

BONUS PROGRAM

D.L. ROGERS COMPANIES offer an incentive to Partners and Co-Managers utilizing a bonus program. Certain criteria must be achieved in order to be eligible for bonus. (See [New Partner Packet](#) Exhibit- [Operating Partner Agreement](#)) Before bonus checks can be written and disbursed, approval must be received by Area Supervisor. Criteria in the Operating Partner Agreement above will be used by the Area Supervisor in determining whether such bonus is approved. Area Supervisor uses a Bonus Criteria Worksheet for this purpose.

An outline of Partner bonus criteria is included here, however detailed information can be found in your Operating Partner Agreement.

Partners	There are 2 different bonus programs. (20% ownership with a 10% bonus or 25% ownership with a 15% bonus) The bonus program new partners are eligible for is determined by the trailing 12 months sales and can be found in the Bonus Agreement. Under either program, no bonus can be earned during the first six months, half the bonus for the next six months and full bonus after 1 year. This standard can only be changed with director approval.
Co-Managers	Up to 5% bonus (with Supervisor's approval)
Assistants	On exception basis only with supervisor approval and written Notification to director (total store bonus cannot exceed 20%)
Food Cost	If within 1.5% of ideal YTD, 25% of eligible bonus is earned, if monthly food cost is within 1.5% of ideal but not for YTD, then 10% of eligible bonus is earned
Crew Labor	If within agreed guidelines YTD, 25% of eligible bonus is earned. If monthly crew labor is within guidelines but YTD is not, then 10% of eligible bonus is earned
Management Staffing	If within agreed guidelines YTD, 25% bonus is earned.
Mystery Shops	If within agreed guidelines, 25% of eligible bonus is earned. The Drive-In will receive three Mystery Shops each month. In some cases, a COOP may pay for an additional shop. Otherwise, no additional shops will be allowed

Bonus Writing Procedures for Co-Managers

A Bonus Calculation Worksheet is used to determine the correct amount to be disbursed to Co-Managers or Assistants who are on the D.L. ROGERS COMPANIES Bonus program. Bonus is based on the same criteria as the Partner. (See Exhibit-[Co-Manager/Assistant Bonus agreement](#)) An employee must have been employed by the Drive-In for the entire month that the bonus is issued for and must be actively employed with the Drive-In on the date the bonus is issued. Bonus details for any Co-Manager or Assistant who is moved from one store to another prior to the end of any month will be worked out by the Area Supervisors involved. The Calculation Worksheet has detailed directions and must be filled out prior to issuing bonus to any Co-Manager or Assistant Manager. Bonus is paid within thirty days of the end of the period that bonus was earned. (See Exhibit- [Co/Asst Bonus Calculation Work Sheet](#))

CREW MEETINGS

Partners are expected to conduct store-wide crew meetings once a month. Partners will inform their Supervisor of their scheduled employee meetings at least two weeks prior to the scheduled date.

DISCIPLINE PROCEDURES

The Drive-In's best interest lies in making sure that all employees are treated fairly and in making certain that disciplinary actions are prompt, consistent, and objective. When training and coaching fail, progressive discipline may be taken to help correct employee behavior that is destructive to the working environment. "Progressive" means that the following steps will normally be carried out with respect to most disciplinary problems:

- A first offense may call for a verbal warning.
- A next offense may call for a written warning.
- Another offense may lead to further disciplinary action or termination of employment.

(See exhibits-[Employee Corrective Action Form](#)) [Employee investigation / documentation](#)

Disciplinary action may call for any of the three steps depending on how serious the problem is and the number of times it occurs.

The Drive-In recognizes that there are certain types of employee problems that are serious enough to justify termination of employment, without going through the usual progressive discipline steps. While it is impossible to list every type of behavior that may be a serious offense, the EMPLOYEE CONDUCT GUIDELINES section of the Sonic Franchisee Employee Handbook includes examples of conduct that may result in immediate termination of employment. Written Warnings require review by the Partner prior to presentation to the employee. **Please note that nothing in this policy creates rights for an employee or interferes with the employment-at-will relationship. All Disciplinary actions should be documented and uploaded into ADP.**

Employment Termination

An employee who voluntarily terminates his or her employment with the Drive-In should give a two week notice of his or her intent in writing to the Partner. If an employee does not provide advance notice as requested, the employee may be considered ineligible for rehire.

Co-Managers and Assistant Managers make recommendations to the Partner about employees regarding involuntary terminations. The Partner however makes the final decision and is responsible to conduct the termination. Terminated employees are not subject for rehire at any other D.L. ROGERS COMPANIES Drive-In for a period of sixty days from termination. Terminated employees must have the written approval of the Area Supervisor before rehiring can take place.

An employee's final check can be issued on the next regularly scheduled payday. The Drive-In has the right to terminate employment at will, with or without cause, at any time, but caution should be used when exercising this right. All accrued vested benefits that are due and payable upon termination will be paid. (See exhibit- [Co Manager / Assistant Agreement](#) for details) Some benefits may be continued at the employee's expense if the employee chooses such as COBRA Insurance. If the terminated employee has medical insurance through D.L. ROGERS COMPANIES, the Drive-In Partner/Manager or Supervisor must inform the D.L. ROGERS COMPANIES Human Resources office within 3 days of the termination. The office will then terminate the employee's insurance and offer COBRA benefits.

A Disciplinary Warning Notice and Action Taken form can be found for employees at (exhibit- [Employee corrective action form](#)). See exhibit- [Employee handbook](#)

EMPLOYEE AND MANAGEMENT DEVELOPMENT

To ensure our employees receive the best possible training and become proficient in all areas of operation, D.L. ROGERS COMPANIES utilizes the Sonic Industries e-learning training programs as laid out on the D.L. ROGERS CAREER PATH poster.

All outside hires that are being expensed to our Growth Fund will be required to follow our 3-stage training process:

Stage One new Partners must complete a four-week course in Stage One in a certified Drive-In. All Stage One requirements must be met before trainee can move to the next level of training.

Stage Two: All new Partners must complete a four-week course in Stage Two in a certified training Drive-in. All requirements of Stage Two must be met before trainee is released to operate a Drive-In.

Stage Three: D.L. ROGERS COMPANIES feel that in addition to the Stage Two requirements, the Trainee should complete a D.L. ROGERS COMPANIES Extended Training Course of at least thirty days with a Partner who has been certified to train. During this extended training course, the

Trainee would work mostly on shift management skills and worked through the stage three check list. Exhibit to stage 3 checklist and TTT Program

Sonic Management School (SMS): We believe all Partners, Co-Managers and Assistant Managers benefit from continuing education. Our goal is to have all members of management attend SMS. D.L. Rogers has gone through the process and is certified by Sonic Corporate to teach the curriculum. These classes are scheduled by the Director of each region and should happen on a quarterly basis.

EMPLOYEE FRATERNIZATION

– see Employee Handbook

EMPLOYMENT OF RELATIVES

– see Employee Handbook

FAMILY MEDICAL LEAVE ACT

– see Employee Handbook

MANAGEMENT INTERVIEWING

Area Supervisors are to schedule second interviews with another Area Supervisor or their Director of Operations for Manager trainee candidates.

A scripted Management Reference Check has been developed to assist in obtaining meaningful references for all management candidates. (See Exhibit – [Reference Checks](#))

MANAGEMENT PROMOTIONS

Promotions to and within the management ranks require specific levels of accomplishment and approval. Assistant Manager and above require a background check.

Promotion from crew member to Crew Leader requires completion of all e-learning station courses as laid out on the D.L. ROGERS CAREER PATH POSTER in the candidate's specific area of expertise (back of house/front of house), and the Partner's observation of required leadership ability. Crew Leaders DO NOT run shifts and consequently Area Supervisor approval is not required for this promotion.

Promotion to Assistant Manager requires Area Supervisor approval. During this approval or "Certification" the Area Supervisor will verify all requirements have been completed per the D.L.

ROGERS CAREER PATH POSTER and has passed Serve Safe. The Area Supervisor will also conduct and complete a “Shift Verification” which includes observing the candidate running 2 separate shifts. Once the “Certification” process is complete Assistant Managers MAY run shifts in the absence of the Partner. Assistant Managers are listed on the Roster so that Supervisors and Directors can determine the management staff at the drive in, Assistant managers will be counted towards the minimum staffing requirements. Additionally, assistant pay codes should reflect that they are assistants vs. being crew members within the payroll system.

Promotion from Assistant Manager to Co-Manager requires Area Supervisor and Director of Operations approval. Area Supervisors must verify the candidate has completed all the requirements per the D.L. ROGERS CAREER PATH POSTER. The Area Supervisor must also complete a second “Shift Verification” on the candidate. When this is all complete, the Area Supervisor will notify the Director of Operations in writing of their intent to promote the candidate. The Director must approve the promotion in writing, prior to the title and associated benefits being offered to the candidate. Co-Managers MAY run shifts in the absence of the Partner. All Co-Managers are to be listed on the roster each month.

Promotion from Co-Manager to Partner requires the Approval of the Director of Operations and President, D.L. Rogers Corp. Candidates must have completed all the requirements per the D.L. ROGERS CAREER PATH POSTER then participate and be deemed promotable in the “Review Board” process. The “Review Board” includes separate visits to the candidate’s drive-in and interviews with the candidate by two Area Supervisors and the Director. The visits and interviews may be conducted in any order. Each Supervisor and the director will have a specific set of questions to ask the candidate, a specific “real life” scenario to discuss as well as a specific “skills assessment” to conduct during the visit. They will also observe basic operations for about one hour. The candidate will be given advance notice (minimum of 48 hours but no more than 96 hours) for each of the visits. This notice will be by e-mail and will include an outline of the “real life” scenario and general areas of the skills assessment. Upon completion of their visit, each supervisor will provide the Director with a written recommendation regarding the candidate. The recommendation is to include a yes or no promotion recommendation and a detailed assessment of the strengths and weaknesses of the candidate. The Director will consider these recommendations and assessments when making the final decision regarding the candidate’s readiness for promotion. The director will share his decision with James in writing and include the combined assessment of the candidate’s strengths and weaknesses.

MILITARY RESERVE / JURY DUTY

– see Employee Handbook

MINORS – EMPLOYMENT RESTRICTIONS

– see Employee Handbook

MOVING EXPENSES

When Partners or Co-Managers are asked to relocate for the convenience of the D.L. ROGERS COMPANIES, certain moving expenses will be reimbursed to or paid on behalf of the Partner or Co-Manager. To receive company paid reimbursement a Growth fund form must be completed with receipts (which must include a pdf of each receipt) must be submitted to Director of Operations for approval.

Co-Manager moving expenses are generally paid by the receiving Drive-In. Partner moving expenses are generally paid by the Growth Fund. The responsible Area Supervisor should review who will be charged for the move with their Director of Operations before moving arrangements are made.

When moving a Partner or Co-Manager, the receiving Area Supervisor is to negotiate the terms of the move with the individual. These terms must be approved in writing by the Director of Operations before they are finalized with transferring Partner or Co-Manager.

Typical reimbursable moving expenses include:

- Actual cost of a self-serve rental truck (U-Haul)
- Gas and oil expenses
- Appropriate per diem expenses (max \$25 per day per person)
- Hotel expenses while house hunting and transporting furniture (these time frames are to be negotiated in advance)
- Moving supplies (boxes, tape, pads, etc.)
- Paid time to pack and unload

CONFIDENTIAL INFORMATION

As an Employee of the Company, you may have access to proprietary, sensitive or confidential information. It is in our mutual interest to protect the Company's confidential information. Therefore, all the Company business must be kept strictly confidential, including but not limited to, trade secrets, customer names and information, financial information, business plans, methods of operation and techniques, product specifications, product costs, pricing information, or any other confidential information concerning the business of the Company. Improper disclosure or use of confidential information may result in discipline, including the possibility of separation of employment.

NON-HARRASSMENT POLICY

– see Employee Handbook

NON-DISCRIMINATION AGAINST DISABLED PERSONS

– see Employee Handbook

DRUGS AND ALCOHOL

– see Employee Handbook

INTERNAL PROMOTION INCENTIVE

In order to ensure we are always prepared for our personnel needs, and ready for any new opportunities, D.L. ROGERS COMPANIES has created an incentive program designed to reward partners who develop co-managers who then go out and become Partners in their own stores. Details on this program can be found in the exhibits (see exhibit-Internal Promotion Incentive Program)

OPERATING PARTNER MEETINGS

Supervisors are required to routinely hold partner meetings on a monthly basis. As part of the agenda, the Supervisor should cover part of the D.L. ROGERS COMPANIES manual and include time to discuss any 'hot topics' that may come up. A copy of the agenda signed by each Partner in attendance is to be submitted to the office by the end of each month.

Co-managers and 1st assistants are required to attend one area meeting and one Regional meeting annually. The Supervisor will work with the Partner in determining when a meeting would be most beneficial to attend.

The Supervisor will give at least a two week notice for a Partner meeting to the Partners and the Director.

PARTNER VACATIONS

D.L. Rogers Companies has established a vacation policy to provide our partners with a period of rest and relaxation without loss of pay or benefits. All Partners begin accruing vacation on the date of hire. All request must be turned in to your immediate supervisor.

Calendar Year of Service

1 year through 9 years
10 years through 19 years
20 years +

Weeks per Year

2 Weeks
3 Weeks
4 Weeks

Once the maximum of 4 weeks has been reached, no more vacation will accrue.

All vacation days will be awarded on January 1st of each year. Partners have until December 31st to use their vacation. Any unused vacation as of December 31st will be forfeited unless they receive written permission from their supervisor and director to carry vacation days over to the next year. However, vacation may only be carried over until January 31st.

PERFORMANCE REVIEWS

Appraisals may be used annually to evaluate the employee's progress at excelling in all essential duties and responsibilities. This tool should not be used in a 'disciplinary manner', but rather as a blueprint for improvement. Disciplinary matters should be acted upon immediately versus waiting for an appraisal. Appraisals can be obtained from Heritage Press. (See Exhibits- [Employee Appraisal](#))

The Partner will conduct a performance review for each member of his or her management team annually using the D.L. ROGERS COMPANIES Performance Appraisal Form. The objective of the appraisal is to identify weaknesses and strengths and to assist the Area Supervisor and Partner in working with the staff in improving those areas of concern. (See Exhibits- Supervisor and Partner Review)

Appraisals for Partners will be conducted each month during the monthly business review.

SEVERE WEATHER POLICY OF SONIC DRIVE-INS

General: During periods of predicted severe weather and during any storm, listen to local news or a NOAA Weather Radio to stay informed about watches and warnings. Know your community's warning system – but don't rely solely on it. It could be knocked out during a storm or not easily heard.

Before a Tornado

The following actions have been taken or reviewed annually as part of the preparation of this tornado emergency action plan:

- Safe places have been determined where personnel can take shelter. These places are generally protected by load-bearing walls, away from outside masonry walls, windows, and storage racks that could collapse, and where the roof is securely fastened. In the Sonic Drive-In, the safest location has been determined as **the walk-in cooler**;
- All facility doors are checked and determined to be in good condition and can be securely fastened;
- All windows are checked to be in good condition;
- The roof is checked to be sound and securely fastened down and that the building walls are sound;
- Emergency lighting is checked to assure that it is in working condition. Extra flashlights are available and in working condition;
- The local tornado alarm system is audible in all occupied portions of the building and grounds; and

- A radio tuned to the National Weather Service severe weather announcement system is available and in good working condition.

At the Beginning of Tornado Season

- **Property Cleanup-** A property cleanup is conducted at the beginning of tornado season. This cleanup entails securing or removing all loose objects and debris and ensuring that an ample amount of first aid supplies are located in the designated tornado shelter areas.
- **Tornado Drill-** A tornado drill is practiced at the beginning of each tornado season. The drill includes mobilizing the weather watchers, sounding the facility tornado alarm or making the tornado announcement. Facility personnel then move to the designated tornado shelter(s). After a head count is made of all employees, the Emergency Coordinator or their representatives announces the "all clear" and employee return to work.

When a Tornado is Imminent

Tornado Watch: This means that tornados are possible in and near the watch area. Manager on Duty (MOD) is responsible for the following:

- Listens to weather broadcasts on radio and/or TV.
- Communicates to his/her supervisor as appropriate.
- Locates the battery operated radio and flashlight in case power is lost.
- Secures outside tables, chairs, trash cans, etc. that can be picked up by the wind and become projectile.
- Checks walk-in cooler to ensure there is sufficient room if needed to shelter employees and customers.
- Watches for tornado danger signs:
 - Dark, often greenish clouds – a phenomenon caused by hail
 - Wall cloud – an isolated lowering of the base of a thunderstorm
 - Clouds of debris
 - Large hail
 - Funnel cloud – a visible rotating extension of the cloud base
 - Roaring noise
- Based on all circumstances, determines whether drive-in should be closed, and employees sent to a tornado shelter. The closest Tornado Shelters to this Drive-in are:
_____ (name of facility and address). Employees will move to the tornado shelter when the alarm or signal is given. Employees will not stop to collect any personal belongings or to shut off equipment (unless it has been

predetermined that the equipment is unsafe unless deactivated and only if it is safe to do so.)

- If there is not time for employees and customers to travel to a shelter, open the walk-in as a shelter for employees and customers.
- Remains calm and ready to act quickly if a warning is issued or you suspect a tornado is approaching. Acting early helps to save lives.
- Employees will remain in the tornado shelter until the "all clear" is announced. Employees should take care when leaving the tornado shelter if the building has sustained damage.

Tornado Warning: This means that a tornado has been sighted or indicated by weather radar. Tornado warnings indicate imminent danger to life and property.

When the National Weather Service outdoor warning sirens signal that a tornado has been sighted in the area and that a "tornado warning" is in effect, MOD is responsible for the following:

- If any employees are outside when the outdoor warning siren is activated, they will come inside immediately and report to their supervisor.
- MOD should calmly announce the situation to employees and customers.
- At the time of the activation of the outdoor warning system, the manager on duty makes the following tornado announcement or activates the tornado alarm and then proceeds to their designated tornado shelter area:
- **Do not send employees home or to the tornado shelter at this point – it is too late.**
- Do not take or allow others to take shelter in a parked car.
- Shelter-in-place -- Once a tornado warning has been issued, the safest place is the drive-in's walk-in cooler. The manager on duty is responsible for ensuring employees and customers take appropriate shelter in the walk-in cooler. When shelter-in-place is necessary, ensure that the following steps are also taken (if time allows):
 - Close exterior doors;
 - Close windows;
 - Close air vents; and
 - **Turn off water and gas mains, fans, air conditioning and forced air heating systems.**
 - Continue listening to weather broadcast and stay in shelter until tornado warning is lifted.

After a storm:

The following action will occur if the facility is hit by a tornado or suffers tornado related damage.

Damage to the Building

If the facility has suffered damage, evacuees will be instructed to leave the facility and watch out for unstable objects that could topple or fall and for damaged electrical wiring. If the gas main has been ruptured, employees will evacuate the area and be instructed to extinguish all ignition sources such as cigarettes. Facility personnel may be instructed to shut off the gas main only if it

is safe to do so. If possible, the gas company and the fire department will be notified. If sprinkler pipes are broken, facility personnel may shut off the water valve to minimize water damage.

Missing Personnel

Any scheduled employees who are not in the tornado shelter must be accounted for. Emergency services personnel will be notified if any personnel are missing or believed to be trapped in the building. Rescue operations will be conducted only if the building's structural integrity is sound enough and if the risk to rescuers is minimal.

Clean up spilled cleaning chemicals and bleach, and gasoline or other flammable liquids that could become a fire hazard.

MOD is responsible for the following:

- Continue listening to local news or a NOAA Weather Radio for updated information and instructions.
- Check for injuries. If you are trained, provide first aid to persons in need until emergency responders arrive.
- Call 911 to report medical emergencies.
- Watch out for fallen power lines or broken gas lines and report them to the utility company immediately
- Stay out of damaged buildings.
- If you smell gas or hear a blowing or hissing noise, open a window and get everyone out of the building quickly and call the gas company or fire department.

Take pictures of damage, both building and its contents, for insurance claims. Gather damaged inventory/food spoilage information

SONIC COMPENSATION POLICY

– see Employee Handbook

TRAVEL PER DIEM

When a Partner, Trainee or Assistant is traveling either to take part in training, or assist in training that requires overnight stays, they are entitled to the following reimbursements.

Hotels	Hotels are generally booked and paid for in advance by the office or store.
Gas	You will be reimbursed for actual gas expenses during travel.
Meals	<p>When working in a store you are entitled to 3 meals a day. Two of these meals are Sonic meals at the Drive-In at no cost to you. One meal per day may be an outside meal and is not to exceed \$15. (No alcohol.)</p> <p>When not in a store you are entitled to 3 meals not to exceed:</p> <ul style="list-style-type: none">▪ Breakfast \$7▪ Lunch \$10▪ Dinner \$15

If you exceed these amounts you will be reimbursed for the allowed amount and the rest will be at your expense.

It is your responsibility to save all gas and meal receipts for reimbursement. They can be turned in on a weekly basis to the store you are training or being trained at, or at your store when you return to it. For the store to receive growth fund reimbursement all pictures of receipts must be turned into your supervisor with a completed Growth Fund Reimbursement Form (see exhibits- [Growth Fund Reimbursement Form](#)). Supervisors will then review for accuracy, and forward to Director and Jill Piano at the office.

TRAINING STORE COMPENSATION

D.L. ROGERS COMPANIES believes that our Partners and managers should receive the best possible training. We feel that each training store Partner should receive reasonable compensation for the extra time they must devote to properly training a new Partner Trainee. Compensation is \$400 for each completed stage of training.

WAGES / BENEFITS

– see Employee Handbook