EMPLOYEE HANDBOOK Bauer Food LLC

i'm lovin' it®



"If you work just for money, you'll never make it, but if you love what you're doing and you always put the customer first, success will be yours." – **Ray Kroc**









KEY RESTAURANT

The following McDonald's Restaurants are owned and operated by Bauer Food LLC

BAUER FOOD LLC MAIN OFFICE

P.O Box 379, La Grange, KY 40031 Call or Text: 502.909.0335 Fax: 502.909.0335 www.bauermcdonalds.com

PORTLAND (5835)

520 N 22nd Street Louisville, KY 40203-1020 Phone: 502.775.5454

CANE RUN (1733)

4445 Cane Run Road Louisville, KY 40216-4501 Phone: 502.448.8500

PERSONAL INFORMATION

EMPLOYEE NAME: _____

CLOCK NUMBER: _____

FIRST WORK DAY/TIME: _____

FIRST PAY DATE: _____

McDonald's reserves the right to amend or modify the policies in this handbook at any time without prior notice. These policies do not create any contractual obligations between McDonald's and its employees. At McDonald's, your employment is at will. This means that you are free to terminate your employment at any time, for any reason, and McDonald's retains the same right. The owner/ operator is the only person who may make an exception to this, and it must be in writing and signed by the owner/operator.

WELCOME TO MCDONALD'S

We are proud of our team and pleased that you are joining the McDonald's Team.

We have designed this handbook specifically for you and your needs. We have attempted to make each section reflect our character, our spirit, as well as the operational aspects of our business.

We are grateful to have you here. We are here to support you in delivering our mission to every customer, every day.

Welcome to our Family!

Sincerely,

Sean Bauer & George Saliba Bauer Food LLC



i'm lovin' it[®]

ABOUT US

Bauer Food LLC is run by Sean Bauer and George Saliba. Two great friends who both started as crew at McDonald's a long, long time ago. After all these years, they're still Lovin' It!

MISSION: WE MAKE YOUR DAY BETTER!

Who's the "you" in "your"? Most likely it's the customer. It could also be another crew member, manager, a vendor, our corporate partners, or community personnel like the police, fire, and health dept. In short, "your" means anyone and everyone that comes to our restaurant!



HOW DO WE MAKE YOUR DAY BETTER?

QUALITY: Doesn't having a hot fresh amazing tasting meal with a friend make your day better? That's why Quality of the food that we serve is extremely important.

SERVICE: Does fast Service with a smile make your day better? Absolutely!

ACCURACY: If you order and pay for something, but you don't get it or get something different, does that make your day better? Almost certainly not, that's why we must make sure to provide Accurate orders.

CLEANLINESS: How about eating in a Clean environment that smells good and makes you feel good about the food you're eating? Dirty stores definitely don't make people's days better.

FOOD SAFETY: If the food you eat makes you ill, it most certainly makes your day worse, not better, therefore being careful to ensure Safe Food is prepared is a critical priority.

WHY DO THIS? BECAUSE YOU CAN CHANGE THE WORLD!

When you hear about world changing companies, you often hear about companies like Google or Apple, but what about McDonald's? Can we make the world a better place?

CONSIDER THIS:

Google employs about 72,000 people and Apple employs 47,000 people. McDonald's employs over 1.5 Million people, more than 30 times the number of employees at Apple. From an employment perspective, we have a much greater opportunity to make lives better than Google and Apple combined.

McDonald's feeds 68 million people each day. Your individual restaurant has about 500,000 visits a year! Do you make an impact in those people's lives each day? Absolutely!

What do you think would make the world better? If everyone looked at their phone more, or if everyone had a great meal with a smile and a face to face conversation with a friend?

If we can make each customer's visit happy by giving them a great tasting meal with fast, friendly service, in a clean restaurant, then we will make their day better.

In turn, they will be happier and more friendly to the people they come in contact with the rest of the day (think about how you feel after a great meal served by nice people).

And so on. What happens when 68 million people each day are happier and nicer because of how we treated them? Right, a better world. We can make a difference with every customer we serve, every burger we make, and every floor we clean. You CAN change the world, one customer visit at a time.



WHAT IS MOST IMPORTANT

BE NICE BE POSITIVE BE HERE

Smile and greet people. "Kindness is a gift everyone can afford to give"

"A positive attitude leads to positive outcomes"

Be here on time every day, "90% of success is showing up"

"Do what you do so well they will want to see it again, and bring their friends" – Walt Disney DELIVER A HASSLE-FREE EXPERIENCE



WHAT WE WILL DO FOR YOU

Taking care of the people who take care of our customers is one of your management team's top priorities. After all, it makes good business sense to treat our employees as well as we want them to treat our customers. We know that satisfied employees lead to satisfied customers.

In this section, we'll outline five of the key benefits to working at McDonald's:

- Training
- Security and Safety
- Performance reviews and pay increases
- Career Opportunities
- Benefits

YOUR TRAINING

Each position in McDonald's has a set training program that is designed to give you a structured approach, which will enable you to become a solid performer in that position. You are the catalyst for your training. Training is an ongoing daily way of life in McDonald's and being a "self-starter" is important to your training and future success.

Your superiors will be an important part of your training; they will be there to answer your questions and follow-up on your work assignments. The quality and thoroughness in your training will definitely be a factor in your career with McDonald's.

As previously stated, your initiative regarding your personal development will be a critical factor in your success with McDonald's.

SECURITY AND SAFETY

Security in McDonald's is designed to protect you, other employees, and our customers, as well as minimize losses to our Company. If you do not understand any part of these important policies, please seek immediate clarification from your Restaurant Manager, Owner/Operator, or Supervisor.

We ask that you do your part in maintaining a safe work environment by working safely, wearing safety equipment when required (such as wearing non-skid/slip resistant shoes), observing our safety rules, and keeping our work place neat and clean.

Remember: Security is an attitude of awareness and concern toward your customers, your people, and your environment.

PERFORMANCE REVIEW AND PAY INCREASES

McDonald's is a pay for Performance Company. This means that the better you do your job, the more money you can make.

I. PAYRANGES

See a member of your management team for a copy of the current pay range guidelines.

II. WAGE INCREASE/FREQUENCY

Wage reviews will be given in May. Raises will take effect the 1st payroll period in June (until the maximum is reached or exceeded)

III. PROMOTIONAL INCREASES

Promotions to a higher responsibility level will include a wage increase, or movement to the minimum of the range, or whichever is higher.

Crew Wage Guidelines will be reviewed annually for their applicability. When you reach your maximum, your wage will remain frozen unless you move to a higher-level position or the range increases.

CAREER OPPORTUNITIES

A little known fact is that many of McDonald's middle and senior managers in our restaurants, regional offices and home office park in Oak Brook, Illinois, started as crew. And thousands more of today's top executives in companies across the U.S. also had their best work experience and developed valuable career skills in McDonald's restaurants.

If you show a flair for an interest in management and people supervision, you should begin thinking about longer-term career opportunities at McDonald's. A typical career path could look like this:

CREW » CREW TRAINER/BEVERAGE SPECIALIST » FLOOR SUPERVISOR » SWING MANAGER » DEPARTMENT HEAD » GENERAL MANAGER

BENEFITS

Following are some of the added benefits to working at McDonald's.

• Meal Policy: One of the best benefits of working for McDonald's is the food. You may have the food of your choice up to the amount of **\$7.00** on your break free of charge. When ordering during your break, all employees should go and get in line as if they were a customer. Any and all employee meals must be consumed on the premises.

• Breaks: Breaks will be provided depending on your work hours. Breaks range from a quick pause for something to drink to a 35 minute lunch break. State law and the number of hours you work will dictate the length of your break. While on break, you will not be permitted to be on the floor or behind the front counter. If an employee wishes to decline a break, a waiver must be signed.

• Funeral Leave: If a member of your immediate family should die, you will be paid for the scheduled working hours on the day of the funeral. Your immediate family includes your spouse or spouse's mother or father, grandparents, sister, brother, son, or daughter, mother or father, or step equivalent.

• Leaves of Absence: If you find you must temporarily leave active employment at this McDonald's because of school obligations, travel or other reasons, you may request a leave of absence, which your management team will consider. Full details are available through your management team.

 Medical/Disability Leave: Our medical/disability leave policy is subject to the guidelines set forth in the Family Medical Leave Act (FMLA). Under that federal law, if you have worked for the company for one year, and worked 1,250 hours during that year, you are entitled to up to 12 weeks per year of unpaid leave for the purpose of (1) taking care of yourself or a member of your immediate family when that person is suffering from a serious illness, (2) taking maternity or paternity leave, or (3) adopting a child. This 12-week period will be offset by your existing vacation or sick leave entitlement. For instance, if you are seriously ill, and have 2 weeks vacation time coming, you must first exhaust your 2 weeks vacation. After that, you will be entitled to up to 10 more weeks in that year of unpaid FMLA leave as described above. During this 12-week period, we will hold your job, or a substantially similar job, and assign it back to you until your return. Your health insurance coverage will also continue during this 12-week period. Your share of the premium payments will be do on the 1st of the month, each month until employee returns from leave. There will be a 30-day grace period in which to make premium payments. If payment is not made timely, your group health insurance may be cancelled. However, after you have exhausted 12 weeks of sick leave in any given year, management reserves the option to terminate your employment, at which time your medical insurance coverage and other benefits will cease. At that point, you would be eligible for continued medical coverage at your expense through the Consolidated Omnibus Budget Reconciliation Act (COBRA).

Further details of the FMLA are contained in a posting on the wall in the Crew Room. If you have any other questions about the applicability of the FMLA, please contact your manager.



If you have not been employed by the company long enough to be eligible for coverage under the FMLA, the company may, in its sole discretion, grant an unpaid leave of absence for medical or other reasons.

• **Transfers:** Under certain circumstances, we may request that you transfer to another restaurant, in your area, on a temporary or permanent basis to meet an operating need in that restaurant.

Realistic Work Week

VERIFICATION OF EMPLOYMENT AND WAGES

Effective January 1, 2014, if you are requesting verification of employment/wages, we now require a seven business day notice to complete any form.

Any form that is given to a member of management is placed inside a weekly folder that is delivered to the office on Monday's each week. Please be aware that unless you fax the form directly to the office, we will not see anything until Monday of each week.

All forms are directly faxed back to the offices that are requesting the information. We do not give any type of forms that verify employment or wages back to the employee directly.

Also, if you require a copy of a paycheck stub, there will be a \$5.00 charge on your next paycheck. Everyone receives a paycheck stub on scheduled pay dates, and reprinting them is a cost to our Company. Please keep these in a safe place if you know you'll need them for future reference. Please contact the office if you have any questions.



WHAT WE EXPECT IN RETURN

This section of your handbook explains our expectations of you. Much of the information is provided to ensure your safety and that of your fellow employees and customers. There are five areas:

- Basic Responsibilities
- Neatness Counts
- Uniform Agreement
- Rules of Conduct
- Policies for Management

BASIC RESPONSIBILITIES

Your most basic responsibility is taking care of the customer – but there are some other things we are going to ask you to do:

• Emergency Information: In order to keep our records up to date, always notify your management team when you change your name, address, telephone number, emergency contact or availability.

• **Reporting Accidents:** Immediately alert the manager or supervisor if you spot an illness, accident or unsafe working conditions in the restaurant. Likewise, if you're injured on the job, report it immediately. Failure to do so may jeopardize your eligibility to receive Workman's Compensation benefits.

• What to do if you are ill: Do not report to work if you have, or are a carrier of an illness that will affect your fellow employees or our customers. If you think you have – or have been exposed to – an infectious disease, please call a member of your management team to ask for time off and call your doctor. A doctor's note indicating you are healthy will be required in order to return to work.

• **Personal Hygiene:** Always ensure that you arrive for work thoroughly clean and neat. Hands must be washed with the antimicrobial hand soap provided to you in our restaurants whenever you start your shift, change stations, handle money, eat, clean, or use a restroom.

Proper Hygiene Includes:

- Daily shower or bath
- · Clean, short fingernails; no dark polish or false nails
- Minimal use of jewelry and cosmetics
- · Hair contained in hats, hairnets, or ponytails; no beards, no goatees
- No visible tattoos

NEATNESS COUNTS

• All employees shall be required to wear a clean, neat uniform with all shirt buttons except the top buttoned, slacks, nametag and black non-skid/slip resistant shoes. No bell-bottoms, tennis shoes, boots or sandals will be allowed. A sweater, color-coordinated with the uniform, may be worn. No jeans or shorts will be permitted.

• Uniforms are provided to you when you attend orientation. Always wear the approved McDonald's uniform provided during working hours. Keep your uniforms clean (they may be washed and tumble dried in a machine). If your uniform is no longer presentable due to age or wear, or you need more uniforms, please inform the appropriate member of your office staff. You are responsible for returning your uniforms when your employment ends to the restaurant. Once returned, your manager will present you with your last paycheck. If all uniforms are not returned you will be charged and they must be paid for before obtaining your last paycheck.

• All employees are required to maintain the highest standards relating to personal hygiene, including daily bathing; use of deodorant, clean hands, cosmetics used in moderation and fingernails must be manicured with no dark nail polish.

• Jewelry is permissible when worn in good taste and limited, in size and amount. No facial piercing is permissible. Any questions, consult your manager.

• It is required that all employees style their hair so that it does not exceed moderate length or height, and is worn in good taste. Hair that is shoulder length or longer must be contained in a hat, hairnet, or ponytail. Multicolored dyed hair is not permitted. All employees unable to meet these guidelines will be sent home and possibly terminated.

• A clean-shaven appearance is required; however, facial hair is permissible in the form of a mustache. A mustache must be neat, clean, and not of length which exceed the corners of the mouth or overlapping the upper lip. Beards and goatees are not permissible.

• Sideburns are permissible; however, they will be styled not to exceed below the earlobe and will be groomed to avoid becoming over grown.

• Any employee with tattoos that are visible on their arms must wear a long sleeve shirt to hide them. Tattoos are not to be visible.

• Prescription contact lenses only. No cat-like eyes, kaleidoscope, etc.

RULES OF CONDUCT

McDonald's tries at all times to make as few rules as possible, but there are certain ones that cannot be avoided. The rules here apply to everyone, and are used for the safety and well being of our employees, customers and community. Employees who violate any of these rules may be subject to disciplinary action (including termination) as stated in our Disciplinary Policy. The following is an explanation of our rules of conduct at all of our restaurant locations. We ask that you use your good judgment in all situations.

Some - but not all - examples of misconduct include:

Basic Rules and Regulations

- Park only in areas designated by your management.
- Do not use tobacco or chew gum while working.
- No food or drinks are to be consumed while working on the floor.

• No food or drinks are to be left sitting on or around any work station including the office are. (This includes water bottles or any other type of bottle even if they have a lid)

• Food and drinks are only to be consumed in the designated areas of the restaurant which are the break room and/or lobby.

• Review the crew bulletin board regularly for information; request permission before posting any notices.

- Do not bring valuable personal belongings or large amounts of cash to work.
- Do not request to receive your paycheck early or to have a personal check cashed.

• Your schedule will be posted by 5:00 p.m. Wednesday for the following week. Please remember the schedule is just a guide for management. You may be asked to work later than your schedule calls for or leave sooner. The number of people needed depends on the customers, and this can be very unpredictable. At these times, your cooperation will be appreciated. If there are any problems with your schedule, be sure to see a manager right away.

• Ask your management team to explain any work policies or procedures that you do not fully understand.

Telephone/Cell Phone

Please request permission before using the restaurant telephone to make personal phone calls.

• Cell phones are to be turned off and placed in a secure place while on the clock such as your car or locker. They are not permitted at your work station. Cell phones that are found in your possession while clocked in will be confiscated and held by the manager until your shift is over.

Online Communications Policy for Restaurant Employees

• If you participate in online conversations about any McDonald's, its employees or products, it is important that you do it in a way that is safe, appropriate and legal. The intent of this Policy is not to restrict the flow of useful and appropriate information, but to minimize the risk to you, your coworkers and to this McDonald's and the McDonald's Brand. Because we want to provide 100% customer satisfaction, this independent McDonald's Owner Operator prohibits engaging in all personal online communications during working time or in working areas, even when using your personal electronic communications tools such as cell phones and other mobile devices. You may participate in the crew website StationM (stationm.com). As an employee of this Independent McDonald's Owner Operator, people may think your views are the views of this and/ or any other McDonald's. When you participate in any online communications or blog discussing McDonald's, make it clear that you are an employee of this McDonald's and that your views and opinions are yours and not those of this and/or any other McDonald's.

Know the Rules

• Do follow the policies in the handbook and the policies displayed in your restaurant.

• Do think about what you will say and about disclosing your personal details. Correct any mistakes that you make. You post material at your own risk and you are personally responsible for the content of your communications.

• Do respect your coworkers' privacy. It is a violation of this policy to share in any online communications personal information about your coworkers (like religion, health, or any identifiable information that may relate to a safety issue, such as work schedules, phone numbers, residence).

• Do not engage in any personal online activity including texting or engage in personal cell phone use while on working time or in working areas.

• Do not speak or claim to speak on behalf of any McDonald's in your online communications.

• Do not discuss or disclose employees, customers, franchisees, or suppliers by name without their permission.

• Do not post material that is bullying in nature, abusive, profane, or otherwise inappropriate regarding McDonald's, its products, our employees, officers, customers, suppliers, franchisees, and competitors.

• Do not use McDonald's logos or copyrighted materials. Do not misuse our trademarks in your online communications.

• Do not disclose or comment on confidential information of any McDonald's, including the restaurant where you work. For example: sales figures, guest counts, business plans, or how food or marketing promotions are doing.

• Do not post any photos or video of the inside your McDonald's restaurant, including those of coworkers, customers, or work events. Do not post photos or video of employees in McDonald's uniforms on any website.

• Do not use blogs, Facebook, or other external websites for restaurant communications.

• Remember – If you fail to follow these policies, it may result in disciplinary action, up to and including termination.

• Questions – If you have questions regarding this policy, contact your supervisor or Owner/Operator

Falsifying Records

• Examples include application forms, information regarding your employment, time card records, and claims of injury.

• No one is permitted to sign any documents without prior approval from General Manager, Supervisor, or Owner/Operator.

• Clocking in or out another employee under any circumstance is not permitted.

Harming Others

• Deliberately assaulting or injuring any employee, manager, customer, or supervisor or attempting to do so.

• Creating dangerous or unsanitary working conditions, including littering.

• Discourtesy to customers (more aggravated misconduct may lead to immediate discharge).

• Deliberately causing or attempting to cause damage to the property of McDonald's, a coworker, a management representative, customer, or any other individual.

Obscenity

• Making comments or otherwise engaging in conduct which would tend to harass any other employee, member of management, or any other individual.

• Use of profane, obscene, vile, abusive language, harassing language, or gestures on the premises with employees, managers, customers, or suppliers will not be tolerated (more aggravated misconduct may lead to immediate discharge).

Insubordination

• Not following an instruction or refusing to do a reasonable task requested by proper authority.

• Taking unauthorized breaks.

• Failure to follow any safety or hygiene guidelines announced by a manager or otherwise stated in McDonald's policy.

• Leaving the property during your break or before quitting time without authorization. Conduction of personal business without authorization is not permitted while clocked in.

• Violation of rest periods and taking additional time without permission.

- Violation of any of the terms, conditions, or policies set forth in this handbook.
- Dishonesty/Theft

• Posting, defacing, or removing notices, signs or writing on our company bulletin boards without authorization.

• Continued untidy appearance (being unshaven, wearing soiled clothing, etc.).

• Any other serious misconduct which in the estimation of management is detrimental to the interest of McDonald's.

Stealing

• Misappropriation of cash, cash equivalents, raw products, materials that are confidential, and properties such as parts or tools. This includes giving away or under-charging for food and beverage products and consuming food, which was not purchased or given to you by the restaurant management.

• Any violation of meal policy or giving away products.

• All waste must be thrown out. It's never to be taken home even at closing time. It is always to be thrown out.

• Unauthorized taking of property of McDonald's or co-workers, members of management, customers, or any other individual.

Felonies

- Any activity classified as a felony or misdemeanor.
- Conviction of a misdemeanor or felony.

Neglect

• Carelessness that results in the loss, damage or destruction of restaurant, employee or customer property.

• Reckless operation of McDonald's equipment used in connection with employment, or deliberate misuse of said equipment.

Absenteeism

• Leaving the job without permission, habitual lateness or conducting personal business without permission while on the job. If you are sick or going to be late for work, you must call in four hours prior to your shift so that we can get a replacement. We may require a Doctor's excuse. We reserve the right to dismiss you for "no calls/no show".

• Tardiness or absence with or without excuse. Excessive or a lengthy illness may require a doctor's note (Subject to FMLA).

• Calling in sick when not sick is not permissible.

Wrongful Possession

• No Firearms, Knives, or other weapons of any kind, including pepper spray is not permitted on McDonald's property while conducting business. This includes storage of weapons within ones private vehicle.

Handling Cash

• You are responsible for the money in your cash drawer. You have the right to count your drawer with the manager present before and after your shift. You also have the right to verify any transactions made by management. Do not allow anyone to ring on your drawer.

• Any shortage or overage of \$5.00 or more may result in disciplinary action. Variances over \$25.00 will be reported to the Owner/Operator.

• All sales should be rung up at the time they are made.

At McDonald's, customer satisfaction is our goal. We have a register closing procedure, which must be followed. At no time shall an employee close a register for any reason with customers in line. If the person must leave the register, a manager or another crew must serve the customers in line.

Confidential Information

• Disclosing to any person, including television, radio and print media representatives, any confidential information relating to the company, its business, customers, finances or trade secrets.

Loitering and Soliciting

• Loitering is prohibited when not on schedule.

• Solicitation of employees who are on working time, by outsiders, for funds, memberships, individual commitment to outside organizations, or distribution of literature for any purpose, is prohibited.

 Solicitation by employees for funds, membership, individual commitment to outside organizations, or causes is also prohibited on restaurant premises during such employee's working time, or even when not on working time if such solicitation takes place in an area of the restaurant frequented by customers or otherwise interferes with work being performed by other employees.

• Distribution of literature is prohibited in customer selling areas, or employee working areas during working time. Restaurant premises must be kept clean and free of litter at all times.

• Employees who have finished work are requested to leave the premises as soon as possible. Off duty employees are not permitted to distribute literature, to solicit, or otherwise interfere with or disturb working employees.

• Failure to comply with the "no solicitation - no loitering" rules.

• Employees are not permitted to loiter at the manager's desk or cabinet.

Security and Investigations

• The need oftentimes arises for management to investigate suspected theft, dishonesty, alcohol or drug use, or other sorts of illegal activity occurring on the premises or otherwise in connection with its work. In such cases, we fully expect and require our employees to assist management in these investigations. The cooperation may take many forms, including, but not limited to, truthfully testifying on behalf of management in court or other tribunal, consenting, upon management's request, to search of one's person and property on the job (including pockets, handbags, packages and automobiles) and consenting to drug/alcohol testing when requested by management.

• Violation of company security policies.

Horseplay

• Engaging in unprofessional behavior in view of customers and inappropriate touching, pushing, kissing, hugging, tickling, massaging, playful fighting, throwing objects, grabbing, or any other similar behavior is prohibited.

Dating, Nepotism and Fraternization

• This Independent McDonald's Franchisee is committed to fostering a professional work environment. That means that our managers and employees have a responsibility to maintain such an environment and avoid relationships that create a conflict of interest. Certain personal relationships between employees, especially those in a reporting capacity, may cause issues for the employees involved as well as for their co-workers. This can include a lack of objectivity towards the subordinate's job performance, the perception of favoritism by other employees, and potential sexual harassment complaints. Further, dating or fraternizing between a managerial employee and any crew employee who is a minor may raise legal and parental concerns. This policy also applies to relationships with independent contractors and vendors engaged by this Independent McDonald's Franchisee.

• Dating or Romantic Relationships. Employees who have a direct or indirect reporting relationship to each other are prohibited from dating. "Dating" means being involved in any kind of romantic or intimate relationship, and includes, but is not limited to, any sexual relationship or encounter.

• Nepotism. Claims of favoritism or a conflict of interest may exist when an employee is in a job or a position where he/she reports to (directly or indirectly) or is reported to by (directly or indirectly) his/her spouse or immediate family.

Rules for Restaurant Management Employees of this Independent Franchisee

While we understand and respect employees' needs to develop personal relationships at work, the following rules apply in order to avoid workplace conduct that may negatively impact the work environment.

• Dating or Romantic Relationships. Employees who have a direct or indirect reporting relationship to each other are prohibited from dating. "Dating" means being involved in any kind of romantic or intimate relationship, and includes, but is not limited to, any sexual relationship or encounter.

• Nepotism. Claims of favoritism or a conflict of interest may exist when an employee is in a job or a position where he/she reports to (directly or indirectly) or is reported to by (directly or indirectly) his/her spouse or immediate family member. As a result, nepotism is generally not allowed in the restaurant. Any exceptions to this can only be made by the restaurant's Supervisor or Owner Operator.

• Fraternization between Restaurant Management and Crew Employees. Restaurant management employees are prohibited from fraternizing, or socializing outside of work with any crew employee who works in the same restaurant, unless the fraternizing or socializing occurs in public and at least three or more of this Independent McDonald's Franchisee's employees are present. Restaurant management employees may not offer alcohol to, consume alcohol in the presence of, or be present if alcohol is consumed by crew employees who work in their restaurant. Restaurant management employees must always use good business judgment with regard to fraternizing or socializing with crew.

Employee Obligations

• Any employee who enters into or plans to enter into a dating or romantic relationship that violates this policy must advise his/her Supervisor or Owner Operator immediately.

• In order to address a violation of this policy, this Independent McDonald's Franchisee may take such steps as it deems reasonable and appropriate to correct the violation, including (but not limited to) transferring or reassigning one or both of the employees involved; asking the employees involved to cease dating or to agree not to begin dating; or terminating the employment of one or both of the employees.

• Any employee who intends to enter into a reporting relationship that may be subject to the nepotism policy must report the relationship to his/her Supervisor or Owner Operator immediately.

• Employees of this Independent Franchisee who violate the Dating, Nepotism and Fraternization Policy will be disciplined up to and including termination.

• This Independent McDonald's Franchisee's Policy against Discrimination and Harassment applies to all work-related situations. Unwelcome advances of a sexual nature toward any individual in a work-related situation always are prohibited.

Sexual Harassment

• It is the Company's policy that all employees have a right to a workplace free of sexual harassment, as well as harassment based on such factors as race, color, religion, national origin, age, or disability, or other legally protected status. The Company will not tolerate harassment of employees by managers, supervisors, co-workers, or third parties (including vendors, suppliers, customers and contractors).

Prohibited sexual harassment under this policy includes behavior of a sexual nature, which is unwelcome and personally offensive to its recipient. Sexual harassment is a form of employee misconduct, which is demeaning to another person and undermines the integrity of the employment relationship. Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct that creates an intimidating, offensive, or hostile working environment or that interferes with work performance will not be tolerated. This prohibits not only conduct and language that constitutes unlawful harassment as defined by the courts, but all inappropriate behavior having sexual content.

Examples of sexual harassment include unwanted physical contact; foul language, sexually explicit pictures, cartoons, off color jokes, or other materials may be considered offensive to another employee. Further examples of prohibited harassment include racial slurs, ethnic or disability related jokes, posting of offensive statements, posters, or cartoons, or other similar conduct.

If you feel you have experienced sexual harassment, please contact the Office Manager IMMEDIATELY.

Complaints of harassment will be investigated thoroughly, promptly, and in a confidential manner. This is to protect the confidentiality of the employee, who files a complaint, to encourage the reporting of incidents of harassment, and to protect the reputation of any employee wrongfully charged with harassment. Knowingly false and malicious complaints of harassment are prohibited. All employees have a responsibility to cooperate in the Company's investigations of harassment.

The Company forbids retaliation against employees for opposing harassment, for reporting harassment, or for participating in an investigation of suspected harassment. Retaliation can take the form of verbal or physical misconduct, shunning, or adverse employment actions such as negative evaluations, less favorable work assignments, discipline, or discharge. Any recurrence of harassing conduct or any incident of suspected retaliation should be reported immediately to Sean Bauer.

If harassment or retaliation is established, Bauer Food LLC will promptly discipline the offender. Violation of this policy may result in discipline up to and including immediate termination.

Discrimination

• At McDonald's, we treat all employees and applicants for employment fairly and without regard to race, color, sex, religion, national origin, veteran status, disability or age. Discrimination against any employee or applicant based on any of these conditions will not be tolerated. It is our policy to reflect a diverse labor force within our restaurants.

Drugs and Alcohol

• Bauer Food LLC recognizes its ongoing obligations to ensure the health and safety of its employees and associates and the public in general, to maintain an efficient and productive work force, and to service its customer's in a safe and efficient manner. We have established a clear and certain commitment to the maintenance of a drug/alcohol free work environment. In support of this commitment, we have set an absolute standard of "zero tolerance" of illegal drugs and alcohol and their effects in the workplace serve to assert and maintain our reputation as a reasonable and prudent business concerned with the safety and welfare of our employees, customers, and the public.

• Use, sale or possession of illegal drugs, alcohol, or being under the influence thereof while either on company property or while performing work on behalf of McDonald's.

- No alcohol whether opened or unopened is permitted on company premises.
- See Bauer Food LLC Substance Abuse Policy.

SUBSTANCE ABUSE POLICY

Bauer Food LLC McDonald's is dedicated to providing a safe and healthy work environment for its employees and customers. For this reason, Bauer Food LLC McDonald's has a zero tolerance policy against on-the-job substance abuse, whether in the form of alcohol or illegal drug abuse. The details of this policy are set forth below:

POLICY

1. Employees may not possess, sell trade or offer for sale alcohol, illegal drugs or other controlled substances, or otherwise engage in the illegal use of such alcohol, drugs or controlled substances on the job.

2. Employees may not report to work under the influence of alcohol, illegal drugs or other controlled substances, or be under such influence at any time during the workday.

3. Notwithstanding the above, employees may take properly prescribed prescription drugs while on the job, unless taking the medicine will adversely affect the ability of the employee to safely perform his/her job. Prior to reporting to work, the employee should consult his/her prescribing physician as to any adverse side effects of the medicine, and relay the physician's response to his/her supervisor. Management will then make the decision as to whether the employee should be allowed to work, or be sent home.

4. This policy applies to managers as well as employees of Bauer Food LLC McDonald's.

DRUG TESTING

Bauer Food LLC McDonald's store management shall perform drug and alcohol testing of any of its employees and managers in the following circumstances:

1. Post-accident: Whenever the individual is involved in an on-the-job accident, whether or not it results in personal injury to him/herself or his/her co-workers, or results in property damage.

2. For Reasonable Cause: Whenever an individual is behaving in such a manner or appears in such a way that gives management any reason to believe that the individual is under the influence of alcohol or illegal drugs or other controlled substances. The decision to test shall be according to the discretion of the individual's immediate supervisor after he/she has consulted with the store manager.

DRUG TESTING PROCEDURES

1. The individual in question will be directed to report to a local testing facility specifically designated by Bauer Food LLC McDonald's for the purpose of submitting a urine or blood sample for analysis.

2. Bauer Food LLC McDonald's will provide to the individual transportation to and from the testing facility.

3. The individual shall not be required to submit to a drug or alcohol test without his/her



consent. However, as a condition of continued employment, it is hereby understood that each employee or manager consents in advance to such alcohol and/or drug testing. Failure to promptly consent to or permit such tests at Bauer Food LLC McDonald's request shall be grounds for immediate termination.

4. As a further condition of continued employment, it is hereby understood that the employee or manager agrees in advance to release Bauer Food LLC McDonald's from any claim he/she may have in connection with giving the urine or blood samples, the analysis of the samples by the testing agent, and the communication of the test results from the testing agent to Bauer Food LLC McDonald's.

5. Bauer Food LLC McDonald's shall relay to the individual the findings of the testing agent as soon as possible after it receives them. Should there be a positive test result; the employee will be given an opportunity to advise

6. Bauer Food LLC McDonald's that the positive result was due to prescription medicines that he/she had been properly taking. Based on that individual's input, Bauer Food LLC McDonald's shall, in consultation with the testing agent, determine whether the positive result was due to the presence of properly prescribed prescription drugs in the individual's system.

7. A positive test result that cannot be attributed to the presence of prescription drugs shall result in the individual's immediate termination.

8. Such a positive result may also jeopardize the individual's claim for worker's compensation benefits, should he/she be injured as result of the drug or alcohol use.



MCDONALD'S COMMUNITY CITIZENSHIP

It's important to know that McDonald's is committed to serving its communities' changing needs. As the largest restaurant business system, with an extremely high public awareness, we are often looked to for leadership on issues which directly and indirectly relate to our reputation.

In this section, we'll cover six issues, which are important to our customers and us:

- Environment
- Nutrition
- Working Students
- Labor Laws
- Who You Will Need to Know
- Career Opportunities

MCDONALD'S AND THE ENVIRONMENT

We believe we have a special responsibility to protect our environment for future generations. This responsibility comes from our unique relationship with millions of customers worldwide whose quality of life tomorrow will be affected by how we guard the environment today. We share their belief in their right to exist in an environment of clean air, clean earth and clean water.

We look at every part of our business to determine its impact on the environment, and take action beyond what is expected if we feel those actions will help leave future generations an environmentally sound world.

Our environmental commitment and activities are guided by the following principles:

• Effectively managing solid waste: We are committed to taking a "total lifecycle" approach to solid waste. We look at ways to reduce materials used in production and packaging, as well as diverting as much waste as possible from the solid waste stream. In doing so, we will follow three courses of action: reduce, reuse and recycle.

• **Conserving and protecting natural resources:** We will continue to take aggressive measures to minimize energy and other resource consumption through increased efficiency and conservation. We will not permit the destruction of rainforests for our beef supply. This policy is strictly enforced and closely monitored.

• **Reduce:** We will take steps to reduce the weight and/or volume of the packaging we use. This may mean eliminating packaging, adopting thinner and lighter packaging, changing manufacturing and distribution systems, adopting new technologies, or using alternative materials. We will continue to search for materials that are environmentally preferable.

• **Reuse:** We will implement reusable materials whenever feasible within our operations and distributions systems as long as they do not compromise our safety and sanitation standards, customer expectations, nor are offset by other environmental or safety concerns.

• **Recycle:** We are committed to the maximum use of recycled materials in constructing, equipping and operating our restaurants. We are already the largest user of recycled paper in our industry, applying it to tray liners, napkins, Happy Meal boxes, carry out bags and carry out trays.

Finally, we are committed to timely, honest and forthright communications with our customers, shareholders and employees regarding all of our environmental policies. We will continue to seek the counsel of experts in the environmental field. By maintaining a productive, ongoing dialogue, we will learn from them and move closer to doing all we can to preserve the environment. For further information you may visit McDonald's website at www.mcdonalds. com.exposed to - an infectious disease, please call a member of your management team to ask for time off and call your doctor. A doctor's note indicating you are healthy will be required in order to return to work.

MCDONALD'S AND NUTRITION

Since McDonald's opened its first restaurant in 1955, the company has always responded to the changing needs and tastes of our customers. We should all feel proud of the food we serve and be aware of the significant gains we continue to make in the nutrition area.

It's important to understand and to share with your customers that McDonald's food can fit into any well-balanced diet. The key word is balance, and it has led to many of our menu additions, such as salads and all-vegetable frying oil. Refer your customers to the nutrition and ingredient information guide. We are the first company in our industry to make this information available to our customers. McDonald's is committed to developing new menu items to offer our customers the taste and nutrition variety they want.

MCDONALD'S AND WORKING STUDENTS

With more than 34,000 restaurants worldwide, McDonald's is one of the country's largest employers of young people. Along with this leadership comes an important responsibility: To see that education and school work are the top priorities of our school age employees and to make sure that their job experience complements, rather than detracts from, their education.

We subscribe to the following principles in our restaurants:

• Education is a significant priority. There is no question that, between education and employment, education comes first.

• To make sure that education comes first, McDonald's provides flexible working hours to accommodate classes, homework assignments, and extracurricular activities.

• Excessive or late working hours should never compromise grades and school attendance.

• McDonalds provides training, skills development, and a work experience, which teaches the importance of responsibility, self-discipline and superior achievements.

• We take a leadership role in working with parents, educators and students on education issues.

• McDonald's believes in supporting education by recognizing our employee's scholastic achievements through various scholarship opportunities.

 McDonald's complies with all laws concerning the employment of minors and continues to commit to policies which go beyond local requirements. Our company guidelines and restrictions for minors are included on the following pages.

MINOR LABOR GUIDELINES

SCHOOL IN SESSION

AGE	MAY NOT WORK PRIOR	MAY NOT WORK AFTER	MAXIMUM HOURS SCHOOL DAY	MAXIMUM HOURS NON SCHOOL DAY	MAXIMUM WEEKLY HOURS
14 & 15	7:15 AM	6:45 PM	2.5	7	16
16 & 17	6:15 AM	9:45 PM	6	8	28

*Friday is considered a school day

• All Labor Laws apply to any minor enrolled in school or one that participates in a home school program.

• Any minor age 14 and 15 may not be employed during regular school hours, even if he/she is enrolled in a home school program.

• "School Hours" is defined from 7:30 AM to 3:30 PM.

• A minor that is 16 years of age and older cannot work more than 28 hours in any one week when school is in session, except that a minor 16 years of age and older may work up to 40 hours in any one week if a parent or legal guardian gives permission in writing, and the principal or head of the school the minor attends certifies in writing that the minor has maintained at least a 2.0 grade point average in the most recent grading period.

· School certification shall be valid for one year unless revoked sooner by the school authority.

• The parental permission and school certification shall remain at the employer's place of business.

SCHOOL NOT IN SESSION (JUNE 1 THROUGH LABOR DAY)

AGE	MAY NOT WORK PRIOR	MAY NOT WORK AFTER	MAXIMUM HOURS SCHOOL DAY	MAXIMUM HOURS NON SCHOOL DAY	MAXIMUM WEEKLY HOURS
14 & 15	7:15 AM	8:45 PM	N/A	7	38
16 & 17	6:15 AM	1:00 AM	N/A	8	38

DUTIES A 14 OR 15 YEAR OLD MAY PERFORM

- Front Counter
- Drive Thru Cashier
- Presenter
- Draw Drinks
- Initiator (in plain view of customer)
- Order Taker

Drive Thru Runner

- Host/Hostess
- McFlurry/McCafe
- Assembler (in plain view of customer)

*No dropping or raising fries/other product into or out of the fry vat.

RESTRICTIONS ON WORK ACTIVITIES (14 AND 15 YEAR OLDS)

14 and 15 Year Olds May Not:

• Perform any cooking activity using fry vats (unless the fryers are equipped with and utilize devices that automatically raise and lower the product into and out of the oil or grease). Thus, they cannot work the fry station or drop/lift any other product into or out of the fry vats (e.g., fries, hash browns, filets, nuggets, chicken, etc.)

• Use a microwave oven in our restaurants (because they have the capacity to heat product above 140 degrees F.)

- · Load or unload trucks or conveyors
- Work in walk-in freezers or refrigerators
- · Operate, load or empty a trash compactor or shredder
- · Work on ladders, scaffoldings or roofs



- Operate any power-driven machinery
- Operate, adjust or clean electric or power-driven food slicers (including electric knives or cheese, vegetable and meat slicers or shredders)

• Clean any kitchen surface or power-driven equipment if the temperature of the surface/ equipment exceeds 100 degrees F.

- Work on any filtering task
- Perform any type of work on a roof
- Operate any laundry equipment
- Drive on any public roadways while working
- A 15-year-old employee cannot be transferred from restaurant to restaurant.
- A 15-year-old employee cannot work any split shift.

KENTUCKY RULES FOR ALL MINORS AGE 14 THRU 17

• Employee must have on file in the restaurant a Certificate of Age and other required documentation.

• Employee must receive a full 30-minute break every 4 $\frac{1}{2}$ hours – the break must be between the 3rd and 5th hour of work.

• Employee must have 2 days off a week.

• Employee is required to have a 10-minute break within the first four hours of work, followed by a second 10-minute break during the last four hours of work.

- A second 10-minute break is not required of the employee works less than 7 1/2 hours.
- Home-schooled employees must obtain a Certification of Age, along with a letter from the parent or guardian stating when home schooling is conducted.

• The home-schooled employee may work any hours outside their school hours. They must still comply with State and Federal Laws.

CAREER OPPORTUNITIES

A little known fact is that most McDonald's middle management and senior management have experience working in the restaurants. Many even started as crew. McDonald's offers substantial growth above and beyond restaurant management. We believe in "promotion from within".

OUR DOOR IS ALWAYS OPEN

We have established an Open Door Policy. It states that each person in McDonald's is a unique, involved individual and each such individual, regardless of rank or title, is accessible to and has access to every other individual, regardless of rank or title. The purpose of this policy is to give you the tools and avenues to resolve problems or concerns that you have in McDonald's.

DISCIPLINARY STATEMENT

The following is the Disciplinary Guideline we use to reinforce McDonald's policies. It is important that Management uses counseling for performance problems and non-flagrant policy issues. These counseling sessions should be documented.

In cases where minor or less serious policy violations occur, we will normally take the following steps:

First Violation: Verbal Warning (Documented), active for 12 months.

Second Violation: Written Warning (Documented), active for 12 months. This warning must be reviewed and signed by your Store Manager.

Third Violation: Written Warning (Documented) and Termination.

In situations where serious offenses have occurred, or are suspected to have occurred (theft, unlawful acts, gross misbehavior, intoxication, sexual harassment, insubordination, etc.) it may be necessary to use an investigation period.

During this investigation period, you may be unscheduled. This will be considered a suspension pending investigation.

At the conclusion of this investigation, a disciplinary determination will be made. Depending upon the results of the investigation, prior work history, and the severity of the offense(s), the disciplinary action will range from a warning to a one (1) or two (2) week unpaid suspension to a termination. Each situation will be reviewed by the Manager, Supervisor, and Owner/Operator.

If, at the conclusion of an investigation, you are absolved of any wrong doing, you will be reinstated with back pay for any missed work during the suspension period.

