

CARROLS RESTAURANT GROUP, INC.
Syracuse, New York

PERSONNEL POLICY AND PROCEDURE

Subject: **ETHICS HOTLINE –“ETHICSPPOINT”**

Instruction No: 328

Effective Date: 04/17/06

Revised 12/01/06

Revised 12/01/08

Affects: All Employees

Approved By: William Myers 5/7/12

Title: Vice President, General Counsel, and
Chief Ethics Officer

I. POLICY:

Carrols Restaurant Group, Inc. and its subsidiaries (the “Company”) is committed to the highest standards of financial reporting and to encouraging honest and ethical behavior among its employees. The Company has established procedures for the confidential, anonymous reporting by employees of concerns relating to instances of corporate fraud, unethical business or personal conduct, questionable accounting, financial reporting or auditing matters, violations of state or federal law or events that may cause substantial and specific danger to the employee’s or public’s health and safety of employees or the public. The Company believes that its employees have a responsibility to evaluate and report allegations of suspected wrongdoing to the appropriate parties. The Company encourages employees to make such reports to strengthen the Company’s efforts to eliminate wrongdoing and to encourage an environment of honest and ethical behavior.

II. SCOPE:

This policy applies to all Company employees.

III. PROCEDURES:

A multi-lingual “hotline” (the **Ethics Hotline**) has been established for anonymous reporting of suspected wrongdoing or unethical behavior. The Ethics Hotline is available 24 hours a day and seven days a week and may be accessed at www.carrolsethics.com or toll-free by telephone at 1-800-511-8439. The company ensures that any employee who files a report will not suffer any retaliation. The Ethics Hotline is designed to protect the identity of the reporting employee if they choose to remain anonymous. All Ethics Hotline reports will be screened and the appropriate individual within the Company will be notified for appropriate and expeditious investigation

In lieu of reporting on the Ethics Hotline, employees may also report suspected wrongdoing or unethical behavior to any of the following individuals: the employee’s immediate supervisor, the Chief Ethics and Compliance Officer, the Legal Department, the Human Resources Department, the Director of Internal Audit, or any officer of the Company.

IV. GENERAL INSTRUCTIONS:

1. Employees who feel the need to voice a concern and are not comfortable going through the available channels within the Company may call the Ethics Hotline to register their concern through this confidential method.
2. The Ethics Hotline is operated by EthicsPoint, which is a leading third-party provider of employee hotline services. The Ethics Hotline is staffed with highly skilled operators who will assist employees in registering their concern.
3. If the caller chooses to remain anonymous, their identity will be protected. Callers who wish to remain anonymous will be issued a unique ID number to allow them to follow up on the status of their concern either through a follow up call or through a secure website set up for this purpose. This also allows the Company to ask follow up questions of the caller while preserving their privacy.
4. No retaliation will be tolerated against employees who use the Ethics Hotline.
5. In the case of reports that name specific individuals, the investigation will be assigned to an appropriate person other than the person named in the report.

V. RETALIATION

No employee who elects to disclose his or her identity will be discharged, demoted, suspended, threatened, harassed or otherwise be subjected to any adverse consequences in any way for providing information about an improper act. Any employee who engages in any such retaliation will be subject to disciplinary action that could lead to suspension or termination.

The Carrols Ethics Hotline Number is (800-511-8439)

Or you may use the following secure website:www.carrolsethics.com