

CARROLS CORPORATION

Syracuse, New York

PERSONNEL POLICY AND PROCEDURE

Subject: **SUPPLEMENTAL SEXUAL HARASSMENT
POLICY FOR ALL EMPLOYEES IN THE
STATE OF NEW YORK**

Instruction No: 105-A
Effective Date: 10/9/18

Affects: All Restaurant Operations
and Employees in NY

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

I. **Introduction**

Carrols Corporation and its subsidiary Carrols LLC (collectively “Carrols”) are committed to maintaining a workplace free from sexual harassment. Sexual harassment is a form of workplace discrimination. All employees are required to work in a manner that prevents sexual harassment in the workplace. This Supplemental Policy is one component of Carrols’ commitment to a discrimination-free work environment.

This Supplemental Policy was adopted in response to the State of New York implementing a new sexual harassment law, which is imbedded in the New York State Human Rights Law (“HRL”). This Supplemental Policy is intended to operate in conjunction with Carrols’ existing Sexual Harassment Policy. To the extent that this Supplemental Policy conflicts with Carrols’ Sexual Harassment Policy, this Supplemental Policy will control.

Sexual harassment is against the law¹. All employees have a legal right to a workplace free from sexual harassment, and employees are urged to report sexual harassment by filing a complaint internally with Carrols, or with a government agency or in arbitration under federal, state or local antidiscrimination laws.

II. **Policy**

1. Carrols’ Supplemental Policy applies to all employees, applicants for employment, interns, whether paid or unpaid, contractors and other persons conducting business, regardless of immigration status, with Carrols. In the remainder of this document, the term “employees” refers to this collective group.
2. Sexual harassment will not be tolerated. Any employees or individual covered by this Supplemental Policy who engages in sexual harassment or retaliation will be subject to remedial and/or disciplinary action, up to and including termination.
3. Retaliation Prohibition: No person covered by this Supplemental Policy shall be subject to adverse employment action, including being discharged, disciplined, discriminated against, or otherwise subject to adverse employment action because the employee reports

¹ While this policy specifically addresses sexual harassment, harassment because of and discrimination against persons of all protected classes is prohibited. In New York State, such classes include age, race, creed, color, national origin, sexual orientation, military status, sex, disability, marital status, domestic violence victim status, gender identity and criminal history.

an incident of sexual harassment, provides information, or otherwise assists in any investigation of a sexual harassment complaint. Carrols will not tolerate such retaliation against anyone who, in good faith, complains or provides information about suspected sexual harassment. Any employee of Carrols who retaliates against anyone involved in a sexual harassment investigation will be subjected to disciplinary action, up to and including termination. All employees, paid or unpaid interns, or non-employees² working in the workplace who believes they have been subject to such retaliation should inform a supervisor, manager, any Officer of Carrols, the Human Resources Department, or the Vice President of Human Resources at (800) 348-1074 ext. 2318, or anonymously report it to the Carrols' Ethics Reporting Hotline at (800) 511-8439 or www.carrolsethics.com. All employees, paid or unpaid interns, or non-employees who believes they have been a target of such retaliation may also seek compensation in other available forums, as explained below in the section on Legal Protections.

4. Sexual harassment is offensive, is a violation of our policies, is unlawful, and may subject Carrols to liability for harm to victims of sexual harassment. Harassers may also be individually subject to liability. Employees of every level who engage in sexual harassment, including managers and supervisors who engage in sexual harassment or who allow such behavior to continue, will be subject to appropriate discipline.
5. Carrols will conduct a prompt and thorough investigation for all parties whenever management receives a complaint about sexual harassment, or otherwise knows of possible sexual harassment. Carrols will endeavor to maintain confidentiality throughout the investigation, to the extent possible. Effective corrective action will be taken whenever sexual harassment is found to have occurred. All employees, including managers and supervisors, are required to cooperate with any internal investigation of sexual harassment.
6. All employees are encouraged to report any harassment or behaviors that violate Carrols' sexual harassment policy Carrols will provide all employees a complaint form for employees to report harassment and file complaints.
7. Managers and supervisors are **required** to report any complaint that they receive, or any harassment that they observe or become aware of to their District Manager, unless that person is implicated in the complaint, in which case the report should be made to the Regional Human Resources Manager.

² A non-employee is someone who is (or is employed by) a contractor, subcontractor, vendor, consultant, or anyone providing services in the workplace. Protected non-employees include persons commonly referred to as independent contractors, "gig" workers and temporary workers. Also included are persons providing equipment repair, cleaning services or any other services provided pursuant to a contract with Carrols.

8. This Supplemental Policy applies to all employees, paid or unpaid interns, and non-employees and all must follow and uphold this Supplemental Policy. This Supplemental Policy must be provided to all employees and should be posted prominently in all work locations to the extent practicable (for example, in a main office, not an offsite work location) and be provided to employees upon hiring.

III. **What is “Sexual Harassment”?**

Sexual harassment is a form of sex discrimination and is unlawful under federal, state, and (where applicable) local law. Sexual harassment includes harassment on the basis of sex, sexual orientation, self-identified or perceived sex, gender expression, gender identity and the status of being transgender.

Sexual harassment includes unwelcome conduct which is either of a sexual nature, or which is directed at an individual because of that individual’s sex when:

- Such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile or offensive work environment, even if the reporting individual is not the intended target of the sexual harassment;
- Such conduct is made either explicitly or implicitly a term or condition of employment; or
- Submission to or rejection of such conduct is used as the basis for employment decisions affecting an individual’s employment.

A sexually harassing hostile work environment includes, but is not limited to, words, signs, jokes, pranks, intimidation or physical violence which are of a sexual nature, or which are directed at an individual because of that individual’s sex. Sexual harassment also consists of any unwanted verbal or physical advances, sexually explicit derogatory statements or sexually discriminatory remarks made by someone which are offensive or objectionable to the recipient, which cause the recipient discomfort or humiliation, or which interfere with the recipient’s job performance.

Sexual harassment also occurs when a person in authority tries to trade job benefits for sexual favors. This can include hiring, promotion, continued employment or any other terms, conditions or privileges of employment. This is also called “quid pro quo” harassment.

Any employee who feels harassed should report so that any violation of this Supplemental Policy can be corrected promptly. Any harassing conduct, even a single incident, can be addressed under this Supplemental Policy.

IV. **Examples of Sexual Harassment**

The following describes some of the types of acts that may be unlawful sexual harassment and that are strictly prohibited:

- Physical acts of a sexual nature, such as:
 - Touching, pinching, patting, kissing, hugging, grabbing, brushing against another employee's body or poking another employee's body;
 - Rape, sexual battery, molestation or attempts to commit these assaults.

- Unwanted sexual advances or propositions, such as:
 - Requests for sexual favors accompanied by implied or overt threats concerning the victim's job performance evaluation, a promotion or other job benefit or detriments;
 - Subtle or obvious pressure for unwelcome sexual activities.

- Sexually-oriented gestures, noises, remarks, or jokes, or comments about a person's sexuality or sexual experience, which create a hostile work environment.

- Sex stereotyping occurs when conduct or personality traits are considered inappropriate simply because they may not conform to other people's ideas or perceptions about how individuals of a particular sex should act or look.

- Sexual or discriminatory displays or publications anywhere in the workplace, such as:
 - Displaying pictures, posters, calendars, graffiti, objects, promotional materials, reading materials or other materials that are sexually demeaning or pornographic. This includes such sexual displays on workplace computers or cell phones and sharing such displays while in the workplace.

- Hostile actions taken against an individual because of that individual's sex, sexual orientation, gender identity and the status of being transgender, such as:
 - Interfering with, destroying or damaging a person's workstation, tools or equipment, or otherwise interfering with the individual's ability to perform the job;
 - Sabotaging an individual's work;
 - Bullying, yelling, name-calling.

V. **Who can be a target of sexual harassment?**

Sexual harassment can occur between any individuals, regardless of their sex or gender. New York Law protects employees, paid or unpaid interns, and non-employees, including independent contractors, and those employed by companies contracting to provide services in the workplace. Harassers can be a superior, a subordinate, a coworker or anyone in the workplace, including an independent contractor, contract worker, vendor, client, customer or visitor.

VI. **Where can sexual harassment occur?**

Unlawful sexual harassment is not limited to the physical workplace itself. It can occur while employees are travelling for business or at employer-sponsored events or parties. Calls, texts, emails and social media usage by employees can constitute unlawful workplace harassment, even if they occur away from the workplace premises, on personal devices or during non-work hours.

VII. **What is “Retaliation”?**

Unlawful retaliation can be any action that could discourage a worker from coming forward to make or support a sexual harassment claim. Adverse action need not be job-related or occur in the workplace to constitute unlawful retaliation (e.g., threats of physical violence outside of work hours).

Such retaliation is unlawful under federal, state, and (where applicable) local law. The New York State Human Rights Law protects any individual who has engaged in “protected activity”. Protected activity occurs when a person has:

- made a complaint of sexual harassment, either internally or with any anti-discrimination agency;
- testified or assisted in a proceeding involving sexual harassment under the Human Rights Law or other anti-discrimination law;
- opposed sexual harassment by making a verbal or informal complaint to management, or by simply informing a supervisor or manager of harassment;
- reported that another employee has been sexually harassed; or
- encouraged a fellow employee to report harassment.

Even if the alleged harassment does not turn out to rise to the level of a violation of law, the individual is protected from retaliation if the person had a good faith belief that the practices were unlawful. However, the retaliation provision is not intended to protect persons making intentionally false charges of harassment.

VIII. **Reporting Sexual Harassment**

Preventing sexual harassment is everyone’ responsibility. Carrols cannot prevent or remedy sexual harassment unless it knows about it. Any employee or non-employee who has been subjected to behavior that may constitute sexual harassment is encouraged to report such behavior to a supervisor, manager, any Officer of Carrols, the Human Resources Department, or the Vice President of Human Resources at (800) 348-1074 ext. 2318, or anonymously report it to the Carrols’ Ethics Reporting Hotline at (800) 511-8439 or www.carrolsethics.com. Anyone who witnesses or becomes aware of potential instances of sexual harassment should also report such behavior to any of these individuals.

Reports of sexual harassment may be made verbally or in writing. A form for submission of a written complaint is attached to this Supplemental Policy, and all employees are encouraged to use this complaint form. Employees who are reporting sexual harassment on behalf of other employees should use the complaint form and note that the complaint is being made on another employee's behalf.

Employees, paid or unpaid interns or non-employees who believe they have been a target of sexual harassment may also seek assistance in other available forums, as explained below in the section on Legal Protections.

IX. Supervisory Responsibilities

All supervisors and managers who receive a complaint or information about suspected sexual harassment, observe what may be sexually harassing behavior or for any reason suspect that sexual harassment is occurring, are required to report such suspected sexual harassment to their District Manager, unless that person is implicated in the complaint, in which case the report should be made to the Regional Human Resources Manager.

In addition to being subject to discipline if they engaged in sexually harassing conduct themselves, supervisors and managers will be subject to discipline for failing to report suspected sexual harassment or otherwise knowingly allowing sexual harassment to continue.

Supervisors and managers will also be subject to discipline for engaging in any retaliation.

X. Complaint and Investigation of Sexual Harassment

All complaints or information about sexual harassment will be investigated, whether that information was reported in verbal or written form. Investigations will be conducted in a timely manner, and will be confidential to the extent possible.

An investigation of any complaint, information or knowledge of suspected sexual harassment will be prompt and thorough, and completed as soon as possible. The investigation will be kept confidential to the extent possible. All persons involved, including complainants, witnesses and alleged harassers will be accorded due process, as outlined below, to protect their rights to a fair and impartial investigation.

Any employee may be required to cooperate as needed in an investigation of suspected sexual harassment. Carrols will not tolerate retaliation against employees who file complaints, support another's complaint or participate in an investigation regarding a violation of this Supplemental Policy. .

While the process may vary from case to case, investigations should be done in accordance with the following steps:

- Upon receipt of the complaint, the District Manager for the restaurant at issue, or Carrols' Human Resources Department, will conduct an immediate review of the allegations, and take any interim actions (e.g., instructing the respondent to refrain from communications with the complainant), as appropriate. If the complaint is verbal, encourage the individual to complete the "Complaint Form" in writing. If he or she refuses, prepare a Complaint Form based on the verbal reporting.
- If documents, emails, texts or phone records are relevant to the investigation, take steps to obtain and preserve them.
- Request and review all relevant documents, including all electronic communications.
- Interview all parties involved, including any relevant witnesses.
- Create written documentation of the investigation (such as a letter, email or memo), which contains the following:
 - A list of all documents reviewed, along with a detailed summary of relevant documents;
 - A list of names of those interviewed, along with a detailed summary of their statements;
 - A timeline of events;
 - A summary of prior relevant incidents, reported and unreported; and
 - The basis for the decision and final resolution of the complaint, together with any corrective action(s).
- Keep the written documentation and associated in a secure and confidential location.
- Promptly notify the individual who reported and the individual(s) about whom the complaint was made of the final determination and implement any corrective actions identified in the written document.
- Inform the individual who reported of the right to file a complaint or charge externally, as outlined in the next section.

XI. **Legal Protections and External Remedies**

Sexual harassment is not only prohibited by Carrols, but is also specifically prohibited by federal, state and (where applicable) local law.

Aside from the internal process at Carrols, employees may also choose to pursue legal remedies with the following governmental entities. While a private attorney is not required to file a complaint with a governmental agency, you may seek the legal advice of an attorney.

In addition to those outlined below, employees in certain industries may have additional legal protections.

XII. State Human Rights Law (“DHR”)

The Human Rights Law (“HRL”), codified as N.Y. Executive Law, art. 15, § 290 et seq., applies to all employers in New York State with regard to sexual harassment, and protects employees, paid or unpaid interns, and non-employees regardless of immigration status. A complaint alleging a violation of the HRL may be filed either with the Division of Human Rights (DHR) or in arbitration pursuant to Carrols’ Mandatory Arbitration Program (“MAP”).

Complaints with DHR may be filed any time **within one year** of the harassment. If an individual did not file at DHR, he or she can sue directly in arbitration under the HRL **within three years** of the alleged sexual harassment. An individual may not file with DHR if they have already filed a HRL complaint in state court. Complaining internally to Carrols does not extend your time to file with DHR or in arbitration. The one year or three years is counted from the date of the most recent incident of harassment.

You do not need an attorney to file a complaint with DHR, and there is no cost to file with DHR.

DHR will investigate your complaint and determine whether there is probable cause to believe that sexual harassment has occurred. Probable cause cases are forwarded to a public hearing before an administrative law judge. If sexual harassment is found after a hearing, DHR has the power to award relief, which varies but may include requiring your employer to take action to stop the harassment, or redress the damage caused, including paying monetary damages, attorney’s fees and civil fines.

DHR’s main office contact information is: NYS Division of Human Rights, One Fordham Plaza, Fourth Floor, Bronx, New York 10458. You may call (718) 741-8400, or visit: www.dhr.ny.gov.

Contact DHR at (888) 392-3644 or visit www.dhr.ny.gov/complaint for more information about filing a complaint. The website has a complaint form that can be downloaded, filled out, notarized and mailed to DR. The website also contains contact information for DHR’s regional offices across New York State.

XIII. Civil Rights Act of 1964

The United States Equal Employment Opportunity Commission (EEOC) enforces federal anti-discrimination laws, including Title VII of the 1964 federal Civil Rights Act (codified as 42 U.S.C. § 2000e et seq.). An individual can file a complaint with the EEOC any time within 300 days of the harassment. There is no cost to file a complaint with the EEOC. The EEOC will investigate the complaint, and determine whether there is reasonable cause to believe that discrimination has occurred.

The EEOC does not hold hearings or award relief, but may take other action, including pursuing cases in federal court on behalf of complaining parties. Federal courts may award remedies if discrimination is found to have occurred. In general, private employers must have at least 15 employees to come within the jurisdiction of the EEOC.

An employee alleging discrimination at work can file a “Charge of Discrimination.” The EEOC has district, area and field offices where complaints can be filed. Contact the EEOC by calling 1-800- 669-4000 (TTY: 1-800-669-6820), visiting its website at www.eeoc.gov or via email at info@eeoc.gov.

If an individual filed an administrative complaint with DHR, DHR will file the complaint with the EEOC to preserve the individual’s federal rights.

XIV. **Local Protections**

Many localities enforce laws protecting individuals from sexual harassment and discrimination. An individual should contact the county, city or town in which they live to find out if such a law exists.

XV. **Contact the Local Police Department**

If the harassment involves unwanted physical touching, coerced physical confinement or coerced sex acts, the conduct may constitute a crime. Contact the local police department.

CARROLS' SEXUAL HARASSMENT COMPLAINT FORM

New York State Labor Law requires all employers to adopt a sexual harassment prevention policy that includes a complaint form for employees to report alleged incidents of sexual harassment.

If you believe that you have been subjected to sexual harassment, you are encouraged to complete this form and submit it to any manager at your restaurant or any member of the Human Resources Department by email at humanresources@carrols.com or by mail at Human Resources Department, Carrols Corporation, 968 James Street, Syracuse, New York 13203. Once you submit this form, Carrols will follow its sexual harassment prevention policy and investigate any claims.

If you are more comfortable reporting verbally or in another manner, Carrols will still follow its sexual harassment prevention policy and investigate your claims as outlined in the policy.

For additional resources, visit: ny.gov/combating-sexual-harassment

COMPLAINANT INFORMATION

Name:

Home Address:

Work Address:

Home Phone:

Work Phone:

Job Title:

Email:

Select Preferred Communication Method:

(please select one from above)

SUPERVISORY INFORMATION

Immediate Supervisor's Name:

Title:

Work Phone:

Work Address:

COMPLAINT INFORMATION

1. Your complaint of sexual harassment is made against:

Name:

Title:

Work Address:

Work Phone:

Relationship to you:

Supervisor

Subordinate

Co-Worker

Other

2. Please describe the conduct or incident(s) that forms the basis of this complaint and your reasons for concluding that the conduct is sexual harassment. Please use additional sheets of paper if necessary and attach any relevant documents or evidence.

3. Date(s) sexual harassment occurred:

Is the sexual harassment continuing? Yes No

4. Please list the name and contact information of any witnesses or individuals that may have information related to your complaint:

The last two questions are optional, but may help facilitate the investigation.

5. Have you previously complained or provided information (verbal or written) about sexual harassment at Carrols? If yes, when and to whom did you complain or provide information?

Employees who file complaints with their employer might have the ability to get help or file claims with other entities including federal, state or local government agencies.

6. Have you filed a claim regarding this complaint with a federal, state or local government agency?

Yes No

Have you hired an attorney with respect to this complaint?

Yes No

I request that Carrols investigate this complaint of sexual harassment in a timely and confidential manner, to the extent permitted, as outlined in its Sexual Harassment Policy, and advise me of the results of the investigation.

Signature: _____ Date: _____