting for any purpose or on behalf of any organization during a time when the employee or the employee being solicited is supposed to be working. This includes solicitation for charitable contributions or sales promotions. For purposes of this section, work time is defined as all hours an employee is or should be working other than meal or break periods.

Political or other campaign/organizational buttons or paraphernalia may not be worn by employees while working or displayed in public view.

## **ELECTRONIC COMMUNICATIONS**

Computers, related hardware and software (including those providing internet access), and the electronic mail system are provided by **SOUTHERN ROCK RESTAURANTS**, LLC for use in conducting Company business. They are to be used only for Company business. Employees are strictly prohibited from using the Company computers for personal email or personal activities, or after hours when the store is closed.

The contents of the computer system, computer disks, other data storage media, and electronic mail messages remain the property of **SOUTHERN ROCK RESTAURANTS**, LLC and may be inspected or monitored by the Company at any time. If you use these tools for private or personal matters, such

matters are likely to become known by the Company and other employees, and may cause you personal embarrassment or other problems.

All persons are specifically prohibited from using the computers, internet access, or electronic mail system in any manner that reflects negatively upon **SOUTHERN ROCK RESTAURANTS**, LLC including using them to prepare, download, store, or transmit offensive materials (such as those involving personal insults or racial, sexual, religious, and ethnic slurs), pornographic material, and material used for any illegal or questionable activity (such as gambling, chain letters, or “get rich quick schemes”). Electronic harassment of fellow employees or other persons is just as much a violation of our Company policies as is other forms of harassment. Employees are expected to be professional, courteous, and considerate at all times. This also includes not intentionally accessing electronic communications intended for someone else.

All forms of electronic communication (both those between employees and those with persons outside of the Company) are subject to the provisions of our policy on “Use or Disclosure of confidential Information.” Be careful with information that is confidential or proprietary; do not communicate it electronically unless you are authorized to do so. Unauthorized disclosure of such information or unauthorized copying of databases or software that is owned by or licensed to **SOUTHERN ROCK RESTAURANTS**, LLC may be considered the same as theft. Software that is not allowed by or licensed to **SOUTHERN ROCK RESTAURANTS**, LLC should not be copied onto or used on Company computers. Likewise, employees are strictly prohibited from subscribing to any program or service through the internet.

All employees of **SOUTHERN ROCK RESTAURANTS**, LLC are expected to exercise good judgment and common sense in their use of computers and related electronic media. If something would be improper if done without using a computer, it does not become acceptable conduct just because it is done with a computer. The same rules and principles apply whether a computer is involved or not. Even where a rule may not technically apply, the spirit and intent behind that rule will be applied, and appropriate disciplinary action may be taken, up to and including termination of employment.

## **SAFETY**

Your safety is a matter of major concern to both you and the Company. **SOUTHERN ROCK RESTAURANTS**, LLC has adopted rules to aid in providing a safe work environment for all employees. These rules are strictly enforced. Your safety and the safety of others depend on your understanding of and compliance with these rules. Employees who jeopardize their own safety and that of other employees, or who fail to observe the safety rules are subject to disciplinary action up to and including termination of employment. Please observe all requirements on the Security Procedures document that follows.

### **SAFETY RULES**

- Smoking is not permitted in the store or outside the store while in uniform, except in outside designated areas. (Also see policy on “Smoking”).
- Horseplay, scuffling, running or fighting is not allowed in the store.
- Consumption of alcoholic beverages at work or being under the influence of alcohol or illegal drugs at work is strictly prohibited.
- Follow proper lifting procedures:  
Feet should be parted, back straight, and elbows tucked in.

Get in a crouched position, as close to the load as possible, with the legs bent so that the lift is made with your legs and not your back.

- . Get a firm grip on the box by grasping the opposite top and bottom corners, and drawing a corner of the box

between your legs.

- . Weight should be distributed directly over your legs. Lift by straightening legs. Try to maintain curve in the back.
- Always get help when lifting heavy or awkward objects.
- Don't twist and lift. If you need to move the object, first lift it and then walk with it. Keep it close to your body, centered at the pelvis.
- To lower and set a load down, use the lifting procedure in reverse – bend knees and lower the load with the leg and arm muscles, keeping the back in its natural curve.
- Do not leave any obstruction on the floor. General housekeeping is the responsibility of every employee.
- Report all equipment defects to your Manager immediately. In no circumstances should any repairs be attempted by anyone other than authorized maintenance personnel. *It is your responsibility not to operate defective equipment.*
- Do not climb onto or into any shelving or store fixtures.
- Do not block any exit or electrical panel.
- In the event of a fire, sound the alarm immediately, notify management, call the Fire Department, and get everyone out of the store. Utilize emergency exits when available.
- Wipe clean or mop all spills immediately and post "wet floor" signs in all areas.
- A safety glove must be worn when operating the slicers.
- The minimum age to operate slicers and ovens is age 18.
- Slicers must be unplugged when cleaning.
- Warning signs and safety bulletins are posted for your information. Please read and observe these notices.
- Report all conditions and practices that you consider unsafe to your Store Manager/General Manager.
- Immediately report all injuries, no matter how slight, to your Manager. Your Store Manager will handle all incidents.
- When a new employee is assigned to your store, help impress the safety rules upon him/her.
- No speeding or reckless driving in the parking lot.
- Periodically, the Fire Department may conduct fire drills and fire safety inspections in the building. Please follow any instructions given to you at those times.
- Back door must never be propped open for any reason, and must remain locked after dark. No garbage is to be taken out after dark.

## SECURITY PROCEDURES

**GENERAL MANAGERS: PLEASE REVIEW AT YOUR NEXT MANAGER MEETING WITH ALL MANAGERS & KEYS.**

### Ground rules:

1. All people with keys are security cleared.
2. Keys never given out randomly..
3. **Each person has their own access code.**
4. All exterior lights in working order.
5. Peephole clear, shades to office window, door bell working.
6. The manager is 100% responsible for any loss if negligence on their part is determined.

### Alarm systems

1. **Alarm system is 100% operational.**
2. Trash dumps:
  - a. At random times.
  - b. MOD present.
  - c. Last one done 1 before **5:00 PM**
3. Security codes and locks changed immediately when a person no longer is eligible.

### Opening

1. Upon arrival GM or opener should check the Parking Lot for anything suspicious. .
2. **Keep all outside doors secure. Admit only scheduled employees and vendors.**
3. One hour prior to opening, all employees come in through the front door only. **BACK DOOR IS LOCKED!**

### Operating Hours

1. **Back Door stays Locked.**
2. Deliveries scheduled before dark.
3. Last trash run done before **5:00 PM** and Supervised..
4. All residual trash secured inside the building in a sanitary manner.
5. After business begins to slow down, all closers should move their cars to front.
6. If security available – receive escort
7. Before closing, spot checks of the entire restaurant made.

### Combination to the safe.

All access codes current.

### Checkout procedure-recommendations:

1. Only the cashout person and one other person in the office at a time
2. All checkouts completed in orderly manner prior to entering the office.

### Closing

1. **Restaurant never closed by just one person.**
2. **No One Admitted After operating hours; Friends and ex-employees are not allowed in the restaurant after operating hours.**

3. No one should leave the restaurant alone after dark. Use buddy system when leaving.
4. No after hours drinking or partying in building or on lot.

### Company Funds

1. All managers are responsible for handling money. You have to maintain an accurate account of all funds.
2. **All deposits MUST go to the bank EVERY DAY by 3:00 PM, EVEN ON Saturday and Sunday.**
3. You are also responsible for your keys and codes, use of your keys and codes, even if unauthorized by you, is your responsibility.
4. No IOU's in Safe
5. No employee or manager may write a personal check without **PRIOR** approval from David Blackburn.

### In the event a robbery occurs.

1. **Always cooperate.** Do not resist and do as the robber(s) commands.
2. **Remain calm but alert.** Speak slowly and calmly to the robber(s).
3. **Don't make any sudden or unexpected movements.**
4. **Keep your hands in view and keep the robber(s) advised of anything you or another might do so not to alarm them.**
5. **Observe the robber(s) without being conspicuous about it.** Look for and try to remember any distinguishing characteristics.
6. **Don't chase or follow the robber(s) when they leave.**

### After a robbery.

1. Write down description of robber.
2. Call the police immediately.
3. Call your Supervisor and David Blackburn immediately – Cell 615-202-5040 or Home 615-790-8887.
4. Preserve any evidence left at the scene by the robber(s).
5. Advise witnesses not to leave or discuss the incident until police arrive.
6. **Don't disclose to anyone but the police the amount of loss.**
7. Provide support as needed for employees involved.

We have read and understand the above. We also understand that negligent Managers may be held 100% liable for losses and disciplined up to and including termination.

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MANAGER SIGNATURE

---

PRINT NAME PLEASE

Date

## **ADMISSION TO THE STORE**

All employees, including Managers, **must enter and exit the store through the front door during normal business hours**. If the store is not open, employees may use the rear door when a member of the management team is present. Verify the identity of the person before opening any door!

## **VISTORS**

Personal visitors are not permitted in the store during the employee's scheduled work hours. No other person is permitted behind the counter or in the office unless that person is an employee in that location.

## **TELEPHONE CALLS AND MESSAGES**

Store telephones must be kept open for business at all times. Personal phone calls by employees are strictly prohibited, unless there is an emergency situation or the employee has been asked to work over their scheduled shift. Long distance personal calls are absolutely prohibited.

Please inform your family and friends not to call you at work except in an emergency. Emergency calls will be relayed to you through your Manager. All other calls will be taken as a message and passed to you through your Manager. Personal cell phones are not to be used while on the clock.

## **PARKING**

If employee parking facilities are provided on store premises, please park in designated areas only. Be sure to lock your car at all times. The Company cannot be responsible for damage or theft to automobiles or personal property therein.

Employees are also advised that the Company parking lot is considered Company property and all Company policies and rules apply to any conduct or activities in the parking lot.

## **SMOKING**

For health and courtesy considerations to non-smoking customers and employees, employees are strictly prohibited from smoking in the store or on the patio at any time. Smoking is permitted outside of the store in designated areas only.

## **BULLETIN BOARDS**

The Company bulletin board is an important tool to keep everyone informed of official Company announcements and notices, government bulletins and other useful information. Employees are responsible for checking the bulletin board on a daily basis. No personal messages or announcements may be placed on the bulletin board without the approval of your General Manager.

## **HOUSEKEEPING**

We at **SOUTHERN ROCK RESTAURANTS**, LLC are proud of the place where we work. Customers form an opinion of the Company and its employees based on its appearance. A clean environment is also a safer place to work. Housekeeping is a part of every employee's job description, and each of us is responsible for keeping our work area clean, neat and orderly.

## **PROMOTIONS**

**SOUTHERN ROCK RESTAURANTS**, LLC values the experience and skill associated with seniority and longevity with the Company. The Company follows, as far as possible, a policy of promotion from within and seeks to select the best qualified individual to fill the position. To be considered for promotion, employees must have demonstrated sustained acceptable performance on the present job. Other facts considered in evaluating an employee's qualification for promotion include: attendance, ability to perform specific job requirements of the new position, and when there are no major differences between candidates, length of service will be the determining factor.

## **PERSONNEL TRANSFERS**

Management frequently initiates transfers between stores for purposes of training, promotion, or manpower allocation. An employee may also request a transfer to another store for valid reasons. Any request for a transfer should be made to the General Manager. To be considered for a transfer, the employee must have satisfactory performance and be in good standing with the Company, without a disciplinary record. In addition, the employee's current store must be willing to release the employee, and the new store must be willing to accept the employee. In all cases, whether an employee is eligible for transfer is in the sole discretion of the management team. Once the employee moves to the new location, they will subject to another 90 day probationary period.

If the employee requests the transfer, no relocation expenses will be paid. If the Company requests the employee to transfer to another store, relocation expenses will be paid on a case by case basis depending on the circumstances of the transfer. Typically, relocation expenses will not be paid for employees who transfer to another store less than 100 miles from the current store.

## **WORK FORCE REDUCTION**

It is **SOUTHERN ROCK RESTAURANTS**, LLC intention to avoid reducing our work force whenever possible. However, business conditions sometimes change to the point that there is not enough work to keep all employees on the payroll. Should this situation occur, the work force may be reduced by laying off the number of employees over and above those needed to perform the work available. Layoffs will be determined by the ability of the affected employees to perform the work available, with attendance records and length of service governing where ability is relatively equal.

## **RESIGNATION OF EMPLOYMENT**

While we hope it will not be necessary for any employee to leave their job with **SOUTHERN ROCK RESTUARANTS**, LLC we realize that occasionally employees will resign to pursue other interests. Should you decide to voluntarily terminate your employment with **SOUTHERN ROCK RESTAURANTS**, LLC it is accepted business practice and common courtesy to give your General Manager at least two (2) weeks advance notice from the date of your departure. Employees who do not give a two (2) week notice will not be eligible for re-hire.

## **LEGAL COMPLIANCE**

The Company strives to achieve the highest possible standard of business and personal ethics. We expect all employees to observe and comply with all laws, rules, and regulations of the federal, state, and local governments that affect the Company or its employees. All employees are required to avoid any activities that would involve or lead to the involvement of the Company in any unlawful practices, and to report to appropriate Company officials any conduct that comes to their attention that violates these rules and principles.

## **PERFORMANCE STANDARDS** **PERFORMANCE EXPECTATIONS**

Performance standards are set to motivate sales efforts, ensure fair assessment of employee performance, and assist in scheduling part-time employees. Your Manager will provide you with regular feedback on your performance in the form of a performance evaluation to be conducted on at least an annual basis.

**SOUTHERN ROCK RESTAURANTS**, LLC expects all employees to maintain a positive atmosphere with no criticism, complaining, or condemnation. We are all here to work as a team and help develop each other. In furtherance of this policy, **SOUTHERN ROCK RESTAURANTS**, LLC maintains NO tolerance for abusive and profane language and behavior on Company property.

## **ACCURACY AND WORK QUALITY**

It is your responsibility to strive for the highest level of work accuracy and efficiency, as well as maintaining neat and orderly work areas. Since most functions are dependent on others, your high standards will help fellow employees maintain an equally high standard.

## **ATTENDANCE AND PUNCTUALITY**

To maintain a safe and productive work environment, the Company expects each employee to be dependable and punctual in reporting for scheduled work. Good attendance and punctuality is a requirement for continued employment with **SOUTHERN ROCK RESTAURANTS**, LLC Absenteeism and tardiness place a burden on other employees and are disruptive to the Company in general.

Whenever it is necessary for you to be late or absent from work, you must call your Manager as soon as possible, and in any case, no later than two (2) hours before the start of your scheduled shift. Your Manager must be notified each day you are unable to work.

If an employee fails to report to work due to personal illness, it is **SOUTHERN ROCK RESTAURANTS, LLC** policy for a Manager to call and speak with each employee at home to express concern for the employee and to determine when the employee plans to return to work. Discussions with family members are not a substitute for a Manager speaking personally to the employee. If the employee is not physically able to speak to a Manager, the employee must provide a doctor's excuse for the absence. In addition, an employee is not excused from speaking with a Manager if the employee's telephone ringer is turned off or the phone is off the hook.

Absences and tardiness are classified as either excused or unexcused. Examples of excused absences include justified illness, Family and Medical Leave, death in the family, or time that has been scheduled off in advance by your Manager. A doctor's statement may be required when an employee is absent due to personal illness, and will always be required when an employee is absent for three (3) or more consecutive days. Examples of unexcused absences or tardiness include oversleeping, car problems, traffic jams, or attending a personal event. Frequent unexcused absences or tardiness will result in disciplinary action, up to and including discharge. In addition, excessive absenteeism or tardiness, regardless of the reason and whether excused or unexcused, will result in an employee's record being reviewed to determine suitability for continued employment. Absences covered by the Family and Medical Leave policy will not affect employment status.

## **PROBATIONARY PERIOD**

As a new employee, you are regarded as probationary until you have completed ninety (90) days of work, plus periods of absence or layoff. The primary purpose of the probationary period is to provide you with a learning period and give us an opportunity to become familiar with you. In unusual circumstances, the probation period may be extended upon advance written notice to the employee. Upon the successful completion of the probationary period, the starting date for Company seniority purposes will be your first day of employment with the Company.

The Company's progressive discipline policy does not apply to probationary employees, and there is no appeal procedure for a termination occurring during the probation period. An employee may also be regarded as probationary when transferred within the Company to a new job. This probationary period will typically be 90 days unless otherwise stated. Probationary status may also be assigned to an employee if their job performance is unsatisfactory. Promotional and disciplinary probation does not affect the employee's seniority or benefits eligibility.

## **PERFORMANCE REVIEWS**

Every employee will receive a performance review at least on an annual basis. The purpose of the performance review is to ensure that each employee understands his/her job requirements, to clarify or remind the employee of his/her Manager's expectations, and to assess the employee's performance and future work plans and goals. If a specific area for development or improvement is identified during the performance review, the employee will be told how to meet acceptable performance levels and be given a date to attain these objectives. If at that time, the employee's overall performance has not improved or does not meet the job requirements, corrective action may be taken. If performance problems continue to exist or are of a serious nature, the employee may be terminated.

It is the employee's responsibility to notify his/her Manager when the date for the annual performance review is approaching.

## STANDARDS OF CONDUCT

Employees are expected to observe “common sense” rules: Honesty, good conduct, a concern for the job, safe work practices – and to adhere to generally accepted good behavior in our relations with each other. In our Company, as in any group with a common purpose, rules are necessary.

In many cases, an employee’s misconduct, poor performance or violation of the rules of conduct may not result in immediate termination. Disciplinary action may be in many forms, i.e., a verbal warning, a written warning, suspension, a final written warning, pay reduction, or termination. The type of disciplinary action taken is in the sole discretion of management and will depend on the nature and circumstances of the infraction, and the employee’s prior record and seniority with the Company. Termination may be immediate, without any prior warnings, or may follow unsuccessful prior warnings. Violation of rules marked with an asterisk (\*) are likely to result in discharge upon first offense. All termination decisions will have the approval of the next level of management.

If an employee receives a verbal warning, the Manager will place a written notation of the warning in the employee’s personnel file. It is not necessary for the Manager to notify the employee of the written record of the verbal warning. If an employee receives a written warning, the Manager will review the warning with the employee and the written warning will be placed in the employee’s store personnel file and the Regional/Headquarters personnel file.

## COMPANY RULES OF CONDUCT

- 1 Reading books, newspapers or magazines while on duty, except when required in the line of duty.
- 2 Speeding or improper parking in Company parking lot.
- 3.\* Abuse of discount privilege. Feeding family members, friends for free without permission from any management authority.
- 4.\* Possession of firearms, ammunition, or dangerous explosives on Company property, including Company vehicles or personal vehicles.
- 5.\* Intimidation, coercion, threatening or attempting bodily injury to another employee, or fighting on Company property; or off Company property if related to the participants’ employment with the Company.
- 6.\* Insubordination, direct or indirect, including refusal to follow instructions of management.
- 7.\* Falsification of Company records or reports, including time cards
8. Walking off the job or leaving the store without notifying your Manager, Area Director or shift leader.
- 9.\* Failure to report to work for one (1) scheduled work day without personally calling in, unless physically unable to use the telephone. Text message will not be accepted as a substitute for calling.
- 10.\* Participation in, or involvement (other than as a victim) with, a serious crime, on or off duty, without regard to whether employee’s conduct results in a criminal conviction.
- 11.\* Deliberately punching another employee’s time card; punching own time card in order to obtain payment for time not worked; or repeated failure to punch time card.
- 12.\* Engaging in horseplay or disorderly conduct on Company property
- 13.\* Sleeping on the job or gross inattention to duties.
14. Negligence or carelessness

15. Violation of Company safety rules.
- 16.\* Deliberate or grossly negligent conduct that endangers the safety of the employee, another person, or damage to property.
17. Gambling on Company property.
18. Use of telephones without authorization from your Manager; making long distance charges on work telephones.
19. Smoking on Company property except in designated areas.
20. Violation of the Company's no-solicitation/distribution policy.
21. Unsatisfactory job performance; including failure to meet required performance standards.
- 22.\* Use of excessively profane, abusive or inflammatory language toward a customer or another employee, or causing a disruption in the restaurant.
- 23.\* Harassment of another employee because of sex, race, religion, age, national origin, disability, or any other reason.
- 24.\* Tampering with, posting or removing notices from bulletin boards contrary to Company policy.
- 25.\* Excessive unexcused absenteeism or tardiness, regardless of reason.
- 26.\* Theft, misuse, destruction, damage, defacement or deliberate abuse of Company property, materials, supplies or equipment, or the property of a fellow employee.
- 27.\* Refusal to permit inspection of lunch boxes, large purses, coats, bags or boxes upon entry or departure from Company premises.
28. Excessive, or excessively loud, talking to other employees which management determines adversely affects work.
- 29.\* Disclosing to anyone the business trade secrets or techniques of the Company.
- 30.\* Removal or attempted removal of Company or co-worker property from the premises without written permission.
- 31.\* Falsification of employment application or misrepresentation of fact in obtaining employment.
- 32.\* Outrageous or indecent conduct on Company premises or while on duty; or elsewhere if the conduct cause negative publicity for the Company.
33. Failure to follow established procedures in the performance of assigned work.
- 34.\* Failure to report a suspected work-related injury or to cooperate in the investigation of same.
- 35.\* Illegal use, sale or possession of narcotics, drugs or controlled substances by employees, whether on or off duty or Company premises.
- 36.\* Consumption or possession of alcohol on Company property and during business operations, or working under the influence of alcohol.
- 37.\* Entering another location that is different from the employee's assigned store location, going behind the counter or in the office area while either on or off duty without the permission of the General Manager.
38. Refusal to submit a saliva, blood or urine sample in accordance with the Company's drug testing policy.
39. Excessive garnishments for more than one debt.
40. Inability or refusal to work cooperatively or harmoniously with supervision, co-workers or customers.
41. Photography (including cell phone cameras) or videotaping on company property without the express permission of management. Audio recording of a company employee at any time concerning a work related matter, without express consent of all parties being recorded, which consent will be stated at the very beginning of the recording by all parties to the recording.

This list cannot be and is not meant to be exhaustive. There may be other types of conduct that warrant disciplinary action and/or immediate termination.

## **WORK SCHEDULES AND PAY**

### **WORK SCHEDULES**

Store hours and employee work schedules vary by store. Work schedules are determined by management and must be flexible in order to ensure adequate store coverage at all times. Work schedules are normally posted by 5:00 p.m. on the Thursday prior to the start of the next workweek. Schedule revisions are announced at least 24 hours in advance whenever possible. All employees are expected to accommodate and comply with all scheduled revisions. Employees who desire to change shifts with another employee, must get written permission from the Store Manager prior to the change.

### **OVERTIME**

The Company may occasionally need to schedule an employee to work overtime in order to meet fluctuating work needs. Hourly employees are paid time and a half their regular hourly rate for all hours worked in excess of forty (40) in a workweek. The workweek is from Monday to Sunday. Only time actually worked is counted in computing overtime eligibility. Therefore, hours paid as holiday pay are not counted for purposes of paying overtime. Typically, time spent in staff meetings is paid at minimum wage.

When overtime is required, the Company will first attempt to solicit qualified employees to volunteer for overtime. If work needs cannot be met voluntarily, however, scheduled overtime will be assigned. All assigned overtime is mandatory, and failure to report for a scheduled overtime shift will result in disciplinary action.

Employees are not permitted or authorized to work overtime beyond the normal quitting times or prior to the normal starting times without prior authorization to do so from their Manager. Before an employee accepts a shift for another employee that results in overtime, the employee must inform his/her Manager if the shift change and get written authorization from the Manager for the change.

### **ON CALL SHIFTS**

Illness and unplanned fluctuations in business require that Managers schedule additional employees to be "On Call." Regular, as well as "On Call" shifts are posted. Employees "On Call," and who are not already working on the previous shift, must call their Manager one (1) hour before the "On Call" shift begins to find out whether to report to work.

### **WAGE RATES**

**SOUTHERN ROCK RESTAURANTS, LLC** is firmly committed to paying its employees fairly and equitably.

The Company will continue to monitor all wage rates to ensure that the Company is competitive with comparable companies in the local area; is meeting all State and Federal Laws; and properly recognizes different skill levels and qualifications. All wage and salary increases will be given on the basis of merit and are in the sole discretion of management.

### **PAYDAY AND PAY CHECKS**

Payday is every other Thursday, unless payday falls on a holiday in which case payday is the day following the holiday. All employees are required to be enrolled in direct deposit prior to receiving their first paycheck. There is not an option to receive a paper check. Direct deposit enrollment is considered part of new hire paperwork. The authorization form must be filled out and signed, with a voided check attached to verify account numbers.

Any employee that does not submit direct deposit authorization in time for their first payroll must do so in order to obtain the paper check that was issued.

In the event that a direct deposit is returned to SRR bank account the employee's pay will be re-issued, less the \$25.00 Return Item fee charged by the bank to **SOUTHERN ROCK RESTUARANTS**. The new payment will either be deposited to a new account designated by the employee or sent by certified mail (with tracking number) to the location the employee works at. NO checks will be overnighted, and no cash will be paid from the store.

Employees are paid for all work performed for the Company, less Social Security, required Federal and State taxes, and other authorized deductions.

Your Manager will answer any questions you may have about your pay. If you feel an error has been made, bring it to the attention of your Manager for investigation and correction as necessary. As a general rule, paycheck corrections will be made in the next paycheck.

Persons other than the employee may not pick up paychecks unless both of the following actions are taken:

1. The employee personally tells (in person or by telephone) his Supervisor, and
2. The person who picks up the check has a written authorization to do so signed by the employee.

Advances of wages are discouraged. It is not permitted for any member of management to make a personal loan to an employee.

Final paychecks to terminated employees or employees who resign voluntarily will be mailed within 21 days of their last day of employment including any deductions as authorized by the employee and meet state and federal guidelines.

## **TIME KEEPING RECORDS**

All time worked by hourly employees, whether scheduled, unscheduled, overtime, authorized or unauthorized, must be recorded accurately and promptly in accordance with the Company's time keeping procedures. Your Manager will show you the procedure for recording time worked. Anytime you are working, you must be "clocked in." When not working, you must be "clocked out." *Under no circumstances* may an employee allow another employee or person to clock in or out for them. All time not worked, but paid for, will be noted on the time card by the Manager. If for any reason, a time card must be altered, the Manager must do it.

Failure to accurately and promptly record time worked is a violation of **SOUTHERN ROCK RESTAURANTS, LLC** policy and could subject the employee to disciplinary action up to and including termination of employment. Any employee found falsifying his/her time or encouraging such activity will also be subject to disciplinary action up to and including termination of employment.

In addition to insuring all time-records are accurate please insure you follow these seven steps:

**DON'T HOLD EMPLOYEE OFF THE CLOCK:** An Employee cannot be held off the clock from their scheduled time. If an Employee is scheduled at 11:00 AM and we are not busy they **CANNOT** be asked to wait till the rush comes. Please deploy them on other chores such as daily or weekly cleaning duties, prep etc.

**MINIMUM HOURS SCHEDULED:** An employee should generally work at least 2 hours per shift. They may volunteer to leave sooner, but may not be cut prior to two hours.

**DEDUCTIONS FOR UNIFORMS:** Deductions may be made for uniforms as long as the deduction when subtracted from total pay for the week does not cause the Employee to drop below minimum wage.

**ASSIGNING CASH DRAWERS:** We should not use an Employee code to clock in and out to assign cash drawers, this creates too many punch adjusts. Going forward each store is required to use Dummy Cashiers to clock in and assign drawers. Each Dummy will always be assigned to their corresponding numbered drawer.

**ESTIMATING TIME OUT:** Another area of many punch adjusts are estimating the time out for the Employee at close. It is best if we wait till the employee is finished to clock out and leave however we also must not leave the manager in the building alone. Estimate the Time Out of the last employee or two. Finish your DSR and print the Time Clock Irregularity Register Report and have the Employee sign next to the adjustment endorsing the hours, if they need more time simply make an adjustment and re run KMS again, reprint the Time Clock Irregularity Register Report and have them sign it again. Punch and put the report in the book as explained in item #6 of this memo.

**EXPLAIN IRREGULAR PUNCHES:** We must keep a detailed log of any punch adjusts for the Department of Labor for another audit. At close the manager as part of closing paperwork will print the Time Clock Irregularity Register Report, three-hole punch it and put in the provided log book under the appropriate tab. EVERY adjustment requires a reason to be written in by the Manager; therefore if adjustments are made during the day shift they must communicate at shift change to the closing manager so they are prepared. If the closer that has estimate time out does not show on the IRR, then print the name of the closer on the IRR. Add the time out estimate that was entered into H.S.I as the clock out time. Have the employee sign next to the clock out time. This will show that the employee agrees with the estimation.

**MAINTAIN GOOD RECORDS:** A 3 inch Three Ring Binder will be provided With 12 Tabs for each period use Tab 12 for Periods 12 and 13. Every Monday, the 7 pages that were printed and signed will be scanned and email to the Supervisor by 9am.

## **TIPS**

**SOUTHERN ROCK RESTAURANTS, LLC** understands that a guest's positive dining experience depends on each member of the team. From the cashier to the restaurant manager, each crew member plays a vital role in ensuring guest satisfaction in our food, our service, and our dining areas. For that reason, SRR does not encourage patrons to tip our crew members. This policy promotes team work among our employees, and it enhances our guests' dining experience. We offer great food and great service at moderate prices. Toward that end, we do not use tip jars on our counters, and we do not have tip lines on our credit card receipts. Our guests should expect excellence without the need to pay an additional fee for a higher level of service.

On occasion, a guest may tip an individual crew member. If a guest leaves a tip at the table, the tip belongs to the server who cleared the table. Likewise, if a guest gives a tip directly to a crew member, it is the crew member's to keep. However, in any situation where a crew member is tipped, he/she must report the tip as they clock out each shift.

Any tips that are received must be reported at the end of a shift to ensure that it is properly reported following IRS regulations. No manager or supervisor may collect or receive a tip or participate in any tipping pool. Tips include cash left by guests, tips that guests add to debit or credit card charges for catering, and tips received from other crew members. We will not process tips on debit or credit cards at the register. This mandatory requirement enables SRR to withhold necessary taxes from a crew member's income and report the correct amount of a crew member's earnings to the IRS and Social Security Administration. To assist crew members with tracking and reporting tips properly, HSI will prompt all crew members to declare tips at the end of each shift prior to clocking out.

## **MEALS AND BREAKS**

**SOUTHERN ROCK RESTAURANTS, LLC** provides rest breaks and lunch breaks as required by State and

Federal Laws. These laws are posted prominently in each store. Typically, an employee working a full shift will be allowed at least one (1) rest break and one (1) lunch/dinner break. Your Manager can offer additional breaks if there is a special need. All rest and lunch breaks of at least 30 minutes duration must be taken *off* the clock. Employees who work six (6) consecutive hours will be required to take a 30-minute unpaid break at a time other than the first or last hour of the scheduled shift.

## **EMPLOYEE PRIVILEGES AND BENEFITS**

### **SRR Salaried Manager Vacation Pay Policy**

Vacations are an important part of an employee's personal life. Our vacations are allocated and taken on a yearly basis, with each employee's date of hire constituting the beginning of the vacation year. Full-time salaried employees who are employed or promoted prior to the first day of Quarter 1 or the first day of Quarter 3 may have one week (5 days) paid vacation in each of the following two halves of the year for a total of two weeks or 10 days per year thereafter. Additional time off may be requested, but any additional time granted will not be paid time off.

Vacation time must be scheduled with your Manager's approval and must be requested in writing with as much advance notice as possible. Management will attempt to accommodate an employee's desired vacation request; however, **SOUTHERN ROCK RESTAURANTS, LLC** cannot guarantee that all employees' vacation requests will be honored. In addition, due to staffing issues, **SOUTHERN ROCK RESTAURANTS, LLC** discourages employees from taking ten (10) Vacation days in a row and encourages employees to take at least five (5) vacation days prior to June 30 of each year.

Vacation days earned by full-time salaried employees must be used in order to receive payment for it. Unused time will not be paid out at the end of the year. Vacation time is earned throughout the year at a fractional rate of the hours worked. The time builds up in your "vacation bank," however you do not have to build up or accrue all of your time to be able to use it. Employees will be paid for unused vacation days earned during the current year upon termination of employment. Employees will be charged for vacation days used but not yet earned upon termination.

If a crew member is promoted into salaried management the promotion date will be considered as the hire date and will determine the vacation eligibility as stated in the **SOUTHERN ROCK RESTAURANTS, LLC** Salaried Manager Vacation Pay policy. If a crew member promotes they will receive the pro-rata share of Hourly Crew Vacation Pay for the weeks worked as an eligible crew member on the original pay schedule as outlined in the Hourly Crew Vacation Pay Policy.

### **SRR Hourly Crew Member Vacation Pay Policy**

Any crew member that accumulates 1800 hours (35 hours per week) in four full quarters after anniversary of hire date will be entitled to a Vacation Pay check. Gross Vacation Pay will be equal to their average hours per week at their current hourly rate per hour less any required federal or state deductions.

The 1800 hour threshold will be calculated from the beginning of the first quarter after date of hire to the end of the fourth full quarter employed to represent one full year, to be referred to as the Annual Vacation Period. Once the Annual Vacation Period is set, the same parameters will be used each successive year to check for eligibility. Calculations will be done by the home office at the end of each quarter to screen for eligible employees based on anniversary date. A separate check will be processed for each employee and sent the Area Supervisors for distribution to recipients.

This process will keep administration simple and will not require employees to ask or remind if they are eligible. Checks will be distributed in the first period of each quarter to all eligible employees. They are not required to take vacation at this time; they may manage their time as their restaurant and personal schedules best allow.

Example:

New Hire in Q1 2012 must accumulate 1800 hours between Q2 2012 and Q1 2013. If this is accomplished, vacation pay check will be received in Period 1 of Q2 2013.

## **HOLIDAYS**

**SOUTHERN ROCK RESTAURANTS**, LLC will close its stores for business on specific holidays to be announced by the Store Manager. No employee will be required to work on these holidays. **SOUTHERN ROCK RESTAURANTS**, LLC does not pay for time that the employee does not work on a holiday. **SOUTHERN ROCK RESTAURANTS**, LLC does not pay time and a half for time worked on a holiday unless the employee works over forty hours in that workweek.

## **EMPLOYEE DISCOUNT**

The opportunity to purchase food at a considerable discount is an important privilege. You are entitled to a 30% discount on any items on the menu, except between the hours of 11 a.m. to 2 p.m. and 6:00 p.m. to 8:00 p.m. This discount is for the employee's personal use only and does not apply to food purchases for your spouse, children, friends or relatives. Any abuse of this discount privilege will result in disciplinary action, up to and including termination of employment. Your discount may be used only in the store where you work. The General Manager of your store has the authority to temporarily suspend the discount at any time.

## **BENEFIT PLANS**

The Company maintains for the benefit of its regular, full-time Managers Group Hospitalization Insurance, Group Life Insurance, Comprehensive Medical Insurance, and a 401-K Savings Plan. For full information concerning the details of the plans, please contact your Area Director.

## **WORKERS' COMPENSATION INSURANCE**

The Company pays 100% of the premiums on insurance as provided by the State Workers' Compensation Act. This law was designed to provide employees with benefits for any injuries that they receive arising out of their work with our Company.

If an employee is injured while at work, it must be reported at once to the Manager, no matter how slight it may seem. The Manager will then see that the employee has the proper medical services. It is for the employee's benefit, and also the Company's benefit, that all injuries be reported. Minor injuries that do not result in the employee seeking a doctor's care will be documented in the Manager's journal. If the injury results in the employee seeking a doctor's care, either in the emergency room, hospital, or doctor's office, a First Report of Injury form must be filled out. It will be presumed that if an employee tests positive for drugs or alcohol following a work-related injury and the injury was caused by the drugs or alcohol, the employee may be disqualified from receiving workers' compensation benefits and discharged from his/her

job.

## **LEAVES OF ABSENCE** **FAMILY OR MEDICAL LEAVE**

The U.S. Department of Labor's Employment Standards Administration, Wage and Hour Division, administers and enforces the Family and Medical Leave Act (FMLA) for all private, state and local government employees, and some federal employees. Most Federal and certain congressional employees are also covered by the law and are subject to the jurisdiction of the U.S. Office of Personnel Management or the Congress.

FMLA became effective on August 5, 1993, for most employers. If a collective bargaining agreement (CBA) was in effect on that date, FMLA became effective on the expiration date of the CBA or February 5, 1994, whichever was earlier. FMLA entitles eligible employees to take up to 12 weeks of unpaid, job-protected leave in a 12-month period for specified family and medical reasons. The employer may elect to use the calendar year, a fixed 12-month leave or fiscal year, or a 12-month period prior to or after the commencement of leave as the 12-month period.

The law contains provisions on employer coverage; employee eligibility for the law's benefits; entitlement to leave, maintenance of health benefits during leave, and job restoration after leave; notice and certification of the need for FMLA leave; and, protection for employees who request or take FMLA leave. The law also requires employers to keep certain records.

### **The Family and Medical Leave Act of 1993, as amended**

Public Law 103-3 Enacted February 5, 1993As Amended by Section 585 of the National Defense  
Authorization Act for FY 2008, Public Law [110-181] (amended text in *bold italics*) Enacted January 28,  
2008

#### **An Act**

To grant family and temporary medical leave under certain circumstances. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

#### **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.--This Act may be cited as the "Family and Medical Leave Act of 1993".

(b) TABLE OF CONTENTS.--The table of contents is as follows: Sec. 1. Short title; table of contents. Sec. 2. Findings and purposes.

#### **TITLE I--GENERAL REQUIREMENTS FOR LEAVE**

Sec. 101. Definitions. Sec. 102. Leave requirement. Sec. 103. Certification. Sec. 104. Employment and benefits protection. Sec. 105. Prohibited acts. Sec. 106. Investigative authority. Sec. 107. Enforcement. Sec. 108. Special rules concerning employees of local educational agencies. Sec. 109. Notice.

#### **TITLE II--LEAVE FOR CIVIL SERVICE EMPLOYEES**

Sec. 201. Leave requirement.

#### **TITLE III--COMMISSION ON LEAVE**

Sec. 301. Establishment. Sec. 302. Duties. Sec. 303. Membership. Sec. 304. Compensation. Sec. 305. Powers. Sec. 306. Termination.

#### **TITLE IV--MISCELLANEOUS PROVISIONS**

Sec. 401. Effect on other laws. Sec. 402. Effect on existing employment benefits. Sec. 403. Encouragement of more generous leave policies. Sec. 404. Regulations.

Sec 405. Effective dates.

#### **TITLE V--COVERAGE OF CONGRESSIONAL EMPLOYEES**

Sec. 501. Leave for certain Senate employees. Sec. 502. Leave for certain House employees.

## TITLE VI--SENSE OF CONGRESS

Sec. 601. Sense of Congress.

### SEC. 2. FINDINGS AND PURPOSES.

- (a) FINDINGS.--Congress finds that--
- (1) the number of single-parent households and two-parent households in which the single parent or both parents work is increasing significantly;
  - (2) it is important for the development of children and the family unit that fathers and mothers be able to participate in early childrearing and the care of family members who have serious health conditions;
  - (3) the lack of employment policies to accommodate working parents can force individuals to choose between job security and parenting;
  - (4) there is inadequate job security for employees who have serious health conditions that prevent them from working for temporary periods;
  - (5) due to the nature of the roles of men and women in our society, the primary responsibility for family caretaking often falls on women, and such responsibility affects the working lives of women more than it affects the working lives of men; and
  - (6) employment standards that apply to one gender only have serious potential for encouraging employers to discriminate against employees and applicants for employment who are of that gender.
- (b) PURPOSES.--It is the purpose of this Act--
- (1) to balance the demands of the workplace with the needs of families, to promote the stability and economic security of families, and to promote national interests in preserving family integrity;
  - (2) to entitle employees to take reasonable leave for medical reasons, for the birth or adoption of a child, and for the care of a child, spouse, or parent who has a serious health condition;
  - (3) to accomplish the purposes described in paragraphs (1) and (2) in a manner that accommodates the legitimate interests of employers;
  - (4) to accomplish the purposes described in paragraphs (1) and (2) in a manner that, consistent with the Equal Protection Clause of the Fourteenth Amendment, minimizes the potential for employment discrimination on the basis of sex by ensuring generally that leave is available for eligible medical reasons (including maternity-related disability) and for compelling family reasons, on a gender-neutral basis; and
  - (5) to promote the goal of equal employment opportunity for women and men, pursuant to such clause.

### TITLE I--GENERAL REQUIREMENTS FOR LEAVE

#### SEC. 101. DEFINITIONS.

- (1) COMMERCE.--The terms "commerce" and "industry or activity affecting commerce" mean any activity, business, or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce, and include "commerce" and any "industry affecting commerce", as defined in paragraphs (1) and (3) of section 501 of the Labor Management Relations Act, 1947 (29 U.S.C. 142 (1) and (3)).
- (2) ELIGIBLE EMPLOYEE.--
  - (A) IN GENERAL.--The term "eligible employee" means an employee who has been employed
    - ◆ (i) for at least 12 months by the employer with respect to whom leave is requested under section 102; and
    - ◆ (ii) for at least 1,250 hours of service with such employer during the previous 12-month period.
  - (B) EXCLUSIONS.--The term "eligible employee" does not include
    - ◆ (i) any Federal officer or employee covered under subchapter V of chapter 63 of title 5, United States Code (as added by title II of this Act); or
    - ◆ (ii) any employee of an employer who is employed at a worksite at which such employer employs less than 50 employees if the total number of employees employed by that employer within 75 miles of that worksite is less than 50.
  - (C) DETERMINATION.--For purposes of determining whether an employee meets the hours of service requirement specified in subparagraph
    - ◆ (A)(ii), the legal standards established under section 7 of the Fair Labor Standards Act of 1938 (29 U.S.C. 207) shall apply.
- (3) EMPLOY; EMPLOYEE; STATE.--The terms "employ", "employee", and "State" have the same meanings given such terms in subsections (c), (e), and (g) of section 3 of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(c), (e), and (g)).
- (4) EMPLOYER.--
  - (A) IN GENERAL.--The term "employer"
    - ◆ (i) means any person engaged in commerce or in any industry or activity affecting commerce who employs 50 or more employees for each working day during each of 20 or more calendar workweeks in the current or preceding calendar year;
    - ◆ (ii) includes--

- ii. (I) any person who acts, directly or indirectly, in the interest of an employer to any of the employees of such employer; and
- ii. (II) any successor in interest of an employer; and
- iii. (iii) includes any "public agency", as defined in section 3(x) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(x)).

(B) PUBLIC AGENCY.--For purposes of subparagraph (A)(iii), a public agency shall be considered to be a person engaged in commerce or in an industry or activity affecting commerce.

(5) EMPLOYMENT BENEFITS.-- The term "employment benefits" means all benefits provided or made available to employees by an employer, including group life insurance, health insurance, disability insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether such benefits are provided by a practice or written policy of an employer or through an "employee benefit plan", as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(3)).

(6) HEALTH CARE PROVIDER.--The term "health care provider" means--

- (A) a doctor of medicine or osteopathy who is authorized to practice medicine or surgery (as appropriate) by the State in which the doctor practices; or
- (B) any other person determined by the Secretary to be capable of providing health care services.

(7) PARENT.--The term "parent" means the biological parent of an employee or an individual who stood in loco parentis to an employee when the employee was a son or daughter.

(8) PERSON.--The term "person" has the same meaning given such term in section 3(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(a)).

(9) REDUCED LEAVE SCHEDULE.--The term "reduced leave schedule" means a leave schedule that reduces the usual number of hours per workweek, or hours per workday, of an employee.

(10) SECRETARY.--The term "Secretary" means the Secretary of Labor.

(11) SERIOUS HEALTH CONDITION. The term "serious health condition" means an illness, injury, impairment, or physical or mental condition that involves

- (A) Inpatient care in a hospital, hospice, or residential medical care facility; or
- (B) Continuing treatment by a health care provider.

(12) SON OR DAUGHTER.--The term "son or daughter" means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in loco parentis, who is--

- (A) Under 18 years of age; or
- (B) 18 years of age or older and incapable of self-care because of a mental or physical disability.

(13) SPOUSE.--The term "spouse" means a husband or wife, as the case may be.

(14) **ACTIVE DUTY**.—*The term "active duty" means duty under a call or order to active duty under a provision of law referred to in section 101(a)(13)(B) of title 10, United States Code.*

(15) **CONTINGENCY OPERATION**.—*The term "contingency operation" has the same meaning given such term in section 101(a)(13) of title 10, United States Code.*

(16) **COVERED SERVICEMEMBER**.—*The term "covered service member" means a member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness.*

(17) **OUTPATIENT STATUS**.—*The term "outpatient status", with respect to a covered service member, means the status of a member of the Armed Forces assigned to—*

- (A) a military medical treatment facility as an outpatient; or
- (B) a unit established for the purpose of providing command and control of members of the Armed Forces receiving medical care as outpatients.

(18) **NEXT OF KIN**.—*The term "next of kin", used with respect to an individual, means the nearest blood relative of that individual.*

(19) **SERIOUS INJURY OR ILLNESS**.—*The term "serious injury or illness", in the case of a member of the Armed Forces, including a member of the National Guard or Reserves, means an injury or illness incurred by the member in line of duty on active duty in the Armed Forces that may render the member medically unfit to perform the duties of the member's office, grade, rank, or rating.*

## SEC. 102. LEAVE REQUIREMENT.

(a) IN GENERAL.-

(1) ENTITLEMENT TO LEAVE.--Subject to section 103, an eligible employee shall be entitled to a total of 12 workweeks of leave during any 12-month period for one or more of the following:

- ii. (A) Because of the birth of a son or daughter of the employee and in order to care for such son or daughter.
- ii. (B) Because of the placement of a son or daughter with the employee for adoption or foster care.
- ii. (C) In order to care for the spouse, or a son, daughter, or parent, of the employee, if such spouse, son, daughter, or parent has a serious health

condition.

- ii. (D) Because of a serious health condition that makes the employee unable to perform the functions of the position of such employee.
  - ii. (E) *Because of any qualifying exigency (as the Secretary shall, by regulation, determine) arising out of the fact that the spouse, or a son, daughter, or parent of the employee is on active duty (or has been notified of an impending call or order to active duty) in the Armed Forces in support of a contingency operation.*
- (2) EXPIRATION OF ENTITLEMENT.--The entitlement to leave under subparagraphs (A) and (B) of paragraph (1) for a birth or placement of a son or daughter shall expire at the end of the 12-month period beginning on the date of such birth or placement.
- (3) **SERVICEMEMBER FAMILY LEAVE.**—*Subject to section 103, an eligible employee who is the spouse, son, daughter, parent, or next of kin of a covered service member shall be entitled to a total of 26 workweeks of leave during a 12month period to care for the service member. The leave described in this paragraph shall only be available during a single 12month period.*
- (4) **COMBINED LEAVE TOTAL.**—*During the single 12-month period described in paragraph (3), an eligible employee shall be entitled to a combined total of 26 workweeks of leave under paragraphs (1) and (3). Nothing in this paragraph shall be construed to limit the availability of leave under paragraph (1) during any other 12-month period.*
- (b) LEAVE TAKEN INTERMITTENTLY OR ON A REDUCED LEAVE SCHEDULE.
- (1) **IN GENERAL.**--Leave under subparagraph (A) or (B) of subsection (a)(1) shall not be taken by an employee intermittently or on a reduced leave schedule unless the employee and the employer of the employee agree otherwise. Subject to paragraph (2), subsection (e)(2), and **subsection (b)(5) or (f) (as appropriate) of section 103**, leave under subparagraph (C) or (D) of subsection (a)(1) **or under subsection (a)(3)** may be taken intermittently or on a reduced leave schedule when medically necessary. **Subject to subsection (e)(3) and section 103(f), leave under subsection (a)(1)(E) may be taken intermittently or on a reduced leave schedule.** The taking of leave intermittently or on a reduced leave schedule pursuant to this paragraph shall not result in a reduction in the total amount of leave to which the employee is entitled under subsection (a) beyond the amount of leave actually taken.
- (2) ALTERNATIVE POSITION.-- If an employee requests intermittent leave, or leave on a reduced leave schedule, under subparagraph (C) or (D) of subsection (a)(1) **or under subsection (a)(3)**, that is foreseeable based on planned medical treatment, the employer may require such employee to transfer temporarily to an available alternative position offered by the employer for which the employee is qualified and that--
- ii. (A) has equivalent pay and benefits; and
  - ii. (B) Better accommodates recurring periods of leave than the regular employment position of the employee.
- (c) UNPAID LEAVE PERMITTED. -- Except as provided in subsection (d), leave granted under subsection (a) may consist of unpaid leave. Where an employee is otherwise exempt under regulations issued by the Secretary pursuant to section 13(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)(1)), the compliance of an employer with this title by providing unpaid leave shall not affect the exempt status of the employee under such section.
- (d) RELATIONSHIP TO PAID LEAVE.--
- (1) **UNPAID LEAVE.**--If an employer provides paid leave for fewer than 12 workweeks (**or 26 workweeks in the case of leave provided under subsection (a)(3)**), the additional weeks of leave necessary to attain the 12 workweeks (**or 26 workweeks, as appropriate**) of leave required under this title may be provided without compensation.
- (2) **SUBSTITUTION OF PAID LEAVE.**--
- ii. (A) **IN GENERAL.**--An eligible employee may elect, or an employer may require the employee, to substitute any of the accrued paid vacation leave, personal leave, or family leave of the employee for leave provided under subparagraph (A), (B), (C), **or (E)** of subsection (a)(1) for any part of the 12-week period of such leave under such subsection.
  - ii. (B) **SERIOUS HEALTH CONDITION.**--An eligible employee may elect, or an employer may require the employee, to substitute any of the accrued paid vacation leave, personal leave, or medical or sick leave of the employee for leave provided under subparagraph (C) or (D) of subsection (a)(1) for any part of the 12-week period of such leave under such subsection, except that nothing in this title shall require an employer to provide paid sick leave or paid medical leave in any situation in which such employer would not normally provide any such paid leave. **An eligible employee may elect, or an employer may require the employee, to substitute any of the accrued paid vacation leave, personal leave, family leave, or medical or sick leave of the employee for leave provided under subsection (a)(3) for any part of the 26-week period of such leave under such subsection, except that nothing in this title requires an employer to provide paid sick leave or paid medical leave in any situation in which the employer would not normally provide any such paid leave.**
- (e) FORESEEABLE LEAVE.--

(1) REQUIREMENT OF NOTICE.--In any case in which the necessity for leave under subparagraph (A) or (B) of subsection (a)(1) is foreseeable based on an expected birth or placement, the employee shall provide the employer with not less than 30 days' notice, before the date the leave is to begin, of the employee's intention to take leave under such subparagraph, except that if the date of the birth or placement requires leave to begin in less than 30 days, the employee shall provide such notice as is practicable.

(2) DUTIES OF EMPLOYEE.--In any case in which the necessity for leave under subparagraph (C) or (D) of subsection (a)(1) *or under subsection (a)(3)* is foreseeable based on planned medical treatment, the employee--

- ii. (A) shall make a reasonable effort to schedule the treatment so as not to disrupt unduly the operations of the employer, subject to the approval of the health care provider of the employee or the health care provider of the son, daughter, spouse, or parent of the employee, as appropriate; and
- ii. (B) shall provide the employer with not less than 30 days' notice, before the date the leave is to begin, of the employee's intention to take leave under such subparagraph, except that if the date of the treatment requires leave to begin in less than 30 days, the employee shall provide such notice as is practicable.

(3) NOTICE FOR LEAVE DUE TO ACTIVE DUTY OF FAMILY MEMBER.—*In any case in which the necessity for leave under subsection (a)(1)(E) is foreseeable, whether because the spouse, or a son, daughter, or parent, of the employee is on active duty, or because of notification of an impending call or order to active duty in support of a contingency operation, the employee shall provide such notice to the employer as is reasonable and practicable.*

(f) SPOUSES EMPLOYED BY THE SAME EMPLOYER.—

(1) *IN GENERAL.*—In any case in which a husband and wife entitled to leave under subsection (a) are employed by the same employer, the aggregate number of workweeks of leave to which both may be entitled may be limited to 12 workweeks during any 12-month period, if such leave is taken—

- ◆ (A) under subparagraph (A) or (B) of subsection (a)(1); or
- ◆ (B) to care for a sick parent under subparagraph (C) of such subsection.

(2) *SERVICEMEMBER FAMILY LEAVE.*—

◆ (A) *IN GENERAL.*—*The aggregate number of workweeks of leave to which both that husband and wife may be entitled under subsection (a) may be limited to 26 workweeks during the single 12-month period described in subsection (a)(3) if the leave is—*

- ii. (i) *leave under subsection (a)(3); or*
- ii. (ii) *a combination of leave under subsection (a)(3) and leave described in paragraph (1).*
- ii. ◆ (B) *BOTH LIMITATIONS APPLICABLE.*—*If the leave taken by the husband and wife includes leave described in paragraph (1), the limitation in paragraph (1) shall apply to the leave described in paragraph (1).*

## SEC. 103. CERTIFICATION.

(a) *IN GENERAL.*--An employer may require that a request for leave under subparagraph (C) or (D) of *paragraph (1) or paragraph (3) of section 102(a)* be supported by a certification issued by the health care provider of the eligible employee or of the son, daughter, spouse, or parent of the employee, *or of the next of kin of an individual in the case of leave taken under such paragraph (3)*, as appropriate. The employer shall provide, in a timely manner, a copy of such certification to the employer.

(b) SUFFICIENT CERTIFICATION.--Certification provided under subsection (a) shall be sufficient if it states

- (1) the date on which the serious health condition commenced;
- (2) the probable duration of the condition;
- (3) the appropriate medical facts within the knowledge of the health care provider regarding the condition;

(4)(A) for purposes of leave under section 102(a)(1)(C), a statement that the eligible employee is needed to care for the son, daughter, spouse, or parent and an estimate of the amount of time that such employee is needed to care for the son, daughter, spouse, or parent; and

- (B) for purposes of leave under section 102(a)(1)(D), a statement that the employee is unable to perform the functions of the position of the employee;
- (5) in the case of certification for intermittent leave, or leave on a reduced leave schedule, for planned medical treatment, the dates on which such treatment is expected to be given and the duration of such treatment;
- (6) in the case of certification for intermittent leave, or leave on a reduced leave schedule, under section 102(a)(1)(D), a statement of the medical necessity for the intermittent leave or leave on a reduced leave schedule, and the expected duration of the intermittent leave or reduced leave schedule; and
- (7) in the case of certification for intermittent leave, or leave on a reduced leave schedule, under section 102(a)(1)(C), a statement that the employee's intermittent leave or leave on a reduced leave schedule is necessary for the care of the son, daughter, parent, or spouse who has a serious health

condition, or will assist in their recovery, and the expected duration and schedule of the intermittent leave or reduced leave schedule.

(c) SECOND OPINION.--

(1) IN GENERAL.--In any case in which the employer has reason to doubt the validity of the certification provided under subsection (a) for leave under subparagraph (C) or (D) of section 102(a)(1), the employer may require, at the expense of the employer, that the eligible employee obtain the opinion of a second health care provider designated or approved by the employer concerning any information certified under subsection (b) for such leave.

(2) LIMITATION.--A health care provider designated or approved under paragraph (1) shall not be employed on a regular basis by the employer.

(d) RESOLUTION OF CONFLICTING OPINIONS.--

(1) IN GENERAL.--In any case in which the second opinion described in subsection (c) differs from the opinion in the original certification provided under subsection (a), the employer may require, at the expense of the employer, that the employee obtain the opinion of a third health care provider designated or approved jointly by the employer and the employee concerning the information certified under subsection (b).

(2) FINALITY.--The opinion of the third health care provider concerning the information certified under subsection (b) shall be considered to be final and shall be binding on the employer and the employee.

(e) SUBSEQUENT RECERTIFICATION.--The employer may require that the eligible employee obtain subsequent recertification's on a reasonable basis.

(f) CERTIFICATION RELATED TO ACTIVE DUTY OR CALL TO ACTIVE DUTY.--*An employer may require that a request for leave under section 102(a)(1)(E) be supported by a certification issued at such time and in such manner as the Secretary may by*

*Regulation prescribe. If the Secretary issues a regulation requiring such certification, the employee shall provide, in a timely manner, a copy of such certification to the employer.*

## SEC. 104. EMPLOYMENT AND BENEFITS PROTECTION.

(a) RESTORATION TO POSITION.--

(1) IN GENERAL.--Except as provided in subsection (b), any eligible employee who takes leave under section 102 for the intended purpose of the leave shall be entitled, on return from such leave--

- ⊖ (A) to be restored by the employer to the position of employment held by the employee when the leave commenced; or
- ⊖ (B) to be restored to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment.

(2) LOSS OF BENEFITS.--The taking of leave under section 102 shall not result in the loss of any employment benefit accrued prior to the date on which the leave commenced.

(3) LIMITATIONS.--Nothing in this section shall be construed to entitle any restored employee to--

- ⊖ (A) the accrual of any seniority or employment benefits during any period of leave; or
- ⊖ (B) any right, benefit, or position of employment other than any right, benefit, or position to which the employee would have been entitled had the employee not taken the leave.

(4) CERTIFICATION.--As a condition of restoration under paragraph (1) for an employee who has taken leave under section 102(a)(1)(D), the employer may have a uniformly applied practice or policy that requires each such employee to receive certification from the health care provider of the employee that the employee is able to resume work, except that nothing in this paragraph shall supersede a valid State or local law or a collective bargaining agreement that governs the return to work of such employees.

(5) CONSTRUCTION.--Nothing in this subsection shall be construed to prohibit an employer from requiring an employee on leave under section 102 to report periodically to the employer on the status and intention of the employee to return to work.

(b) EXEMPTION CONCERNING CERTAIN HIGHLY COMPENSATED EMPLOYEES.--

(1) DENIAL OF RESTORATION.--An employer may deny restoration under subsection (a) to any eligible employee described in paragraph (2) if--

- ⊖ (A) such denial is necessary to prevent substantial and grievous economic injury to the operations of the employer;
- ⊖ (B) the employer notifies the employee of the intent of the employer to deny restoration on such basis at the time the employer determines that such injury would occur; and
- ⊖ (C) in any case in which the leave has commenced, the employee elects not to return to employment after receiving such notice.

(2) AFFECTED EMPLOYEES.--An eligible employee described in paragraph (1) is a salaried eligible employee who is among the highest paid 10 percent of the employees employed by the employer within 75 miles of the facility at which the employee is employed.

(c) MAINTENANCE OF HEALTH BENEFITS.--

(1) COVERAGE.--Except as provided in paragraph (2), during any period that an eligible employee takes leave under section 102, the employer shall maintain coverage under any "group health plan" (as defined in section 5000(b)(1) of the Internal Revenue Code of 1986) for the duration of such

leave at the level and under the conditions coverage would have been provided if the employee had continued in employment continuously for the duration of such leave.

(2) FAILURE TO RETURN FROM LEAVE.--The employer may recover the premium that the employer paid for maintaining coverage for the employee under such group health plan during any period of unpaid leave under section 102 if--

◆ (A) the employee fails to return from leave under section 102 after the period of leave to which the employee is entitled has expired; and

◆ (B) the employee fails to return to work for a reason other than--

ii. (i) the continuation, recurrence, or onset of a serious health condition that entitles the employee to leave under subparagraph (C) or (D) of section 102(a)(1) **or under section 102(a)(3)**; or

ii. (ii) other circumstances beyond the control of the employee.

ii. (3) CERTIFICATION.--

ii. ◆ (A) ISSUANCE.--An employer may require that a claim that an employee is unable to return to work because of the continuation, recurrence, or onset of the serious health condition described in paragraph (2)(B)(i) be supported by--

ii. (i) a certification issued by the health care provider of the son, daughter, spouse, or parent of the employee, as appropriate, in the case of an employee unable to return to work because of a condition specified in section 102(a)(1)(C);

ii. (ii) a certification issued by the health care provider of the eligible employee, in the case of an employee unable to return to work because of a condition specified in section 102(a)(1)(D); **or**

ii. (iii) **a certification issued by the health care provider of the service member being cared for by the employee, in the case of an employee unable to return to work because of a condition specified in section 102(a)(3).**

ii. ◆ (B) COPY.--The employee shall provide, in a timely manner, a copy of such certification to the employer.

ii. ◆ (C) SUFFICIENCY OF CERTIFICATION.--

ii. (i) LEAVE DUE TO SERIOUS HEALTH CONDITION OF EMPLOYEE.--The certification described in subparagraph (A)(ii) shall be sufficient if the certification states that a serious health condition prevented the employee from being able to perform the functions of the position of the employee on the date that the leave of the employee expired.

ii. (ii) LEAVE DUE TO SERIOUS HEALTH CONDITION OF FAMILY MEMBER.--The certification described in subparagraph (A)(i) shall be sufficient if the certification states that the employee is needed to care for the son, daughter, spouse, or parent who has a serious health condition on the date that the leave of the employee expired.

## **SEC. 105. PROHIBITED ACTS.**

(a) INTERFERENCE WITH RIGHTS.--

(1) EXERCISE OF RIGHTS.--It shall be unlawful for any employer to interfere with, restrain, or deny the exercise of or the attempt to exercise, any right provided under this title.

(2) DISCRIMINATION.--It shall be unlawful for any employer to discharge or in any other manner discriminate against any individual for opposing any practice made unlawful by this title.

(b) INTERFERENCE WITH PROCEEDINGS OR INQUIRIES.--It shall be unlawful for any person to discharge or in any other manner discriminate against any individual because such individual--

(1) has filed any charge, or has instituted or caused to be instituted any proceeding, under or related to this title;

(2) has given, or is about to give, any information in connection with any inquiry or proceeding relating to any right provided under this title; or

(3) Has testified, or is about to testify, in any inquiry or proceeding relating to any right provided under this title.

## **SEC. 106. INVESTIGATIVE AUTHORITY.**

(a) IN GENERAL.--To ensure compliance with the provisions of this title, or any regulation or order issued under this title, the Secretary shall have, subject to subsection (c), the investigative authority provided under section 11(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 211(a)).

(b) **OBLIGATION TO KEEP AND PRESERVE RECORDS.**--Any employer shall make, keep, and preserve records pertaining to compliance with this title in accordance with section 11(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 211(c)) and in accordance with regulations issued by the Secretary.

(c) REQUIRED SUBMISSIONS GENERALLY LIMITED TO AN ANNUAL BASIS.--The Secretary shall not under the authority of this section require any employer or any plan, fund, or program to submit to the Secretary any books or records more than once during any 12month period, unless the Secretary has reasonable cause to believe there may exist a violation of this title or any regulation or order issued pursuant to this title, or is

investigating a charge pursuant to section 107(b).

(d) SUBPOENA POWERS.--For the purposes of any investigation provided for in this section, the Secretary shall have the subpoena authority provided for under section 9 of the Fair Labor Standards Act of 1938

## SEC. 107. ENFORCEMENT.

(a) CIVIL ACTION BY EMPLOYEES.--

(1) LIABILITY.--Any employer who violates section 105 shall be liable to any eligible employee affected--

◆ (A) for damages equal to--

◆ (i) the amount of--

□ (I) any wages, salary, employment benefits, or other compensation denied or lost to such employee by reason of the violation; or

□ (II) in a case in which wages, salary, employment benefits, or other compensation have not been denied or lost to the employee, any actual monetary losses sustained by the employee as a direct result of the violation, such as the cost of providing care, up to a sum equal to 12 weeks (*or 26 weeks, in a case involving leave under section 102(a)(3)*) of wages or salary for the employee;

□ ◆ (ii) the interest on the amount described in clause (i) calculated at the prevailing rate; and

□ ◆ (iii) an additional amount as liquidated damages equal to the sum of the amount described in clause (i) and the interest described in clause (ii), except that if an employer who has violated section 105 proves to the satisfaction of the court that the act or omission which violated section 105 was in good faith and that the employer had reasonable grounds for believing that the act or omission was not a violation of section 105, such court may, in the discretion of the court, reduce the amount of the liability to the amount and interest determined under clauses (i) and (ii), respectively; and

□ ◆ (B) for such equitable relief as may be appropriate, including employment, reinstatement, and promotion.

(2) RIGHT OF ACTION.--An action to recover the damages or equitable relief prescribed in paragraph (1) may be maintained against any employer (including a public agency) in any Federal or State court of competent jurisdiction by any one or more employees for and in behalf of--

□ (A) the employees; or

□ (B) the employees and other employees similarly situated.

(3) FEES AND COSTS.--The court in such an action shall, in addition to any judgment awarded to the plaintiff, allow a reasonable attorney's fee, reasonable expert witness fees, and other costs of the action to be paid by the defendant.

(4) LIMITATIONS.--The right provided by paragraph (2) to bring an action by or on behalf of any employee shall terminate--

□ (A) on the filing of a complaint by the Secretary in an action under subsection (d) in which restraint is sought of any further delay in the payment of the amount described in paragraph (1)(A) to such employee by an employer responsible under paragraph (1) for the payment; or

□ (B) on the filing of a complaint by the Secretary in an action under subsection (b) in which a recovery is sought of the damages described in paragraph (1)(A) owing to an eligible employee by an employer liable under paragraph (1), unless the action described in subparagraph (A) or (B) is dismissed without prejudice on motion of the Secretary.

(b) ACTION BY THE SECRETARY.--

(1) ADMINISTRATIVE ACTION.--The Secretary shall receive, investigate, and attempt to resolve complaints of violations of section 105 in the same manner that the Secretary receives, investigates, and attempts to resolve complaints of violations of sections 6 and 7 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206 and 207).

(2) CIVIL ACTION.--The Secretary may bring an action in any court of competent jurisdiction to recover the damages described in subsection (a)(1)(A).

(3) SUMS RECOVERED.--Any sums recovered by the Secretary pursuant to paragraph (2) shall be held in a special deposit account and shall be paid, on order of the Secretary, directly to each employee affected. Any such sums not paid to an employee because of inability to do so within a period of 3 years shall be deposited into the Treasury of the United States as miscellaneous receipts.

(c) LIMITATION.-

(1) IN GENERAL.--Except as provided in paragraph (2), an action may be brought under this section not later than 2 years after the date of the last event constituting the alleged violation for which the action is brought.

(2) WILLFUL VIOLATION.--In the case of such action brought for a willful violation of section 105, such action may be brought within 3 years of the date of the last event constituting the alleged violation for which such action is brought.

(3) COMMENCEMENT.--In determining when an action is commenced by the Secretary under this section for the purposes of this subsection, it shall be considered to be commenced on the date when the complaint is filed.

(d) ACTION FOR INJUNCTION BY SECRETARY.--The district courts of the United States shall have jurisdiction, for cause shown, in an action brought by

the Secretary--

- (1) to restrain violations of section 105, including the restraint of any withholding of payment of wages, salary, employment benefits, or other compensation, plus interest, found by the court to be due to eligible employees; or
  - (2) to award such other equitable relief as may be appropriate, including employment, reinstatement, and promotion.
- (e) SOLICITOR OF LABOR.--The Solicitor of Labor may appear for and represent the Secretary on any litigation brought under this section.

## **SEC. 108. SPECIAL RULES CONCERNING EMPLOYEES OF LOCAL EDUCATIONAL AGENCIES.**

(a) APPLICATION.--

(1) IN GENERAL.--Except as otherwise provided in this section, the rights (including the rights under section 104, which shall extend throughout the period of leave of any employee under this section), remedies, and procedures under this title shall apply to--

- ◆ (A) any "local educational agency" (as defined in section 1471(12) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(12))) and an eligible employee of the agency; and
- ◆ (B) any private elementary or secondary school and an eligible employee of the school.

(2) DEFINITIONS.--For purposes of the application described in paragraph (1):

- ◆ (A) ELIGIBLE EMPLOYEE.--The term "eligible employee" means an eligible employee of an agency or school described in paragraph (1).
- ◆ (B) EMPLOYER.--The term "employer" means an agency or school described in paragraph (1).

(b) LEAVE DOES NOT VIOLATE CERTAIN OTHER FEDERAL LAWS.-- A local educational agency and a private elementary or secondary school shall not be in violation of the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), solely as a result of an eligible employee of such agency or school exercising the rights of such employee under this title.

(c) INTERMITTENT LEAVE OR LEAVE ON A REDUCED SCHEDULE FOR INSTRUCTIONAL EMPLOYEES.--

(1) IN GENERAL.--Subject to paragraph (2), in any case in which an eligible employee employed principally in an instructional capacity by any such educational agency or school requests leave under subparagraph (C) or (D) of section 102(a)(1) **or under section 102(a)(3)** that is foreseeable based on planned medical treatment and the employee would be on leave for greater than 20 percent of the total number of working days in the period during which the leave would extend, the agency or school may require that such employee elect either—

- ◆ A) to take leave for periods of a particular duration, not to exceed the duration of the planned medical treatment; or
- ◆ (B) to transfer temporarily to an available alternative position offered by the employer for which the employee is qualified, and that--

- (i) has equivalent pay and benefits; and
- (ii) Better accommodates recurring periods of leave than the regular employment position of the employee.

(2) APPLICATION.--The elections described in subparagraphs (A) and (B) of paragraph (1) shall apply only with respect to an eligible employee who complies with section 102(e)(2).

(d) RULES APPLICABLE TO PERIODS NEAR THE CONCLUSION OF AN ACADEMIC TERM.--The following rules shall apply with respect to periods of leave near the conclusion of an academic term in the case of any eligible employee employed principally in an instructional capacity by any such educational agency or school:

(1) LEAVE MORE THAN 5 WEEKS PRIOR TO END OF TERM.--If the eligible employee begins leave under section 102 more than 5 weeks prior to the end of the academic term, the agency or school may require the employee to continue taking leave until the end of such term, if--

- (A) the leave is of at least 3 weeks duration; and
- (B) the return to employment would occur during the 3-week period before the end of such term.

(2) LEAVE LESS THAN 5 WEEKS PRIOR TO END OF TERM.--If the eligible employee begins leave under subparagraph (A), (B), or (C) of section 102(a)(1) **or under section 102(a)(3)** during the period that commences 5 weeks prior to the end of the academic term, the agency or school may require the employee to continue taking leave until the end of such term, if--

- (A) the leave is of greater than 2 weeks duration; and
- (B) the return to employment would occur during the 2-week period before the end of such term.

(3) LEAVE LESS THAN 3 WEEKS PRIOR TO END OF TERM.--If the eligible employee begins leave under subparagraph (A), (B), or (C) of section

102(a)(1) *or under section 102(a)(3)* during the period that commences 3 weeks prior to the end of the academic term and the duration of the leave is greater than 5 working days, the agency or school may require the employee to continue to take leave until the end of such term.

- (e) RESTORATION TO EQUIVALENT EMPLOYMENT POSITION.--For purposes of determinations under section 104(a)(1)(B) (relating to the restoration of an eligible employee to an equivalent position), in the case of a local educational agency or a private elementary or secondary school, such determination shall be made on the basis of established school board policies and practices, private school policies and practices, and collective bargaining agreements.
- (f) REDUCTION OF THE AMOUNT OF LIABILITY.--If a local educational agency or a private elementary or secondary school that has violated this title proves to the satisfaction of the court that the agency, school, or department had reasonable grounds for believing that the underlying act or omission was not a violation of this title, such court may, in the discretion of the court, reduce the amount of the liability provided for under section 107(a)(1)(A) to the amount and interest determined under clauses (i) and (ii), respectively, of such section.

## **SEC. 109. NOTICE.**

- (a) IN GENERAL.--Each employer shall post and keep posted, in conspicuous places on the premises of the employer where notices to employees and applicants for employment are customarily posted, a notice, to be prepared or approved by the Secretary, setting forth excerpts from, or summaries of, the pertinent provisions of this title and information pertaining to the filing of a charge.
- (b) PENALTY.--Any employer that willfully violates this section may be assessed a civil money penalty not to exceed \$100 for each separate offense.

If you have any questions regarding FMLA leave, please contact your General Manager or Human Resource Director.

## **MATERNITY LEAVE**

As a general rule, maternity is treated on the same basis as any other temporary disability under the Family and Medical Leave policy. Some states have additional leave provisions applicable to maternity cases and, where applicable, state law leave will run concurrently with Family and Medical Leave.

## **LEAVE OF ABSENCE FOR MILITARY SERVICE**

An employee who is a member of the Armed Forces Reserve or the National Guard and who is required to attend annual active duty for training or other short-term reserve or Guard duty (i.e., firefighting, police duty for natural disaster, etc.) is eligible for a military leave of absence without pay. Such time off will not be considered vacation time.

Employees enlisting or summoned to extended active duty military service will be afforded reemployment upon release from active duty in accordance with applicable laws.

An employee requesting military leave of absence is expected to give the Company as much notice as possible under the circumstances of their requirement for active duty.

## **BEREAVEMENT LEAVE**

The Company will allow employees an unpaid excused absence to attend the funeral of an immediate family member – spouse, child, mother, father, brother or sister, parent-in-law, grandparent, or grandchild. The unpaid excused absence is limited to a maximum of two (2) scheduled working days, except in exceptional circumstances and with prior approval of the employee's Manager. An employee may use paid vacation time, if available, and with proper notice to the employee's Manager. If you take leave under this policy, you will be required to furnish proof of the death of the immediate family member.

## **JURY AND WITNESS DUTY**

**SOUTHERN ROCK RESTAURANTS, LLC** expects employees to fulfill their civic responsibility by serving jury duty when required. An employee summoned to serve as a juror in any court of the United States or state shall be excused from work without loss of pay for the period actually required for the jury service, plus travel time. Employees should show the jury duty summons to their Manager as soon as possible so that the Manager may make arrangements to accommodate the employee's absence. The employee must also turn in the statement showing the amount of jury paid by the court. The Company will make up the difference between the employee's average daily earnings and the jury duty pay of the court. Insurance benefits and eligibility for benefits calculations, such as vacation benefits, will continue for the period of jury service.

The Company recognizes that employees must appear in court for witness duty whenever subpoenaed to do so. Employees will be granted unpaid time off for absence due to witness duty. The subpoena should be shown to the employee's Supervisor immediately after it is received so that the employee's absence may be accommodated. The employee is expected to report for work whenever the court does not require his or her presence. If the employee has been subpoenaed as a witness for the Company as a result of a job-related event, he or she will be paid for the period of witness duty.

## **CONCLUSION**

This handbook is for your general information only and does not create any contractual obligation on the part of **SOUTHERN ROCK RESTAURANTS, LLC**. Employment is on the basis of employment "at will" and may be terminated by any party. The Company reserves the right to amend, modify, depart from or delete this handbook. If you have any questions concerning a matter not covered in this handbook, please see your Manager.

## **ACKNOWLEDGEMENT OF RECEIPT OF EMPLOYEE HANDBOOK**

This is to acknowledge that I have received a copy of the **SOUTHERN ROCK RESTAURANTS, LLC** Employee Handbook. I understand that it is my responsibility to familiarize myself with the information contained in the handbook, and also understand that I will be held strictly responsible for knowing and complying with all policies and provisions herein.

I understand that this handbook does not represent a contract or an agreement of employment for a definite period of time, but is a summary of policies, work rules, and benefits currently in force at **SOUTHERN ROCK RESTAURANTS, LLC**. I also understand that my employment with **SOUTHERN ROCK RESTAURANTS, LLC** may be terminated without cause at any time by myself or the Company, with or without notice.

I acknowledge that **SOUTHERN ROCK RESTAURANTS, LLC** reserves the right to amend or revoke any of the guidelines set forth in this handbook, with or without notice.

By my signature, I agree to read the handbook and abide by all policies, rules, and regulations contained therein, including but not limited to the Equal Employment Opportunity policy, the Harassment-Free Workplace policy, and the Standards of Conduct. I also agree that if I have any questions or concerns regarding the handbook or its policies, I will ask my Manager or another management representative to explain the policy or section I do not understand.

EMPLOYEE NAME (PLEASE PRINT)

EMPLOYEE SIGNATURE

DATE