

# CARROLS CORPORATION

Syracuse, New York

## PERSONNEL POLICY AND PROCEDURE

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Subject: **PREVENTING & ELIMINATING  
SEXUAL HARASSMENT**

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Affects: All Employees

Approved by: Jerry DiGenova  
Title: Vice President, Human Resources

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### **POLICY STATEMENT**

It is the policy of Carrols Corporation, its subsidiaries and divisions (collectively the "Company") to foster and maintain a workplace in which all individuals are treated with respect and dignity. The Company prohibits harassment of any kind, including harassment based upon race, national origin, sexual orientation, or mental or physical disability. All Carrols employees have the right to work in an environment, which is free from discriminatory practices and behavior, including sexual harassment. The purpose of this Policy is to (i) educate all of our employees about what conduct may constitute sexual harassment, (ii) advise all employees that the Company will not condone or tolerate sexual harassment, (iii) establish procedures for investigating complaints of sexual harassment, (iv) encourage employees who feel they have been subjected to sexual harassment to report such conduct to representatives of the Company, (v) advise employees that no one who reports or complains about sexual harassment will be retaliated against in any manner, and (vi) to advise employees that Carrols has established disciplinary measures for employees who engage in sexual harassment, who condone harassment or retaliate based upon claims of harassment.

### **DEFINITION OF SEXUAL HARASSMENT**

The Equal Employment Opportunity Commission (the "EEOC") defines sexual harassment as:

*unwelcome sexual advances, requests for sexual favors and other unwelcome verbal, written or physical conduct of a sexual nature where, (i) an employee's submission to or rejection of this conduct is made either explicitly or implicitly a term or condition of employment; (ii) submission to or rejection of this conduct by an individual is used as the basis for decisions regarding hiring, evaluation, promotion or any other aspect of employment; or (iii) when such conduct substantially interferes with an individual's employment or creates an intimidating, hostile or offensive work environment.*

Actions and conduct, which will constitute sexual harassment are not easily defined in all cases. Each particular case will depend on the specific facts and circumstances, including how pervasive, abusive or serious the behavior are. Sexual harassment may exist even when there is no romantic or seductive intent behind it. What the offending person may think is consensual or voluntary may still be "unwelcome" to the offended person. Examples of inappropriate behavior or actions which may constitute sexual harassment include, but are not limited to:

- ⇒ express or implied demands for sexual favors in exchange for favorable reviews, assignments, promotions, continued employment or promises of continued employment;
- ⇒ express or implied threats to fire, transfer or give a poor review or take some other negative job action against an employee who fails to go along with sexual advances;
- ⇒ unwelcome sexual advances;
- ⇒ coerced sexual acts;
- ⇒ physical conduct such as touching, rubbing, pinching, massaging, brushing up against Another person or staring in a sexual or suggestive manner,
- ⇒ graphic, verbal comments about an individual's body or sexuality;
- ⇒ repeated sexual jokes, sexual language, sexual epithets, sexual gossip, sexual comments or sexual inquiries;
- ⇒ repeated and unwelcome flirtations, advances or propositions;
- ⇒ repeatedly asking an individual for a date after the individual has indicated that he or she is not interested;
- ⇒ sexually suggestive, or obscene comments or gestures;
- ⇒ the display in the workplace of graphic and sexually suggestive objects, pictures or graffiti;
- ⇒ using the e-mail or voice mail system to make sexual advances, unwelcome flirtations or propositions or to send messages containing sexually suggestive pictures, cartoons or jokes;
- ⇒ sexually suggestive slogans on tee-shirts, calendars, screensavers, books and magazines;
- ⇒ negative statements, disparaging remarks or horseplay consistently targeted at one gender (either men or women), even if the content of the verbal abuse is not sexual in nature; or

The type of behavior described above is unacceptable not only in the workplace, but also in other work-related settings such as business trips or Company sponsored social events. In addition, such behavior is also prohibited when directed toward non-employees, such as job applicants, delivery personnel, service personnel, visitors and, of course, customers to the restaurants.

As described above, the use of the Company's e-mail or voice mail systems in violation of this policy is prohibited; employees are reminded that e-mail and voice mail messages are monitored by the Company, and no employee should expect such messages are private.

### **INDIVIDUALS COVERED BY THIS POLICY**

This policy covers all officers, directors, and employees of Carrols Corporation, its subsidiaries and divisions. Sexual harassment, whether engaged in by co-workers, supervisors, officers or by non-employees with whom the employees come into contact in the course of employment (i.e., the Company's service providers or contractors), is contrary to this policy and will not be tolerated. The Company encourages the reporting of all incidents of sexual harassment, regardless of who the offender may be and will not tolerate any retaliation against individuals who decline sexual advances or bring complaints about harassment or who participate in investigations regarding harassment.

### **REPORTING A COMPLAINT**

In many circumstances, an employee may be uncomfortable confronting the harasser, especially if the harasser is the employee's manager or supervisor. The Company asks that individuals who believe they have been subjected to sexual harassment to report the incident to any of the following persons:

- ⇒ Restaurant hourly employees are to notify the Restaurant General Manager, Assistant Restaurant Managers, the District Manager or the Region Human Resource Manager.
- ⇒ Restaurant General Managers and Assistant Managers are to notify the District Manager, the Region Human Resource Manager or the Regional Director or Vice President.
- ⇒ All employees may contact the Vice President, Human Resources at 1-800-348-1074 ext. 2318.
- ⇒ Corporate staff employees are to notify their immediate supervisor or the Home Office Human Resources Department.

Alternatively, an employee who is uncomfortable notifying any of the above-named individuals may contact any officer of the Company. Employees may also call Carrols' Ethics Reporting Hotline at 1-800-511-8439 or [www.carrolsethics.com](http://www.carrolsethics.com).

Employees are encouraged to report harassment ***before*** it becomes severe or pervasive.

All complaints will be taken seriously and employees are encouraged to promptly report any such incidents to management so that swift and appropriate action may be taken. The more time that passes after an incident, the more difficult it becomes for Carrols to investigate. However, due to the sensitive nature of sexual harassment, Carrols does not impose a time limit for reporting sexual harassment, and employees may do so at any time. All employees have the right at any time to report sexual harassment to the Equal Employment Opportunity Commission or its state and local counterparts.

### **PROTECTION AGAINST RETALIATION**

The Company will not in any way retaliate against an individual who makes a report of perceived sexual harassment; nor will the Company permit any employee to engage in retaliation of any kind against individuals who initiate or participate in sexual harassment investigations. Retaliation is a serious violation of this Policy and anyone who feels they have been subjected to any acts of retaliation should immediately report such conduct. ***Any person who directly or indirectly retaliates against an employee for reporting any perceived acts of sexual harassment or participating in an investigation of sexual harassment will be subject to disciplinary action, up to and including discharge.***

### **SEXUAL HARASSMENT OF AND BY NON-EMPLOYEES**

The Company also encourages employees to report sexual harassment by ***non-employees***, such as vendors, contract personnel, other service providers and any other non-employees. In addition, sexual harassment by Carrols employees of non-employees such as customers, invitees, delivery personnel, service personnel, and job applicants is also prohibited.

### **INVESTIGATING THE COMPLAINT**

All allegations of sexual harassment will be promptly and thoroughly investigated. The Company will conduct an impartial investigation, and no individuals who are alleged to have participated in the harassment will have any role in the investigation of the complaint. The Company will endeavor to maintain confidentiality throughout the investigatory process to the extent practical and appropriate under the circumstances. ***Even if the victim has not actually made a complaint or does not wish to have his or her allegations investigated, the Company has a duty to investigate all instances of harassment that are brought to the Company's attention.***

## **RESOLVING THE COMPLAINT**

The Company has specific Procedures and Guidelines for investigating sexual harassment; those Procedures and Guidelines must be reviewed by the investigators prior to initiating any investigation of sexual harassment. Upon completing the investigation of a sexual harassment complaint, the findings will be communicated to the complainant and alleged offender.

If the Company finds that harassment occurred, the harasser will be subject to appropriate disciplinary action. Disciplinary actions against the harasser may include:

- ⇒ written reprimand;
- ⇒ referral to appropriate counseling or training;
- ⇒ withholding of a promotion or bonus;
- ⇒ reassignment;
- ⇒ temporary suspension without pay or probation;
- ⇒ discharge.

No matter how minor the infraction and even if it is a first offense, a written reprimand, as opposed to a verbal reprimand, must always be given when it has been determined that sexual harassment has occurred. *Even where it is a first offense for a harasser, if the offense is serious enough the Company may terminate the harasser for his or her actions.*

## **RECONSIDERATION**

If the person bringing the complaint or the alleged offender is dissatisfied with the outcome of the investigation, either individual has the right to seek reconsideration of the decision through the Company's conflict resolution procedures.

**CONFIDENTIALITY**

The Company recognizes the extreme sensitivity of sexual harassment allegations and investigations, and emphasizes that everyone involved should respect and enforce confidentiality and personal privacy to the maximum extent consistent with prompt and effective resolutions. Everyone involved in this process should recognize its impact on co-workers, relatives, and the general public before communicating with people who do not have a business need to know. This in no way is intended to discourage anyone's access to the EEOC or its state and local counterpart agencies.

**CONCLUSION**

The Carrols Corporation has developed this Policy in an effort to ensure that all of its employees are treated with dignity and respect and provided a work environment that is free of harassment of any kind.