

DLR Companies Supervisor Policy & Procedures

Updated 1-16-2023

FOREWARD

The Supervisor Policy & Procedures manual that follows is intended as a companion to the existing DL Rogers Companies Policy and Procedure Manual that was developed primarily as a tool for our Partners.

Area Supervisors are responsible for knowing and following the policies and procedures both in this manual and the existing DL Rogers Companies Policy and Procedure Manual.

Area Supervisors are Independent Contractors. This manual is specifically designed to help you understand our expectations and standards. Failure to follow our policies and procedures may result in the termination of your Independent Contractor status.

Sound business practices dictate that policies and procedures will change periodically. Area Supervisors should make recommendations for changes and additions to either Policy & Procedure manual, in writing, to their Director of Operations. No change will be implemented until it is posted to the master copy of the manual posted on Partnernet.

The Role of the supervisor is to select, develop and maintain a team of partners that achieve Excellence without Exception as defined by the COOL P's.

BENCHSTRENGTH

One of an Area Supervisor's prime responsibilities is to ensure they have the right people and the right number of people to properly staff the Drive-Ins in their area. Every Supervisor is expected to be fully self-sufficient in meeting the current staffing level requirements for their Drive-Ins. Additionally, Supervisors are expected to be a producer of people to support the growth of our company – either thru new Drive-Ins construction or acquisition. Fully self-sufficient is defined by the Excellent standard per DLR Excellence Report.

COMMUNICATION

Supervisors should copy their Director on any information they provide to the office. This would include information supplied in response to a request.

Any request for information or assistance made by a supervisor to the office should, as often as is practical, be accompanied by an e-mail follow-up.

COMPENSATION / BENEFITS

DLRC Area Supervisors are independent contractors and are paid as such. Each Supervisor receives as compensation a management fee equal to a percentage of the dividends paid by their Drive-Ins to DLRC. This fee is calculated by a supervisor specific excel spreadsheet commonly referred to as the monthly "Dividend Report".

Supervisors also have access to the DLRC Group Health and Dental Insurance plans. 100% of the premium for these plans is paid by the Supervisor.

Long Term Disability Insurance is provided and paid for by DLRC. The maximum annual benefit is \$72,000. (See Exhibit Long Term Disability)

As independent contractors, Supervisors develop their own schedules. However, we expect Supervisors to follow the same vacation guidelines used by our Partners: after 1 year of service, you receive 1 week vacation. You get 2 weeks of vacation after 2 years of service, 3 weeks per year after 10 years of service and after 20 years you will receive 4 weeks of vacation.

DLRC SUPERVISOR JOB DESCRIPTION

The fundamental and primary job duties and responsibilities of a DLRC Supervisor include, but are not limited to:

- Supervision of multiple DLRC Drive-Ins.
- Providing professional leadership at all levels in area.
- Responsible for managing Drive-In Management and crew, keeping all parties in compliance with company policy and current local, state, and federal wage and labor laws.
- Developing human resources such that area is self-sufficient and produces personnel to support Company growth. You must maintain all levels of management and remain fully staffed
- Providing partnership and compensation opportunities for drive in staff
- Developing area to be at the top in all key performance indicators
- Motivation of drive-in staff for practicing for and participating in the Sonic Dr. Pepper Games.
- Ensuring that management takes appropriate action to maintain an environment that is free of discrimination, harassment, and inappropriate conduct.

- Overseeing compliance with cash handling policies and banking procedures. Verifying that deposits are made as per DLRC procedures.
- Executing drive in priorities and objectives, such as: meeting current sales and profit goals. Developing appropriate plans to resolve unfavorable financial and/or market trends.
- Ensuring Drive-Ins meet DLRC cost control standards
- Conducting monthly business reviews with Partners, to include at least one co-manager in review each month.
- Ensuring that all Drive-Ins are compliant with Sonic Safe, and all health and sanitation laws and regulations, taking immediate corrective action when necessary.
- Conducting inventory verifications per company policy
- Creating and holding monthly meetings with partners to address promos, sales, marketing strategies, and incentive ideas; and implementing action plans based on mystery shop results and/or other customer service indicators, etc.
- Conducting Co/asst meeting twice a year
- Reporting EOM numbers as required by DLRC policy
- Enforcing POS standards and settings as set by DLRC
- Responding and taking appropriate action to all comments/complaints within twenty-four hours.
- Completing administrative / operational duties as outlined in the annual planning calendar.

DISCIPLINE PROCEDURES FOR PARTNERS

DLRC's best interest lies in making sure that all Operating Partners are treated fairly and in making certain that disciplinary actions are prompt, consistent, and objective. Our "progressive discipline" procedures are a part of the coaching and training necessary to help correct partner behavior that is counterproductive. "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.
- The second offense may call for a written warning.
- Any further offenses may lead to further disciplinary action up to and including the removal of the partner (termination).
- You will need to send Jessica Pearson a copy of all documentation. She will keep an electronic copy at the office

Disciplinary action or removal (termination) may be appropriate for any offense depending on the seriousness of the problem and the number of times it occurs.

DLRC recognizes that there are certain types of partner problems that are serious enough to justify termination without going through the usual progressive disciplinary steps. When the

Supervisor determines that the problem is serious enough to justify immediate termination, the Supervisor will notify the Director of Operations immediately. With the Director's guidance, the supervisor will then take whatever actions are deemed appropriate.

Partner/Manager Termination

The Supervisor makes recommendations to the Director about Partners/Managers regarding involuntary terminations. The Director, with the Supervisor's input, makes the final decision based on information provided by the Supervisor including, but not limited to: written warnings, P&L information, performance reviews, routine visits, etc. The Supervisor is responsible for terminating the Partner/Manager, but in some cases, the Director may choose to administer the termination. Terminated Partners/Managers are not eligible for rehire at any other DLRC Drive-In. The terminated Partner/Manager cannot work for any other Sonic for six months following their termination without a release from DLRC.

A Partner/Manager's final paycheck can be issued on the next regularly scheduled payday with the final dividend/bonus. It is important to obtain the out-going Partner's signature on the transfer of Interest before the final check is issued. All accrued, vested benefits that are payable will be paid. The Supervisor will confer with the Director to determine what (if any) compensation will be payable to the terminated Partner/Manager. Some benefits may be continued at the Partner/Manager's expense if the Partner/Manager chooses, such as Health Insurance (via COBRA). Any continuation of benefits not addressed by law must be approved by the Director. **Supervisors must notify the office within 24 hours of any termination of any Partner, Manager or Co-Manager.**

Partner Buy-In/Out Procedures

All Partner Buy-In/Outs are initiated by the Director of Operations and should be submitted using the following hyper link: <https://fs11.formsite.com/DLRogers/gypi5jvemv/index.html>

Below is a timeline which should be followed in completing a Partner Buy-In/Out:

- 1) Director notifies office of changes immediately as they occur.
- 2) On or about the 10th of each month the office will send out an e-mail listing all partners to be bought in or out on the previous month's P&L. Supervisors are to inform the office of any additions or changes at this time.
- 3) On or about the 20th of the month the office will complete the New Partner Packet and Notes. These will be forwarded to the Supervisor and Director for review and needed changes (i.e. adjustments for unpaid bills, etc.) This review and associated changes need to be completed within 24 hours of receipt.
- 4) The office will incorporate any changes and forward the finalized documents to James.
- 5) After approval by James, appropriate copies are distributed to the Controller, Karen, and the Partner. Check is cut to the departing Partner as necessary.

- 6) Office sends out Transfers of Interest to all investing members and makes appropriate changes to database, phone list and informs all office staff. Ideally, the entire process is complete by the 25th of each month.

DR PEPPER GAMES

All DLRC Drive-Ins are required to participate in the Dr Pepper Sonic Games. Area Supervisors are responsible for ensuring that each drive-in has the required material and that it has been rolled out to the respective drive-ins.

EXPENSE REIMBURSEMENTS

Although Area Supervisors are independent contractors, DLRC does allow them to be reimbursed for certain business expenses. A brief description of what expenses can be reimbursed and where that reimbursement is charged is described below.

Growth Fund Reimbursement

Supplies purchased to become certified as a Serve-Safe Instructor will be reimbursed. No other expenses will be reimbursed without the prior written approval from the Director of Operations.

The Growth Fund does not reimburse Area Supervisors for routine travel expenses (hotel, gas, meals etc.) while performing duties in their own area.

DLRC Expense Reimbursement

- Travel expenses and purchases incurred for performing duties as a member of the 'Convention Steering Committee.'
- Expenses related to special projects approved by the President or Director of Operations may also be reimbursable.

Drive-In Expense Reimbursement

- Extraordinary motel expenses incurred while changing out a partner
- Registration for Sonic Conventions
- Expenses for items purchased by Supervisors for a Drive-In
- Expenses for Area Lock-Ins, Regional Meetings and Christmas Parties.
- Expenses to administer monthly partner meetings (meeting place, snacks, supplies \$10 to \$20 per store). Lodging expenses are not reimbursable.

Area Partner Lock-In Expense Reimbursement

Area Supervisors should hold an Area Lock-In once per calendar year. These are to be no longer than 2 days and 1 night. A portion of the lock-in should be devoted to meeting the current DLRC Business Plan. The cost of the lock-in should not exceed \$150.00-200.00 per store.

FORMS

Below is a list of forms routinely used by Area Supervisors and some brief notes about each. Samples are found in the exhibits section of this manual.

- **Budgets** – Completed at the end of each year for the coming year. This is an Excel Spreadsheet provided by office.
- **Bonus Tracker** - Completed each month as information comes in. Used to track bonus earnings and assemble P&L review for Director.
- **Co- Manager (& Assistant) Bonus Agreement** – Completed at time of promotion and at the first of the year.
- **Complaint Follow-Up** – This form is a “Best Practice” and is used to document the follow up conducted by a Supervisor in response to any complaint received through the Sonic Totline.
- **Dividend Report / Management Fee Calculation** – Completed each month to report dividends to be drafted from each Drive-In and to calculate the Supervisors Management fee for the month.
- **Exception Report** – The exception report is distributed by FPO and should be reviewed by the supervisor daily. The purpose is to make sure our policy is being followed and that all deposits are made in a timely manner. Each store is to make 2 deposits daily, the day deposit to be deposited by 6 pm the same day, and the night deposit to be deposited by 11 am the following day.
- **Full Evaluation** – Completed once per month on every Drive-In, includes the insurance audit and the food safety audit.
- **Growth Fund Reimbursement** – Used to request repayment from the Growth Fund for training and relocation expenses.
- **Inventory Verification** – E-Mail confirming full inventory verification (food, paper, premiums & supplies) at month end. Also documents sample (spot check inventory) completed by the 20th.
- **Monthly Business Review** – Form recapping monthly and year to date results. To be completed and submitted to Director during each months review.
- **Mystery Shop Follow-Up** – This form is a “Best Practice” and is used to document the Area Supervisor’s follow up to any poor (under 88%) Mystery Shop report.
- **New Partner Packet** – The New Partner Packet will be sent from the office to the Supervisor. The Supervisor is responsible for making sure the packet should be completed with a New Partner at the time of promotion. (exhibit- New Partner Packet)
- **Operational Assessment** – This form is a “Best Practice” and provides the Partner with a detailed inspection of operations. This is a great tool to help improve audit scores. This form includes a score.
- **Review Board** – This will consist of visits from two outside Supervisor and the Director. Before each visit there will be an email sent containing real life scenarios that the candidate must explain how they would handle those situations. The candidate will also have to show they have a sound concept of all administrative tasks. After all visits have

been completed a decision will be made to determine if the candidate has been deemed promotable.

- **Roster** – Records current management staffing levels and is used to prompt insurance benefit offerings to eligible management employees. Rosters are due from the directors by 1am on the first each month to reflect the staffing on the last day of the month. Deadlines for getting this information to directors will be determined by the director.
- **Routine Visit** – This form, available in excel or iAuditor formats, is a record of key observations made during routine visits to the Drive-Ins. This is also a great way to compare your visits to mystery shop results. (Best Practice)
- **Security Information** – Records all critical security info for each Drive-In within the area: combination, key holder contact info, alarm codes, passwords
- **Shift Verification Test** – Used to certify Assistant Managers and Co-Managers are prepared to run shifts.
- **Spring Clean-up List** – Completed by Partners and verified Supervisors for submission to the office by May 15 each year in preparation for our top selling seasons of Spring and Summer.
- **Supervisor and Partner Performance Reviews** – These are to be completed monthly as part of the monthly business review.
- **Vendors Contract** – Addendum to any standard contract a vendor may want a Drive-In to sign. Eliminates automatic renewal and difficult termination clauses. (see exhibit- Addendum to Vendor Contract)

GOAL SETTING (Business Plan)

Each year as part of the business planning process, Supervisors are required to set goals in several key areas of the business. They are also encouraged to set any other specific goals they wish for their area. Below is a list of the current required goals and their criteria:

1. **Sales** – The sales goal is the sales budget submitted. Budgeted sales should be at least +3% to last year unless there is a known significant factor impacting a specific Drive-In(s), like a road closure or Wal-Mart moving.
2. **Profit** – The profit goal is the profit budget submitted. Budgeted profit should always exceed prior year actual.
3. **Mystery Shop** – Goal should be equal to or greater than last year's actual performance and usually within the Top 20% of the Sonic system.
4. **Food Audit** – Goal should be equal to or greater than last year's actual performance and usually at least 2.5% greater than the Sonic system average

HUMAN RESOURCE COMPLAINT GUIDELINES

Any employee's concern about any work-related issue, including, but not limited to discrimination, harassment, disciplinary action, wage and hour issues, violence, or weapons in the workplace, should be taken seriously and should be investigated as soon as possible. The Director of Operations is to be notified of any such complaint immediately.

If, after some initial fact finding and discussions between the Area Supervisor and Director, it is determined the allegation(s) warrant further investigation, the Director of Operations will oversee a thorough investigation as soon as possible. The Director may conduct the investigation personally in conjunction with any Area Supervisor but will normally appoint a Supervisor or other office personnel to conduct the investigation. This will be the "investigative team". Usually, a Supervisor will conduct any investigation in their area.

Conducting the Investigation

- Step 1 The Director and investigative team will determine what information is needed to complete the investigation, including who needs to be interviewed.
- Step 2 The Director and investigative team will create a list of appropriate questions to be used during the interviews and should determine when and where to conduct the interviews.
- Step 3 The investigative team will inform the individual involved of the allegations and investigation. This may include putting the person on an investigative leave.
- Step 4 The Director or/and the investigative team will interview the person who has made the allegation(s) and obtain a written statement.
- Step 5 The Director or/and his designee will interview any witnesses to the allegation(s) and obtain written statements.
- Step 6 The Director or/and his designee will interview other crew members about the allegations(s) and obtain written statements. (The Director, will notify the company lawyer at this point)
- Step 7 The Director/Supervisor will determine what action(s) should be taken and inform the appropriate parties involved.
- Step 8 Documentation of all data recovered in the investigation including interviews and written statements, along with the recap of the process, and actions taken, shall be maintained in a separate investigations file in the possession of the Director. Complete file copies should also be mailed to the office for safekeeping.

Investigative Leave

Individuals should be placed on investigative leave if: their presence in the drive-in may be unsafe to themselves, other employees, or company property; or if their presence may unduly influence the investigation.

If placed on investigative leave, the employee should be informed of the three potential outcomes:

- a) If they are found to have violated no company policy or procedure, they will be reinstated with pay for any regularly scheduled days missed.
- b) If they are found to have violated company policy or procedure, they may be reinstated without pay.
- c) If they are found to have violated company policy or procedure, they may be terminated with no pay for the investigative period.

Requests for Anonymity

Persons making complaints and requesting anonymity should be informed that the company cannot guarantee anonymity. Many complaints, by their very nature, require or result in disclosure of the identity of the person making the complaint. When possible, the company will make reasonable efforts to maintain anonymity. Additionally, the company will ensure individuals named in a complaint are informed of the company's standards of "no retaliation" against those making a complaint.

IDENTIFYING TROUBLED DRIVE-INS PER EXCELLENCE REPORT

A supervisor must be attuned to their Drive-Ins' performance. There are many "Key Performance Indicators", (KPI's) that can indicate a Drive-In is or is becoming "troubled". We have identified these in our excellence standards. (see exhibit GYR) They include, but are not limited to: Mystery Shop Scores, Fantrak OSAT Scores, Complaints per 100k in sales, Audit Scores, Management Staffing, Crew Staffing, Labor compared to allowable, Food Cost compared to Ideal, Sales increase and Profit increase.

Anytime the expected results fall short of expectations, a supervisor must turn their attention to the problem. When a condition does not improve or multiple KPI's are below expectations, this is an indication that the Partner needs help. As a company we strive to have 75% excellent categories and no more than 10% failing. The supervisor will need to develop an action plan with the partner to help them achieve this. This may require the Supervisor spending a large portion of their time in the Drive-In re-training the Partner. Ultimately, it may require the Supervisor to work with the Director of Operations to replace the Partner.

MEETINGS

Meetings are routinely held to convey information about our business, marketing, operations and to celebrate our successes. The expenses for these meetings are paid for by the drive-ins. Listed below are DL Rogers Companies allowances for various meeting types:

Partner Lock-ins (one night only)	\$150 - \$200 per head
Regional Meetings (without hotel stay)	\$50 - \$75 per head
Regional Meetings* (with hotel stay)	\$75 - \$125 per head
*stores needing hotel rooms will pay their portion of hotel stays	
Christmas Parties (regional)	\$125 - \$200 per store
Christmas Parties (store level)	\$10 - \$20 per head (no closing early)
Partner, Co-Mgr/Asst. Mgr Meetings	\$10 - \$20 per head

PARTNER / MANAGER EARNED GUARANTEES

Periodically, under specific business conditions, we find it necessary to provide “Earned Guaranteed” compensation to a Partner or Manager. This is usually done when a new Partner or Manager is initially promoted or when they are moved (at our request) to a different/new Drive-In. An “Earned Guarantee” may also be used (although rarely) when a significant change occurs at an existing Drive-In, such as: the Wal-Mart behind the Drive-In closes or during a prolonged road closure in front of the Drive-In.

Several variations of “Earned Guarantees” have been tested in recent years. The program outlined below has proven to be the most effective. All “Guarantees” require prior written approval from the responsible Director of Operations. Both programs are designed to encourage the Partner or Manager to perform at a level that meets our minimum standards and generates profits in excess of those necessary to earn their “Guarantee”. You will note the “*Earned Guarantee*” requires the Partner to EARN the Guarantee by achieving operational performance consistent with our standards.

Partner “Earned Guarantee” Program:

- The Partner buys in under our standard partnership agreement.
- The Partner receives the standard Partner salary.
- The Partner receives the standard Partner dividend as earned per the Drive-In’s profitability and percentage purchased (typically 20%).
- The Partner receives the standard Partner bonus (typically 10% of profits) as earned per the Drive-In’s profitability and performance against bonus criteria.
- The partner receives an additional bonus equal to the amount necessary to bring total earnings up to the “guaranteed” compensation. As an example: If a Partner is given a “guarantee” \$5,000 per month and the standard Partner salary, dividend and bonus for a specific month total \$4,500, the Partner would receive an additional bonus of \$500.
- All bonuses (both standard and additional) are subject to the bonus criteria noted in the current Partnership agreement.

- The bonus criteria may be waived for up to 90 days. They may also be stepped up from the Drive-In's current level of performance to company standard over some period, not to exceed 90 days. As an example: If a new Partner is assigned to a Drive-In that has run 3% food cost variance for the last 4 months, you may set a goal of 2.5% for the first month, 2% for the second month and at standard or 1.5% for the third month.
- The "Guarantee" should be structured at a fixed amount per month.
- The Area Supervisor is responsible for verifying the accuracy of the Profit & Loss statement to ensure errors and omissions do not result in overpayments of standard or additional bonuses. As an example: If a Partner were to underpay his bills in one month he could earn more than his "Guarantee" in that month from a combination of his salary, dividend and standard bonus. In the following month, he would not be entitled to the full amount of his "Guarantee" because of the errors in the previous month.
- Salary, Dividends. Standard Bonus and Additional Bonus are paid to a Partner operating under a "Guarantee" in the same fashion as they are paid to any other Partner. No payroll taxes are withheld.
- All Partners will wait 90 days before they can buy in. The check book health must be positive, and within the 90 days you are encouraged to consult with an accountant and to become an LLC or S corp. The date that the Partner starts working at their drive-in will determine the TTM sales and profit.

Manager "Guarantee" Program:

- Identical to the Partner Guarantee program with the following exceptions:
- The Manager does not buy in. Typically, a buy in trigger will be established. As an example: The Manager will buy in (and become a Partner) when the checkbook balance reaches a predetermined dollar amount (usually profit plus liabilities).
- The Manager is paid the standard Salary of, 2500.00 a month the standard Bonus of 10% of profits and the additional bonus to meet the "Guarantee" as an employee. Payroll taxes are deducted from their paycheck.

The exhibit "Guarantee Letter" is a sample letter used to document a "Guarantee". This, or something similar, should be used anytime a Partner or Manager is operating under a "Guarantee". This sample letter is specifically designed for a new hire slated to become a partner and who is relocating. It can (and should) be modified for a Manager or for a newly promoted Partner or Manager or for a Partner or Manager moving to a new location.

PARTNER MEETINGS

Supervisors are required to routinely hold partner meetings monthly. As part of the agenda, the Supervisor should cover part of the DLRC 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.

The Supervisor will give at least a two week notice for a Partner meeting to the Partners and the Director. Notice to the Director of the coming month's meeting is to be submitted by no later than with the monthly numbers (due 9:00am on the 2nd).

PARTNER TRAINEE INTERVIEWING & HIRING GUIDELINES

When interviewing Partner Trainee candidates, Supervisors must arrange for a second interview by another Supervisor or Director of Operations before any offer is made.

If the Candidate has a proven work history, a detailed reference check must also be done.

Details for conducting the reference check are described in the Reference Check Exhibit (See Exhibit – Reference Check.)

If the candidate successfully completes the second interview and the reference checking process, you should be able to decide on whether you would like to make them an offer based on the strength of their references, interviews and work history.

PARTNER TRAINEE REIMBURSEMENT OF WAGES

When a Partner Trainee has finished all Stage Training, Growth Fund reimbursement should cease for the full amount of wages. If after Stage 3 Training, the trainee is placed as an assistant or co-manager in another drive in, the first 30 days they are in the new drive in will be reimbursed by the Growth Fund for the full amount of wages. After 30 days the following will commence:

If the trainee is placed in a Co-manager position the Growth Fund will reimburse all earnings over \$48,000

If a Co-manager position is not available, the trainee will be placed as an Assistant Manager and the Growth Fund will reimburse all earnings over \$36,000.

The excess wages will need to be requested using the DLR Growth Fund Request form. (see exhibit: DLR GFR)

All requests for Growth Fund reimbursement are due within 30 days of payroll.

BUSINESS REVIEWS

Each month the Supervisor will review the previous month's P&L with the partner. The P&L review points out areas of concern so that the Partner can improve the financial position of the drive in. It also clarifies any ambiguities existing in the profit statement. At least one Co-manager or Assistant should participate in the process each month. As a "Best Practice", the P&L review should be conducted at a location outside the Drive-In where it can receive the uninterrupted attention it deserves.

Supervisors will also provide a P&L Review of all their Drive-Ins to their Director on the P&L Review form. The Director / Supervisor Review will normally include a face to face meeting and discussion of the area's performance. This review will normally happen after the Supervisor has completed their review with the Partners.

PROACTIVE INTERNAL LABOR AUDITS

Purpose:

- To take a proactive approach of reviewing payroll procedures to ensure all Drive-Ins are in line with guidelines set forth by the Department of Labor.
- Supervisor reviews one store's payroll per month, cycling throughout stores. (Ongoing)

Items to review:

1. Per Payroll record all employees paid at least minimum wage.
2. Payroll Record vs. POS Time cards (Employee paid exact number of hours of what is on timecard)
 - ✓ Any discrepancies positive or negative should have documentation.
3. Payroll Record vs. POS Time Cards (Employee is compensated time and a half for all overtime hours earned)
4. POS Time Cards show all breaks were of at least 30 minutes.
5. POS Time Cards have no edits that reduce an employee's number of hours worked.
 - ✓ If any reductions are found there should be documentation that is signed by both the manager making the changes and the employee that it was changed on.
6. No checks or cash paid outs to employees for contract labor. (Example :\$100 to paint all the menu poles)
7. Payroll Record vs. POS Time Cards (Carhops are reporting appropriate tips and these match what is be reported in payroll)
8. Employee Interviews (Supervisor should ask employees present at time of internal review if they have ever:
 - ✓ Been asked to or allowed to work off the clock.
 - ✓ Been asked not to clock in and wait around until they were busy.
 - ✓ Asked to take multiple breaks, but not be allowed to leave in case they were needed.)

Corrections:

1. For any discrepancies found, appropriate training and or disciplinary action to ensure partner complies in the future should be taken and documented.
2. If any employees were found to have been shorted pay, a payroll should be processed immediately to correct their compensation. When employee receives the corrected compensation, they should sign the attached documentation.

Supervisor should maintain pertinent reports and documentation for each review (See Exhibit- Internal Labor Audit)

RECORD KEEPING TIME PERIODS

Supervisors produce many different forms and records each week. It is important that certain types of forms and records be available for review from time to time for verification purposes. At times, it will be necessary to verify payroll records, payment of bills or taxes, or deposit amounts. All personnel files kept onsite should be locked and secure. Listed in the next section are the time frames required to keep specific records.

RECORD KEEPING REQUIREMENTS

BONUS TRACKER	7 years after separation from Company
BUDGETS	1 year
DIVIDEND REPORTS	1 year
CO-MANAGER BONUS AGREEMENT	7 years after separation from Company
ENDING INVENTORY	1 year
FOOD AUDITS	1 year
HUMAN RESOURCES INVESTIGATIONS	7 years after separation from Company
INSURANCE FORMS ON CLAIMS	7 years
REPRIMANDS	7 years after separation from Company
ROSTERS	Monthly
SAFETY AUDITS	2 years
ELEARNING	1 year

Copies of the following records are kept at the office. Supervisors may retain at their discretion:

PARTNER BUY IN AND OUT
PARTNER INCOME BREAKDOWN
PARTNER INFORMATION SHEET
PARTNER OPERATING AGREEMENT
P & L / CASH JOURNALS
OPERATIONS ASSESMENTS
ROUTINE VISIT FORMS

*All human resource records should be maintained for 7 years following the separation of an employee from the Company.

The Supervisor should utilize a large loose-leaf binder or other container to hold all records generated during a given month. This binder or container should be stored in a readily accessible location.

REPORTING RESPONSIBILITIES

Sales – Sales are reported daily through the current POS system into the corporate office. Supervisors are asked to confirm that their stores uploaded and email daily sales from stores that did not upload sales the previous day.

End of Month numbers should be reported on the EOM spreadsheet. This spreadsheet should be named appropriately using month year and supervisor name there is an example below:

0121 Ogletree EOM

The form will capture your projected profit, labor cost and food cost. This form should be turned in to your director in a timely fashion so he or she can review them and have them reported to James by 2:00pm on the 2nd of the month. If you have changes to food cost, these must be turned in by 9:00am on the 5th.

In addition to the above items, there are several items outlined over the course of the year which must be reported to the office. These items and due dates are outlined on the Supervisor Checklist.

Directors may require additional reporting.

REVIEW BOARD

The “Partner Review Board” Process is designed to help us identify those Co-Managers and Partner Trainees who are ready for promotion to Partner. The process

- 1) Responsible Area Supervisors & Partners nominate candidates to Director for inclusion in the Review Board.
- 2) Director approves nominations.
- 3) Director selects outside Supervisors to make in store visits to the review board candidate, including an assessment of a real-life scenario and multiple administrative tasks.
- 4) Director schedules an in-store visit with the candidate which also includes an assessment of a real-life scenario and a list of admin tasks.
- 5) Responsible Area Supervisor and/or Director provide candidate with Board’s recommendations

SUPERVISOR MINIMUM TOOL REQUIREMENTS

All Supervisors must have a cell phone with email capabilities to meet daily responsibilities. They must also have a laptop or a desktop computer to complete required paperwork. Reliable transportation and a valid driver's license are also required for the Supervisor to travel to assigned stores and other areas as necessary to attend supervisor functions.

Every Supervisor is also required to have the following:

- Microsoft Office Suite (Word, Excel, PowerPoint)
- A Working Thermometer
- Basic tool box

Best Practice:

Credit/Debit card for travel expenses

SUPERVISOR SCHEDULE

Supervisors must make their schedule for the next month before the month begins. Any calendar format, Microsoft Outlook program, or any PDA format is acceptable.

Time-Specific vs. Time-flexible tasks

When determining the tasks that you want to accomplish you must consider the tasks that are time-specific, which must be completed within a certain timeslot (deposit slip verification), and tasks that are Time-flexible, which may be completed when time permits (reorganizing your file cabinet).

Monthly Preparation

After deciding which tasks, you *must* complete first, which *need* to be completed and which items you would *like* to get accomplished, make a list. Then prioritize the tasks and fill in your calendar accordingly. Be sure to schedule the "must do" tasks like partner meetings first, then time to make ideals, then lesser items that are not time sensitive.

Be sure to include time to complete the "big picture" items like spending time training a Partner who is struggling in a specific area.

Weekly Planning

Take a few minutes to plan your week.

- 1) Review your goals and tasks you must complete.
- 2) Evaluate your past weeks' performance by reviewing completed and uncompleted tasks against your goals.
- 3) Reschedule any uncompleted tasks or tasks whose priorities have changed.

Daily Planning

At the start of each day, take fifteen minutes to plan. Review your goals to make sure you are on top of things. Also, review upcoming days to see what needs to be prepared and what you can do today.

DLR Specific Scheduling Expectations:

No specific work schedule is mandated. However, we do have some expectations about how and when a Supervisor works:

- Supervisors should regularly see all their Drive-Ins during all shifts – AM & PM and all days of the week.
- A Supervisor's schedule should not become predictable.
- They should see the Drive-in both when the Partner is on duty and occasionally when they are off.
- They should complete a minimum of one complete inventory verification per month. This includes verifying the count, and is completed the night of the monthly inventory.
- They should also complete one "spot check or critical" verification of 15 items in another Drive-In by the 20th of each month.
- They should verify all deposits are made correctly during every visit but at least once every ten days.
- Under normal circumstances, they should physically visit every Drive-In at least once a week. This visit should typically last 6 to 8 hours.
- Supervisor is to spend the first 3 days with a new Partner, during that time all appropriate documentation should be completed. (TOI, Partner Changeover List, Management Staff Development, etc....) Then 2 full days per week should be spent with the new partner over the next 6 weeks.

UNEMPLOYMENT CLAIMS

As a company, we recognize we have a huge opportunity to save money by decreasing our SUI “State Unemployment Insurance” rate in most of our restaurants. In many instances, we are paying more than double the minimum required by the state. We believe doing the following will help reduce our current rates:

We have made the decision to have all claims sent to our office. When the office receives that claim it will be emailed to the store on the same business day it is received. If a drive-in receives a claim via email from the office or at the store mailing address they should immediately fill out the required information and send it back to the unemployment office for processing and a hearing date should be scheduled promptly. In most cases, you have 10 days to respond to the claim.

In our experience, we have won most cases by having great documentation when we have terminated an employee. In all cases, we should always be present for the hearing by phone. Note: if the store receives the unemployment claim at the store mailing address, they should scan a copy and email it to Darla Panizo, in the HR department at dpanizo@dlrogers.com, so she can set up a change of address.

VENDOR CONTRACTS

The Drive-In Partner or Manager is not authorized to sign Contracts or Agreements provided by Vendors. The only approved Contract is provided in the attached Exhibit as the “DL Rogers Contract” (See Exhibit-Vendors Contract) and must be signed by an Area Supervisor or above.

Instructions:

1. Verify the business terms of the vendor provided contract.
2. Label the vendors contracts “Exhibit A” by writing “Exhibit A” across the top.
3. Complete the blanks in our contract form and sign it.
4. DO NOT SIGN THE VENDOR CONTRACT.
5. Return both Contracts to the vendor for signature on our Contract.
6. Mail a copy of our contract including the vendor contract to the Director of Operations after the appropriate signatures are obtained.
7. The Drive-In is to maintain copies of all Contracts in a permanent Contract file.

Any exceptions to this Policy must be approved by the Director of Operations or President prior to entering a Contract or Agreement. Any questions about our contract policy should be directed to your Area Supervisor or Director of Operations.