

Employee Handbook



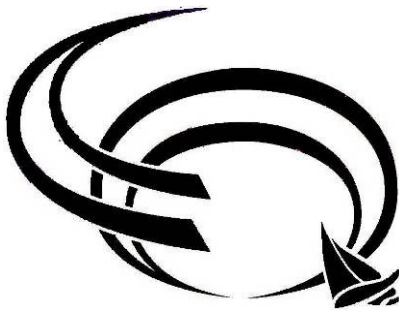
Masterson's
CATERING
Relax. Enjoy. Experience.



Courtyard Café
by Masterson's



CAPTAIN'S QUARTERS
RIVERSIDE GRILLE



CQ Princess
Captain's Quarters Yacht Charters

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Welcome!

Welcome to our family:

We are proud that you have decided to join the Masterson's Family of Businesses. The Masterson's Family includes **Masterson's Restaurant & Catering, Captains' Quarters Riverside Grille, The Olmsted, The Courtyard Cafe and The CQ Princess.** Our mission is to provide the best food and service in an environment that will create the most essential phenomena of our time, the **Raving Fan!**

By becoming an employee of the Masterson's Family of Businesses, you are joining a team of top professionals in providing the finest in food and service in this region.

The friendliness of our staff is among the most important benefit that we offer to our guests. The unprecedented success we have enjoyed over the past sixty five plus years is primarily due to the hard work and dedication of people like you. Many of our guests praise us for the sincere effort made by our staff, but our entire team is dedicated to one goal and that is operating this area's finest restaurant. We know that the only way to maintain the highest level of customer satisfaction is through the commitment of our employees to making each and every guest comfortable and content.

Our management team is committed to your success with any of the Masterson's business locations and will provide you with the support necessary for your long-term professional growth. Please accept, with pride, the important responsibility we have asked you to undertake. No job is insignificant and no detail too small.

We welcome you to our team and hope that our relationship will be mutually beneficial to you and the company.

With best wishes for your success,

The Masterson Family

Paul, Brian, Andrew and Sueanna Masterson



This Handbook is Not a Contract

This booklet and its contents are intended for informational purposes only. It is not to be considered an Employment Contract or a statement of conditions or terms of employment. If anything appearing in this handbook is not consistent with an official plan document or law presently in effect, it is understood that the official document will prevail.

Employment with any of the businesses operated within the Masterson's Family of Businesses is regarded as "at-will". Kentucky law provides that, in absence of a written contract of employment to the contrary, a person's employment is for no specific term and may be ended at-will. This means that employees retain the freedom to leave their employment at any time, with or without prior notice. In turn, the employing organization retains the right to terminate the employment of any person at any time at management's sole discretion, with or without prior notice and for any reason not prohibited by law. Nothing written in this manual should be construed as altering the Employment-At-Will relationship. No person other than an Owner of the Company has the authority to change or modify this policy and any change or modification must be in writing and signed by both an Owner and the affected employee.

Policy Changes

Policies and procedures change in every organization. The Masterson's Family of Businesses is no exception. As changes are made, please be aware that the policies in effect at the time will be followed in any decisions made or in any actions taken. All questions will be answered and all issues will be settled on the basis of present policies and procedures.

PURPOSE OF HANDBOOK

This handbook will serve as your guide to knowing and understanding the Company policies and procedures that affect your everyday employment. This handbook belongs to you. We hope you will use the information in this handbook to get to know the company better and to help you get the most out of your job.

Your handbook contains a summary of your benefits as a company employee, as well as an overview of the policies and procedures we observe. This handbook is not intended to contain all of the Company policies and procedures but is to be used to acquaint yourself with general rules and policies and referred to whenever questions of this nature come up. This handbook is not intended to create any contractual or other legal rights; it is designed solely as a guide to help you better understand your general role with the Company as an employee.

If the meaning of a policy or statement is not clear, please contact your Supervisor or Department manager for an explanation. This booklet will enable you to gain a clear understanding of what to expect from the Company as an employer, and also what will be expected of you as an employee. You may be surprised how easy it is to understand company policies once you have taken the time to know what they are. Revision pages and updates may be distributed to you periodically. All revisions will be dated on the bottom left of each page. Discard old pages as they are replaced. All Masterson operated businesses reserve the right to change or modify company policies and procedures as any time without notice. It is the employee's responsibility to keep abreast of all current policies once those respective changes have been announced, implemented and published. The Business Office maintains all current policies and will serve to clarify any uncertainties that may develop.

Nicholas “Nick” Masterson was born in 1896 on the island of Othoni, Greece. In 1914, he immigrated to the United States. He originally settled in Birmingham, Alabama and later relocated to Decatur, Alabama. There he met and married Robbie Rich, a native of Chattanooga, Tennessee. In Decatur, he owned and operated a small candy store and restaurant which happened to be located next to shops operated by the Louisville & Nashville Railroad.

Nick and Robbie had three sons; Thomas, Phillip and Alex. In 1936, Nick and Robbie moved their family to Louisville, Kentucky, where they operated a restaurant on Central Avenue. That venture only lasted a few months. After the great flood of 1937 and with only \$35 to his name, Nick opened *Nick’s Café*, located at 6th Street and Congress Alley, behind the Louisville City Hall. He had to break open and empty the pinball machines in order to cover the first week of payroll to employees. From that moment on, the business has flourished.

In the early 1940’s, Nick became an American citizen and officially “Americanized” his name by changing it from Mastoras to Masterson. From 1940 to 1945, Nick and Robbie operated the *Cuckoo Cottage* at 6th Street and Central Avenue, *The Little Mansion* on Bardstown Road, *The Barbeque Cabin* at 4th and York, *The Dove Sandwich Shop* at 10th and Broadway, a restaurant in the old Tyler Hotel and *The Little Mansion* which was the original business for what is today known as *Masterson’s* located on Third Street.

In 1945, Nick and Robbie celebrated the birth of a fourth son, Gregory. Nicholas “Nick” Masterson passed away in the year of 1950. Subsequent to that, Phillip stepped in to help his mother operate the family business. In 1961, two new dining rooms were added to the original building which is now the bar at the Third Street location. At that time, the name of the facility was changed from *The Hollywood Steak House* to *Masterson’s Food & Drink*. Shortly thereafter, Alex and Greg joined Phillip and their mother in the operation of the business.

In 1971, the main dining room and four banquet rooms were added. In 1976, an additional eight new banquet rooms were added. During the mid 1970’s, the family business continued to grow as it recognized the opportunity for off premise catering within the Louisville metropolitan area. Expanding the operation firmly established *Masterson’s* as one of the elite catering companies in Louisville.

During the 1980’s, *Masterson’s* became the home to the training table for all of the University of Louisville athletic teams which included two NCAA basketball championship teams and a Fiesta Bowl football championship team. In 1987, *Masterson’s* purchased the *Captain’s Quarters* restaurant on Upper River Road. This popular location, which overlooks the beautiful Ohio River at Harrods Creek, has been routinely voted as a “Best of Louisville” location for dining on the river. Although flood waters from the spring of 1997 nearly submerged the entire facility, the Masterson family worked day and night to rebuild and reopen the restaurant in approximately six weeks and just in time for the Kentucky Derby festivities.



The 1990's brought many changes to the *Masterson's* family operated businesses. In 1994, an untimely announcement circulated that the Third Street property had been offered for sale. This information made front page news and led the public to believe that the business had closed when in fact no such sale or closure had occurred.

In 1998, the sons and daughter of Philip, (Paul, Brian, Sueanna and Andrew), purchased the business from Phillip, Alex, Greg and Robbie. The new management team embarked upon new ventures, including the addition of *The Olmsted*, a banquet facility located in the Masonic village on Frankfort Avenue in St. Matthews. Over \$500,000 was invested into the business for the purpose of expansion, facility improvement and new services. This investment was a message to the community that the Masterson legacy was here to stay.



Today, Masterson's Catering, The Olmsted & The Courtyard Café serve an average of 2,500 meals every day and employ more than 160 of the areas finest people in the hospitality business.



A History Of Captain's Quarters

The **Captains' Quarters** site on Harrods Creek has a history of travelers and river commerce. Originally built as a tavern in the early 1840's the site vividly illustrates life on the Ohio when competition among the towns above the Falls of the Ohio was keen and sights were set high.

Ante-bellum Louisville had not quite cemented its superiority over its various falls rivals in the 1830's. The Portland Canal, which would eventually mean long-term prosperity, was newly opened in 1832. Other struggling towns, up river and across the Ohio, harbored visions of growth, each attracting new settlers and risk takers.



Harrods Creek was such a town. The village had been laid out earlier in the century at the mouth of the creek, giving river-goers a safe harbor and a route inland. Overland travelers to Louisville could expect an entire day to journey from this point, and vice versa, making a stop at Harrods Creek a necessity. Moreover, Utica, Indiana, directly across the Ohio River, demanded a link to the Kentucky shore.

A ferry between Utica and Harrods Creek in the 1830's drew the first developers of the **Captain's Quarters** site. The Lentz Family, natives of Germany, had emigrated to Utica and Clark County from Pennsylvania shortly after the turn of the century. Drawn to these opportunities, they quickly established themselves as successful millers and farmers. By operating the ferry between the two towns, The Lentz family secured an advantage over the mills.

The Lentz family began assembling land for development below the mouth of Harrods Creek in the early 1840's, a natural progression from the farmer to miller and ferry operator. The land, amounting to about 10 acres, was unimproved before the Lentz's acquisition coming out of one of the country's original surveys. The Lentz's, using the stone and millwork constructions popular in the 1840's, erected at least one building to house a tavern as well as other enterprises, such as a store house, docks, and the like.

The room, which houses the original fireplace in the Highwater Saloon, is the original tavern the Lentz family built. The Lentz Tavern has become the core of the present **Captain's Quarters**.



This site has served as a special place to the community during the 1900's. In 1968 the Mahon family opened what is now **Captain's Quarters**. It has changed owners several times since. The past owners were Philip, Alex, and Greg Masterson, who purchased it in 1987.

In 2003, the sons and daughter of Philip, Paul, Sueanna, Brian and Andrew, purchased the business from Greg, Alex and Philip and began an aggressive revamping project of the CQ Operation,

including significant renovations to the dining room and waterfront, a new menu and the addition of private party rooms as well as the addition of the CQ Princess.

MISSION STATEMENT

To become a leader in the food service industry in this region. We will continuously strive to attain and retain our valued customers by making them the body of the boat that keeps us a float.

We are committed to being an important, contributing member of our community and offering our employees a fun, healthy, and nurturing work environment while ensuring our long-term success.

OUR VALUES

- You are the key to innovating and creating success at every opportunity.
- We believe in persuasive and consultative management and supervision. We will communicate our ideas, and encourage individual initiative in getting the job done.
- We recognize that an exceptionally high level of customer satisfaction is necessary to meet our goals for excellence and encourage our employees to maximize their potential.
- We will seek to obtain an unusually large share of the market by providing consistently high quality food and beverages, excellent service, a pleasant atmosphere and exceptionally good hospitality, by delivering exceptional quality (exceed expectations).
- We believe in the need to constantly review and improve our products, services, and facilities to meet the changing needs of our present and future customers.

YOUR EMPLOYMENT

GUEST BILL OF RIGHTS

- The GUEST has the right to a unique and pleasant greeting.
- The GUEST has the right to outstanding food and friendly, attentive service in a professional and entertaining atmosphere.
- The GUEST has the right to fair pricing and good value for a good product.
- The GUEST has the right to the freshest possible ingredients, held in perfect sanitary conditions.
- The GUEST has the right to safe environment.
- The GUEST has the right to complain about anything and have it resolved.
- The GUEST has the right to a very clean restaurant.

EMPLOYEE'S BILL OF RIGHTS

- The EMPLOYEE has the right to work in an environment that is safe, healthy, fun, and void of any and all acts of harassment, sexual, verbal, and physical.
- The EMPLOYEE has the right to be trained in a consistent, thorough manner.
- The EMPLOYEE has the right to immediate feedback on performance (GOOD and BAD) as well as to have great performance recognized.
- The EMPLOYEE has the right to ask anybody a question and get an answer without fear of reprimand or reprisal
- The EMPLOYEE has the right to work in an environment that does not discriminate in any manner or for any reason.
- The EMPLOYEE has the right to quality time off providing that their area responsibility is properly taken care of.
- The EMPLOYEE has the right to be treated no less than the way we would treat our guest.

EQUAL EMPLOYMENT OPPORTUNITY

All businesses operated within the Masterson's Family are considered to be an ***Equal Employment Opportunity Employer***. Company decisions regarding employment are designed to impose only valid requirements for promotions and ensure equal employment opportunity in all other aspects of employment. All Masterson operated businesses shall have "zero tolerance" for any form of employment discrimination.

While the employment philosophy of the Masterson's Network stresses the need to employ and promote the best qualified person to do a particular job, it provides for equal employment opportunity ***without regard to Race, Color, Religion, Sex, National Origin, Age, Disability Veteran's Status, or Sexual Orientation***; not limited to Hiring, Placement, Upgrading, Transfer or Demotion, Recruiting, Advertising or Solicitation, Compensation, Selection for Training including Apprenticeship, Layoff or Termination, Participating in Social and Recreational Functions, and the Use of Employee Facilities.

IF YOU HAVE A PROBLEM

One of the Company goals is for all employees to be happy and satisfied in their jobs. However, we recognize that employees will have periodic questions, concerns, or complaints. Our "Problem Solving Procedure" offers all employees the freedom to discuss anything they wish with their managers. Because we are all human, mistakes will occur. In order to correct any problems, complaints or misunderstandings, we must know about them. Remember that no member of management is too busy to hear problems or complaints from any employee. If you have a problem, it can usually be resolved by following these steps:

1. Contact your supervisor or lead server. Discuss things openly and reasonably. Present facts. Your supervisor will listen and attempt to resolve the situation or problem. Generally, this is all that is necessary.
2. If the situation is not settled with your supervisor, you should make an appointment to see your manager. He or she will make a point to know all the facts and make a fair decision.
3. If a satisfactory solution cannot be reached, contact an owner. Their purpose is to counsel and obtain the facts in order to make a fair decision pertaining to your situation.

In the event you have a concern, and for personal reasons you cannot follow the steps in this procedure, you may go directly to the General Manager. The General Manager is available for advice and assistance in solving your problem at any time.

Should you still feel that your issue has not been sufficiently resolved, after consulting with a supervisor or manager, you should also feel free to contact any owner regarding your concern.

When you inform us of your concern or problem, we will try to answer your concern or solve your problem as soon as possible under the circumstances.

PROBATIONARY PERIOD

For every new employee the first sixty days of employment is a probationary or trial period for both you and the company. This trial period is intended to provide the newly hired employee with an opportunity to demonstrate his or her job skills and ability to work with others.

During this time you will have the opportunity to learn about the company, your job, and your new surroundings. You should consult your supervisor as a source of information to assist you in learning your job, assimilating the company's philosophy, and knowing how to comply with our policies, procedures and standards.

During this trial period, you, as a newly hired employee is not a regular employee of the Company and your job performance, attitude, attendance and overall interest in your job will be carefully observed by your supervisor. After completing the sixty days, a meeting should take place with your supervisor. This counseling session will be directed at resolving any problems and answering any questions regarding your performance.

If, at any time during the probationary period, your performance becomes unsatisfactory, the company may terminate your employment immediately without further notice. Upon satisfactory completion of the trial period, the newly hired employee shall become a regular employee of the Company.

PERFORMANCE EVALUATIONS/SALARY REVIEWS

Performance evaluations will be conducted annually by your supervisor or manager. A performance evaluation is used to gauge how well you are performing your responsibilities, and to set goals for the next review period, which may include performance and productivity improvements, training, and additional responsibilities (if applicable). The evaluation process does not always involve a change in pay. Your level of performance, responsibilities and attendance are considered when a salary review is considered.

Performance evaluations may be conducted after the ***initial 60-day probationary period***, and a salary review may also be made at this time. *There is no guarantee of a salary increase at the completion of the 60 day probationary period.*

Additionally, wages and salaries may be reviewed when the employee merits an increase due to a promotion or outstanding performance. The amount of increases will be determined by your Manager.

It is the policy of all Masterson's operated businesses to strive to maintain a working environment for all employees that is free from general or sexual harassment by supervisors, co-workers, or third parties. The Company will not tolerate any act of harassment by any person in violation of this policy.

Sexual Harassment is defined as:

Unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when:

1. Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment
2. Submission to, or rejection of such conduct by an individual is used as the basis for employment decisions affecting that individual, or
3. Such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Sexual harassment can take many forms that involve verbal and/or non-verbal behavior. While no conscious intent to harass may be involved, any sexually oriented behavior perceived by an individual as hostile, abusive or unwelcome might be considered sexual harassment.

Examples of specific conduct that would violate this policy include, but are not limited to, the following activities on company premises or during work hours:

1. Visual displays of sexually suggestive or sexually explicit materials, such as posters, postcards, catalogs, drawings, cartoons, magazines, or photographs.
2. Sexually suggestive or explicit comments, jokes, epithets, name-calling, etc.
3. Sexually suggestive or explicit gestures.
4. Sending or receiving sexually suggestive or sexually explicit e-mail.
5. Logging onto, viewing, or downloading sexually suggestive or sexually explicit material from the Internet.
6. Viewing or showing sexually suggestive or sexually explicit films or videotapes.
7. Touching any co-worker or other person in a sexually explicit manner.
8. Any act of "hazing" that involves the removal of any item of clothing from an employee, that involves actual or threatened physical contact of any sort, or that involves any sexually suggestive or sexually explicit element.

General Harassment is defined as:

1. A course of conduct directed at a specific person that causes substantial emotional distress in such person and serves no legitimate purpose
2. Words, gestures, and actions which tend to annoy, alarm, and verbally abuse another person.
3. The use of obscene or profane language or language the natural consequence of which is to abuse the hearer or reader.

It should be noted that men as well as women can be victims of sexual harassment, and that sexual harassment may involve persons of the same sex. In addition, conversations or activities that are purely voluntary and consensual may make third persons feel uncomfortable, and thus, may be a violation of this policy.

It is the responsibility of all employees to conduct themselves in ways that ensure that others are able to work in an atmosphere free from sexual harassment. It is the responsibility of all employees to comply with this policy in all respects and at all times.

It is the responsibility of every supervisor employed by the Company to ensure that anti-harassment policies are strictly enforced. Every supervisor is responsible for ensuring that each employee under his or her supervision is aware of this policy. It is further the responsibility of all supervisors to ensure that any work sections under his or her responsibility are free from sexual conduct that causes, or reasonably can be considered to cause, an intimidating or offensive working environment. In addition, supervisors are required to comply with all reporting requirements within this policy.

Any employee who feels that he or she is a victim of any form of harassment shall immediately report the matter to any supervisor or member of management. You may report your concerns to any supervisor with whom you feel comfortable in making such a report. A prompt and confidential investigation will be conducted. All such reports shall be treated confidentially. No employee shall be subject to any form of reprisal or retaliation for having made a good faith complaint under this policy. Sustained violations of the Harassment Policies will result in immediate disciplinary action, which may include termination of the offender.

Harassment of employees in connection with their work by vendors, customers, or other non-employees is also a violation of this policy. Any employee, who experiences or observes inappropriate behavior towards an employee by a non-employee, should report the incident to the General Manager. Appropriate action will be taken.

The company cannot resolve allegations of harassment unless these incidents are reported. Therefore, it is the responsibility of all employees to bring to the Company's attention any evidence of sexual harassment and to promptly report any act or event that is believed to be a violation of this policy so that the matter can be investigated as soon as practicable and appropriate action can be taken. Further, all employees are required to cooperate fully, honestly, completely, and truthfully in any such investigation. This will ensure that all Masterson's operated businesses maintain a workplace that does not tolerate any type of harassing behavior.

Statement of Policy:

In compliance with the Drug Free Workplace Act of 1988, it is the policy of all Masterson's owned and operated businesses to provide a workplace that is free from drug and alcohol abuse.

We are concerned about the well-being of employees whose drug or alcohol abuse or dependency may affect their job performance, their job safety, the safety and well-being of co-workers, and the expectations of our customers.

To meet these goals, we have adopted this policy prohibiting drug and alcohol abuse on the part of all employees. This policy is applicable to all employees of the Company.

Nothing in this policy should be construed to create a contract of employment between the Company, and any individual, and the Company reserves the right to change or modify these policies at its sole discretion with or without prior notice.

Definitions:

A. Controlled Substances

The term "controlled substances" includes mind-altering and/or addictive substances included under the provisions of the United States Government's Controlled Substances Act of 1970, as amended. Examples include:

1. Opiates (e.g., heroin, morphine, codeine, methadone)
2. Cocaine
3. Cannabinoids (e.g., marijuana, hashish)
4. Amphetamines
5. Barbiturates
6. Other narcotics or hallucinogens (e.g., phencyclidine [PCP], methaqualone [Quaalude], peyote, LSD)
7. Benzodiazepines (e.g., Valium)

Also encompassed by this definition are substances not sold as drugs or medicines but which are used for mind or behavior-altering effect.

B. Illegal Drugs:

The term "illegal drugs" means any controlled substance other than one purchased and used pursuant to a prescription written by the employee's medical doctor or treating physician.

C. Company & Customer Premises:

The term "Company and customer premises" includes work sites, vehicles, or offices owned, rented, used, or serviced by the Company or by any customer of the Company; employee-owned or employee-rented vehicles on the property of the Company or of any customer of the Company; and any other locations where the employee represents the Company in any capacity.

D. Company Time

The term "Company time" includes all working hours as well as meal periods and break periods, regardless of whether on Company or customer premises.

Prohibited Activities

- A. The possession, use, sale or distribution of illegal drugs on Company time or on Company or customer premises is strictly prohibited. Any illegal drugs or drug paraphernalia will be turned over to the appropriate law enforcement agency and may result in criminal prosecution.
- B. The unauthorized possession, use, sale or distribution of alcoholic beverages on Company time or on Company or customer premises is strictly prohibited.
- C. Reporting to work at any time under the influence of alcohol or any controlled substance is strictly Prohibited. The only exception will be for a controlled substance prescribed for the employee by the Employee's physician.
- D. Off-the-job illegal drug use is prohibited. Such use could adversely affect an employee's job performance Or could jeopardize the safety of other employees or the public. Off-the-job illegal drug use could also Jeopardize customers' or the public's confidence in the Company and its employees.

Testing For the Presence of Illegal Drugs

The Company reserves the right to test any employee for the presence of illegal drugs under the following circumstances:

Newly Hired Employees.

The Company will test all newly hired employees for illegal drugs. Any offer of employment with the Company is contingent upon testing negative for the use of illegal drugs. Any newly hired employee who tests positive for illegal drugs will be subject to immediate termination.

Random Testing

The Company will test 10 percent (%) of all of its employees for illegal drugs at least once during every twelve-month period from the date of the implementation of this substance abuse program.

Suspected Influence

The Company may require a test whenever an employee's work performance, attendance, conduct, appearance, speech or other behavior on the job creates a reasonable question of whether the employee is under the influence of illegal drugs.

Accidents

The Company will test all persons involved in any accident occurring while that employee is considered to be in an on-duty status. This includes both injury and non-injury motor vehicle accidents involving Company owned vehicles. Additionally, all persons who sustain a work-related injury requiring medical treatment by a physician or other licensed health care provider will be subject to testing for illegal drugs.

Refusal to Take Test

Any employee who refuses to take a Company required drug and alcohol test or who does not authorize disclosure of test results to the Company will be subject to immediate termination.

We strongly encourage any employee that may need counseling, treatment or rehabilitation to seek help from community and social service agencies. Employees covered by the company's health insurance program may be eligible for assistance in the treatment of alcoholism and chemical dependency. Refer to your policy for details of services available.

This policy does not prohibit the proper use of medication under the direction of the employee's physician. Employees who are taking prescribed medication which may affect their ability to perform their jobs in a safe and efficient manner must notify their manager of this condition when reporting for work. A decision will be made as to your ability to work safely under these circumstances.

Statement of Policy:

Other than at company-sponsored or approved functions, alcohol consumption is prohibited at any time on any Masterson's facility property and is prohibited during working time, including break or rest periods. Aside from company-sponsored or approved functions, any employee that consumes or is found to be under the influence of alcohol upon Company premises, or who reports to work while under the influence of alcohol, will be subject to disciplinary action, up to and including termination.

Employees that drive motor vehicles as part of their work are subject to disciplinary action, up to and including termination if they are found to be driving under the influence of alcohol, on or off duty.

EMPLOYEE BENEFITS

Health Plan

The **Masterson's Family of Businesses** offers group medical coverage to all full time staff (that average over 30 hours per week). Employees may enroll after completing six months of continuous employment. Meetings are held each year to explain the plans and give employees the opportunity to enroll. Individual and dependent coverage is available. Employees pay a portion of the premium through payroll deductions. The employee cost varies with the type of plan chosen. For more information on the medical plans offered by the **Masterson's Family of Businesses**, please contact the business office.

401 (k) Retirement Plan

Most people know they need to save for retirement. Many just don't know where to start. Busy schedules and other demands on time and money can overshadow the importance of saving for the future. Concerns about how difficult it may be to save or find the right investments may prevent employees from taking the first step.

One of the best ways to save for retirement is through a 401(k) plan sponsored by an employer. The **Masterson's Family of Businesses** offers a 401(k) plan to employees that are at least 21 years of age and have completed at least 1000 hours of service to the company during a 12 month period. Some of the many advantages to participating in the 401(k) plan are:

- You make regular contributions through payroll deductions. You decide how much you want to save out of each payroll.
- Your Contributions to the plan are pretax. In other words, the money going into your account is not subject to federal or state income taxes.
- There are several investment options available that offer long term wealth building potential.
- An investment strategy can be personalized based on your investment goals and length of time until retirement.
- Your investments grow tax deferred. You do not pay any taxes on your investments until they are withdrawn.

Contact the Business Office for more information.

Vacation Time

All regular full time employees who have completed one year of continuous service are eligible for one week of vacation. To qualify, you must be scheduled to work at least 30 hours or more per week over a one year period. Vacation pay is calculated on an average of your pay over the past 52 weeks of service. Vacation time must be scheduled in advance with your Department Manager. Employees with five years of continuous service are eligible for two weeks of vacation pay.

FAMILY AND MEDICAL LEAVE ACT

Full and part time employees are eligible for unpaid leaves of absence to attend to personal and family medical circumstances in accordance with the Family and Medical Leave Act of 1993.

All full-time employees who have completed one year of continuous employment, and all part-time employees who worked at least 1,2500 hours during the 12-month period immediately preceding the commencement of the leave, shall be entitled to family and medical leave. Employees entitled to family or medical leave may take up to a total of 12 weeks of leave per calendar year:

1. For birth of a son or daughter and to care for the newborn;
2. For placement with the employee of a son or daughter for adoption or foster care;
3. To care for the employee's spouse, son, daughter, or parent with a serious health condition; or
4. Because of a serious health condition that makes the employee unable to perform the functions of his or her job.

The right to take family and medical leave applies equally to male and female employees. A father, as well as a mother, can take family leave for the birth, placement, or adoption or foster care of a child. An expectant mother may take family and medical leave before the birth of a child for prenatal care or if her condition makes her unable to work.

The family and medical leave can begin before the actual placement or adoption of a child if an absence from work is required for the placement for adoption or foster care to proceed.

The first thirty days of family or medical leave will be without pay, unless the employee has any personal days or vacation days, in which case the employee may use his or her personal days or vacation days as days of paid leave. In certain circumstances, family and medical leave may be taken intermittently or on a reduced leave schedule.

The Company reserves the right to require a physician's statement before approving a request for family or medical leave or before an employee may return to work at the conclusion of a leave.

An employee who returns from family or medical leave within 12 weeks from the commencement of the leave is entitled to be returned to the same position the employee held when leave commenced, or to an equivalent position with equivalent benefits, pay, and other terms, and conditions of employment.

A detailed copy of an employee's FMLA rights can be found by calling (202) 693-6600 and requesting Fact Sheet No. 028 or by accessing <http://www.dol.gov/dol/esa/public/regs/compliance/whd/whdfs28.htm>.

Your group health plan will remain in effect during your leave on the same basis as before. Employees must continue to pay their portion of the applicable premium. You will need to make arrangements with the Business Office to remit these payments before you go on leave. If you are granted an extension of your leave beyond the twelve weeks, your health plan may be continued under COBRA provisions.

If you do not qualify for FMLA leave because of your length of service or other medical reasons, a personal leave of absence may be requested. These requests will be considered on a non-discriminatory case by case basis.

To request a leave of absence under the FMLA, or if you would like additional information about this policy, please contact the Business Office.

Personal Leave – An authorized Personal Leave of Absence may be granted when you require time off from work for compelling personal reasons (such as family illness, death, personal problems or other circumstances). Employees must be employed for a minimum of six months before a Personal Leave may be considered.

Bereavement Leave – A short term leave of no more than three days may be granted without pay due to a death of an immediate family member (defined as: spouse, parent, child, or sibling).

Military – A military leave is granted to an employee who enlists, is drafted or recalled to active duty for more than 14 calendar days. Employees returning from military leave are eligible for re-employment as required by law.

PAYROLL

PAY DAYS

Paychecks are distributed bi-weekly after 2:00 p.m. The day of distribution may differ depending upon the property that you are assigned to for your normal employment. The Company offers employees the option of having their checks directly deposited to their bank account, please inform your supervisor or department manager if you are interested in this benefit.

OVERTIME

Hourly and non-exempt employees are paid at one and one-half times their regular hourly rate for actual hours worked in excess of 40 hours in any one workweek. Lunch time, vacation, holiday, and sick time will not be counted for “hours of work” for the purpose of calculating overtime.

Your supervisor or manager must approve any overtime worked. Unauthorized overtime may be cause for disciplinary action. Occasionally, you may be required to work mandatory overtime. When overtime is required, your manager will notify you as soon as possible.

TIMEKEEPING PROCEDURES

Unless otherwise notified, all employees are required by Federal and State labor Laws, and by the Company to keep an accurate record of hours worked each day and total hours worked in each workweek. Employees are required to document their work time using the company’s computerized timekeeping system. Your time record should reflect all time worked, including overtime. Employees are not permitted to “clock” in before their scheduled starting time without approval from a supervisor or manager. If an error should occur in your time record, please see your Manager immediately for correction. Employees may view their time records on the system at any time. All changes or corrections to timecards must be approved and initialed by your department manager.

It is your responsibility to make sure that you are the only one that records your time. Under no circumstances may any employee record or alter another employee’s time record. Altering another employee’s time record in any way is grounds for immediate termination of employment.

Completed time records with any corrections must be received in the Business Office by Monday morning in order to be processed for the payroll distributed on the following Monday.

PAYROLL DEDUCTIONS

Social Security Tax. This is a Federal tax deduction from your salary for Social Security retirement benefits. Captain's Quarters contributes an amount equal to your deduction to the Federal Government in your name.

Medicare Tax. A mandatory Federal deduction for Medicare benefits. Captain's Quarters contributes an amount equal to your deduction to the Federal Government in your name.

Federal Income Tax. Upon employment you completed a W-4 form (Employee's Withholding Allowance Certificate), as required by law. According to a scale established by the Government, Masterson's withholds an amount determined by the number of exemptions you claim and the amount of your salary. When you file your income tax return the following year, your total tax may be more than the amount that was deducted from your pay; if so, you are required to pay the difference to the Government. If your tax is less than the total amount withheld per paycheck, the Government is required, at your request, to then refund the difference to you. Taxes will be withheld from all money paid to employees, i.e., incentive, bonuses, commissions, tips, etc. In January, Masterson's will furnish you with a W-2 form for your use in filing your tax returns.

State Income Tax. State law requires the company to deduct a State Income Tax. Once again, your salary and the number of exemptions you claim, based on a scale established by the State determine the amount withheld. Refunds or payments are generally determined in the same way as for the Federal Government.

City/County Income Tax. Depending on your work location and residence, a city income tax may also be deducted at a rate established by the municipality (city).

Other Deductions. Additional deductions may be made for uniforms, insurance and other company benefits, unpaid absences, where authorized by court orders or wage assignments, and any other deductions that may be required by law.

WAGE ASSIGNMENTS AND GARNISHMENTS

The way that you manage your budget is your own business. However, when we receive a wage assignment or garnishment for you, we are required to process the order and make arrangements to begin payroll deductions from your paycheck. We will inform you when we receive a notice, and will assume you will then take the responsibility of satisfying your creditors. If a garnishment is not relinquished in writing prior to the payroll processing date, we are required by law to make the necessary deduction from your check. The Company will comply with all legal garnishment and wage assignment orders. However, it creates additional work for the company when we are required to become involved with your personal financial obligations.

WHAT WE EXPECT FROM YOU

GENERAL EXPECTATIONS

Every employee must constantly work towards achieving company goals and attain the desired results by their attitude and actions. This means:

You must always treat customers and co-workers as very important people. **Smile and be friendly**, pleasant, helpful and available. You are in the wrong field of work if you often chose to be angry, sullen, grouchy or unfriendly.

Every employee must stay busy with productive work such as serving customers, preparing food, assisting co-workers, cleaning, stocking, managing, supervising, etc. at all times except during meal breaks or other authorized breaks.

Always practice **“Teamwork.”** **“We”** can perform better than **“I”**. When teamwork is practiced, there is never a reason to say, “That is not my job.”

Every employee should be aware of their control of expenses and act to reduce food and labor costs, wastes, breakage, utilities, etc.

All employees should place their loyalty with the company and act accordingly in observing suspicious and dishonest behavior. For instance, if you see another employee stealing company property, or any unethical behavior, you should not hesitate to tell your supervisor or to inform management.

Cooperation with co-workers, supervisors, and managers is essential. Constant two-way communication is required with suggestions and questions. Everyone must be approachable without becoming angry.

Remember, to communicating effectively: look at *me*, smile at *me*, talk to *me* and say *thank you*.

GREETING CUSTOMERS AND CO-WORKERS

Every employee, regardless of their position, must give a pleasant greeting to customers and co-workers. This is the first and most basic step in achieving customer satisfaction and making your employment location a good place to work. The most important words in this business are *“Hello”*, *“Hi”*, *“Good Afternoon”*, *“Good Evening”*, *“Thank You”*, *“Please”*, and *“Excuse Me”*. Hospitality begins with your first words.

GENERAL CONDUCT

All employees are expected to conduct themselves in a manner to promote a favorable image of the company, promote efficient operation of the company and promote harmonious relationships among fellow employees and customers. General conduct on the job, aside from specific job responsibilities, is mainly a matter of using common sense. Specific policies regarding general conduct include but are not limited to:

1. You are expected to perform all work assigned by your supervisor/manager during your shift. Failure to do so is considered insubordination and may result in disciplinary action.
2. No employee will use their position to secure special privileges or advantages.
3. Employees will not discriminate against any customer, employee or prospective employee on the basis of race, sex, religion, national origin, age or disability.
4. No employee may bring any type of weapon or item declared as contraband onto the property of the company.
5. Employees are forbidden to engage in any conduct, communication or activity, which is criminal in nature or which would bring discredit upon the company. Not only must employees avoid misconduct, but also, the appearance of misconduct.
6. False, slanderous, degrading statements or actions that may discredit the Company, its employees or patrons that are committed while the employee is on duty will result in disciplinary action. Employees should report any corrupt or unethical behavior that may discredit the company to a member of management.
7. There is to be no smoking, gum chewing, drinking, or eating in view of customers.
8. Employees are to enter and leave through approved entry/exit doors at all times when leaving or entering the premises. This is designed for your safety and protection.
9. Employees must be in uniform when entering and leaving during business hours.
10. The carrying-of and use-of cell phones or pagers during work hours are only permitted when on approved breaks or with the prior consent and approval of your supervisor.

ABSENCE AND TARDINESS

Customer satisfaction and employee moral is seriously reduced when you are absent and no one can be scheduled to take your place. Therefore, employees who do not telephone with sufficient notice to your supervisor or manager will be subject to disciplinary action and possible dismissal. Tardiness causes undue stress on fellow employees and poor customer service. Excessive tardiness may justify the need for termination of employment.

The Company encourages and expects the regular and dependable attendance and punctuality of each employee. In order for the Company to operate productively and efficiently, employees must be available for work on a regular basis. Regular, dependable attendance and punctuality is an important part of every employee's contribution to the Company and should be considered a condition of your employment.

Because your attendance is so critical to the successful operation of the business, we are stating our attendance policy simply and directly: ***No Call, No Show, No Job***. While this may seem harsh, if you do not show up for work, and have not called in with sufficient notice depending on the circumstances, the company may terminate your employment without any other reason.

UNIFORMS

All employees are required to be in proper uniform while on the clock. Every department has specific guideline to your uniform, please refer to your department manager for information on what is expected from you on what to purchase for your uniform.

Proper uniforms are essential to maintain a professional image to our customers. Employees are required to wear the uniform specified by their department manager.

MEETINGS

- **Pre-Shift Meetings**

Some departments will gather together before the shift to discuss the following: daily special, policy changes, daily shift captain, upcoming events, awards & recognition, reservations, staff outings, daily happenings, employment anniversaries.

- **All-Staff Meetings**

Several times a year we have a meeting with all employees to discuss important issues such as policy changes, upcoming events, and employee recognition.

BREAKS, MEALS, and ALCOHOL

Employees are entitled to a 10-minute rest break during each four-hour work period. Employees will be compensated for their ten-minute rest breaks. Every employee receives a complimentary discount at 50% off of meals while at work. There are certain items that will be “Exempt” from employee discounts, but may be purchased at full price. This list will be posted on the communications board in the kitchen. Alcoholic beverage can be consumed outside of work, but each employee must be of legal age and can only consume a maximum of (3) three drinks per visit per employee. Employees that wish to stay for a drink after their shift must be out of uniform and may not sit at the bar.

Breaks are to be taken at times approved by your supervisor and may be used for resting, snacks, meals, refreshments, telephone calls, smoking, etc. The Company furnishes free carbonated beverages, iced tea, water or coffee during your break. Meals should not be taken before your shift or at last call for food. Meals should be taken during slow periods of activity and not during periods of peak activity.

Under Department of Health regulations, beverages for employees who are working in food preparation areas must not ever be placed on any area that has or will be used to prepare food. Consult with your department manager as to where your beverage should be placed while working in the kitchen.

SMOKING

Employees are allowed to smoke in designated areas while on authorized breaks. There is to be absolutely no smoking in food preparation areas or in site of customers. Your supervisor can direct you to the designated smoking areas.

TELEPHONE CALLS

Employees are not permitted to receive personal telephone calls while at work. This interferes with our every day business of sales calls and business calls. If any employee should receive an emergency phone call, the employee may be paged to take the call, but only for true emergencies. You may use the phone in the office or kitchen for local outgoing calls when you are on an authorized break. Messages will be taken and delivered as soon as possible.

APPEARANCE

A neat, well-groomed appearance is a fundamental requirement. You must always wear the designated uniform while on duty. It is your responsibility to keep your uniform neat, clean and pressed. Personal hygiene is of the utmost importance. Hair must be compact, professional and not interfere with service or violate health code policies. Any perfume or cologne used should be light and unobtrusive, as some customers are allergic to these products. The Company recognizes and appreciates that some people like to express themselves but the hygiene and appearance of all employees are considered a part of the uniform. If being in view of customers is regularly part of your job, any visible tattoos should be covered with clothing or make-up.

PERSONAL PROPERTY

Unnecessary personal property should not be brought onto company property. In the event of any lost or stolen articles, the Company will not be liable for the loss of any personal property. Firearms, lethal weapons, illegal drugs or alcoholic beverages are not permitted to be brought onto our premises. Possession of these items on company property shall be deemed as cause for immediate dismissal. Radios, TV's, tape recorders, etc. are also not permitted. Cell Phones/Pagers must be kept on silent mode.

CHANGES IN PERSONAL INFORMATION

In order to keep your personnel records up to date, to ensure that the Company has the ability to contact you, and to ensure that the appropriate benefits are available to you, we ask that you notify the Business Office promptly of any changes of name, address, phone number, marital status, number of dependents, or other applicable personal information.

You may e-mail changes and/or questions to payroll@mastersons.com

LOST & FOUND

All items lost by customers or co-workers and recovered by employees must be reported to your supervisor and turned in to the office. The finder should tag the items with the finder's name, and the date and location found. If the item(s) are not claimed after 30 days, the item(s) may be returned to the finder.

THEFT

This policy covers misappropriation, misuse, theft, or willful damage of employees', guests', or company property.

The company encourages an atmosphere of mutual trust and asks that you be a part of it. We pledge to you that we will operate in that spirit. In the course of your work here, there will be many tempting opportunities to take money, supplies, or products that belong to the company. For some people, it may be the first time they have been exposed to this type of temptation. We hope you recognize that we will take every precaution to reduce temptation and discourage dishonesty in all its forms. However, in the final analysis, you are responsible for your actions. Our policy is firm in dealing with dishonesty. We will not hesitate to discharge and prosecute an employee who steals money, products, supplies or any other company property. We know you will understand that it is necessary for us to have a clear and consistent policy about this important subject. Servers must ring everything in before it is received, and bartenders must mark down tabs or collect after every transaction.

ALCOHOL SERVICE

Servers and bartenders are responsible for the proper service of alcoholic beverages. Employees serving alcohol must sign a statement affirming:

1. They are aware of the age requirements for the purchase of alcohol.
2. Proof of age is required for anyone appearing to be younger than 30 years of age.
3. Driver's licenses and ID cards should be examined carefully for authenticity.
4. Any employee that suspects that a patron may be intoxicated shall notify their respective supervisor.

ACCOUNTING FOR FOOD AND BEVERAGES

All food and beverages must be entered on the computer system before the kitchen or bar can release them. This means there must be a requisition printed out for every item ordered. Kitchen or Bar employees who release items without the requisition and the employee who picks up the orders are subject to disciplinary

action up to and including dismissal.

OUTGOING PACKAGES

Any package carried out of the building is subject to inspection. The item in question must be offered to the manager on duty for inspection. Please do not be offended if someone asks to see your package; they are just doing their job.

SOLICITATION

Selling or buying merchandise, beauty products, chances, sponsorships, etc. while on company time is not permitted, as it interferes with your job and the duties of others. In addition, some employees may feel obligated to buy something from a co-worker when they don't really want or need the item being offered. It is unfair to place them in this awkward position.

ENERGY CONSERVATION

Every employee is required to assist in energy conservation. The following steps are mandatory:

1. Turn off lights when they are not needed.
2. Turn off equipment when not needed, including coffee makers, dishwashers, ovens and warmers.
3. Observe proper pre-heat times on cooking equipment.
4. Use conservative thermostat settings.
5. After using water faucets, turn off completely.

RECYCLING

It is our goal to recycle as many items as possible. We appreciate your cooperation and welcome any suggestions you may have for reusing items or materials.

CARE OF COMPANY PROPERTY

All employees are to practice safe use and handling of company property. Abuse or careless handling of dishes, glasses, racks, carts, machines, etc. will not be tolerated. If you make unnecessary noise during your work, it is likely that you are not properly using the item. Also, you are likely to disturb nearby customers and co-workers by creating unnecessary noise.

Table linen must never be used for cleaning purposes. Use towels only for cleaning or wiping spills.

HOUSEKEEPING

Every employee is responsible for keeping his or her work area cleaned and organized. Just like you being a host at your party, you always want to make sure everything looks clean before they arrive and you always clean up after they leave. A place must be established for every item and every item must be kept in its place. Everyone must cooperate to keep traffic aisles clear and floor clear of litter. If you see items dropped on the floor, pick them up! When using restrooms, all employees have the duty to see that the area is left clean, whether it is a public restroom or the employee's restroom. Pick up litter off the floor or in the sink, flush commodes, and have towels or tissues replaced if empty. Take pride in your area.

USE OF COMPANY VEHICLES

All employees who may have occasion to drive a company vehicle in the course of their employment will be subject to the following policy:

General Requirements

Before an employee may operate a company vehicle, clearance must be obtained from the General Manager. It is required that the vehicle be signed out and back in when returned. Driving a company vehicle without authorization is grounds for termination of employment.

Employees are required to empty the vehicle of all trash and equipment before parking the vehicle in the last row of the parking lot. All employees operating company vehicles and all passengers being transported in these vehicles must wear seat belts at all times.

Fuel Purchases

When employees operating company vehicles need to purchase fuel, the following procedures must be followed. The driver must obtain a receipt for the amount of fuel purchased, and write the vehicle number and odometer reading on the receipt at the time of purchase. Only valid receipts with the necessary information on them will be eligible for reimbursement. Any employee that unlawfully obtains fuel for personal use at the expense of the Company shall be prosecuted.

Motor vehicle record (MVR)

An Individual Motor Vehicle Record Check shall be obtained and provided by the employee to verify a current license in this state and a satisfactory driving record. You will be disqualified from operating a company vehicle if your MVR record reveals any of the following:

1. Conviction for Driving under the Influence (DUI) and/or Driving While Intoxicated (DWI) within the past three years.
2. License is currently suspended or revoked. *
3. Two or more moving violations during one calendar year.

* Consideration will be given to licenses that have been suspended due to failure to pay fines for traffic, insurance or administrative violations, provided the license is reinstated and presented to the General Manager as part of the clearance process.

Moving Violations

It is the employee's responsibility to notify their supervisor or manager of any traffic or moving violations that may occur while you are operating a company vehicle. Failure to report any such violations will result in disciplinary action.

All traffic offenses including parking tickets are the responsibility of the driver, not the company.

(Continued on next page)

Employee vehicle accident policy

Any accident involving a company vehicle or property must be immediately reported to your supervisor. All accidents will be investigated. Alcohol/drug testing will also be conducted. Results of an accident investigation will include one or more of the following:

- A. An accident as a result of reckless driving and/or abuse of company property will require disciplinary action, up to and including dismissal.
- B. An accident where the employee is at fault will require disciplinary action, up to and including dismissal.
- C. Management will review all employee accidents, regardless of whether the employee is at fault.
 - 1. The results of such a review could include:
 - a) No Action
 - b) Counseling/Verbal Warning
 - c) Written Warning
 - d) Dismissal
- D. Failure to report any accident will require disciplinary action, up to and including dismissal.
- E. Management may review any accident and subsequent disciplinary action may be taken.

EMERGENCY/SAFETY PROCEDURES

The Company is very concerned with the safety of its employees. We want to assure that all employees are aware of basic safety and emergency procedures, which include, but are not limited to the following:

1. Report **ALL** injuries incurred while on the job, regardless of how slight they may appear, to your supervisor or manager on duty **immediately**.
2. Severe or potentially life threatening accidents or illnesses that require immediate medical attention are to be called into 911, the local emergency number for EMS, Police and Fire.
3. Orient yourself to the location of fire exits, first aid kits, fire extinguishers, emergency shut off valves, etc.
4. Wear protective clothing and/or safety glasses if your position warrants it.
5. Report any conditions you feel may be unsafe. Use your judgment and common sense.
6. Observe “No Smoking” signs. They are posted in areas where a fire hazard may exist.
7. Untidy housekeeping can lead to fire and safety hazards. Keep your work area clean at all times. Keep floors dry and free from liquids or lubricants. Passageways should remain open, aisles are not blocked and materials are not to be stored in front of doors.

ON-THE-JOB INJURIES AND WORKER'S COMPENSATION

All **Masterson's Family of Business** locations provide Worker's Compensation Insurance for all employees. The Worker's Compensation Act provides benefits to employees who experience work related injuries or illnesses. Benefits may include payments for lost income and the expense of medical treatment.

It is the responsibility of all employees to ***immediately report any injuries, which occur while on the job to their supervisor***. This notification should include information about how the injury occurred and the body part affected. By reporting the accident to the proper personnel, the claim process can be started without delay.

An injured employee may seek treatment at any medical facility of their preference. The Worker Compensation plan utilized by Masterson's does not participate in “managed care” where the employee must go to pre-authorized medical care facilities.

Any money that is payable to the employee because of a Worker's Compensation claim will be paid through the Worker's Compensation Insurance carrier in accordance with all governing laws. Any employee returning from Worker's Compensation leave will be required to furnish a doctor's release prior to resuming regular job responsibilities.

Employees that incur an on-the-job injury that required medical attention will be subject to drug testing.

Claims that are not reported at the time of the accident and/or refused to seek medical attention may be denied.

SAFETY AND SANITATION

Safe and sanitary work practices are essential for the protection of customers and employees. Unsafe practices such as those listed below will not be tolerated and violations of these policies will be cause for disciplinary action up to and including dismissal:

- Horseplay, running, using one way doors improperly, kicking doors open.
- Overloading trays or bus carts.
- Failure to use ice scoops.
- Placing detergents, insecticides, chemicals, etc. near food or food supplies.
- Failure to immediately clean up spilled food or other substances.
- Failure to wash hands after breaks, smoking, eating, using the restroom, telephone, or touching hair, nose, mouth or face while serving food.
- Chewing gum while near and/or preparing food.
- Sneezing or coughing over food.
- Performing any work near food with dirty nails, skin or any open sores.

WATER POLLUTION

Everyone must be careful not to put waste food, grease, or hazardous materials in sinks or floor drains. These materials must be properly disposed of in accordance with labeling instructions or as stated on MSDS sheets. Grease and other cooking oils are to be disposed of using specially designed containers to avoid unnecessary water pollution. If you have any doubts as to the proper disposal of any waste materials, please consult your supervisor before taking any action. The Metropolitan Sewer District (MSD) conducts routine inspections of our wastewater. Based on their analysis, they may increase our sewer fees based on the type and amount of waste products leaving our facilities.

HAZARDOUS AND TOXIC MATERIALS

The **Masterson's Family of Businesses** are in compliance with the OSHA Hazard Communication and Bloodborne Pathogens Standards. If your job requires that you use any hazardous or toxic materials, you will receive training in the safe handling and use of these materials, and access to the Material Safety Data Sheets for materials used in your area. Employees are not to use any potentially hazardous material or chemical without being trained in the safe handling and use procedures for each material you may have occasion to use in your work.

The **Masterson's Family of Businesses** are proud of the good reputation that it has with the community. We are able to maintain our reputation because our employees are in compliance with our policies and regulations. Your partnership with the company is based on mutual respect and shared responsibilities for meeting the needs of our customers. Conduct, which is detrimental to these responsibilities, will subject the employee to disciplinary action.

If you do not understand our policies and regulations after reading this booklet, ask your supervisor or manager for clarification. It is our policy to use disciplinary actions to correct violations of company policies or employee behavior. The purpose of disciplinary action is to prevent a recurrence of the violation and to correct unacceptable behavior. Disciplinary action is generally administered in progressive order as described below. However, depending on the severity and nature of the policy violation, the progressions may be altered, or not administered in this exact order. The company reserves the right to terminate employees without prior warning for serious actions determined to be inappropriate or detrimental to the business interests of Masterson's under our policy of employment-at-will.

The usual progression is as follows:

Verbal Warning/Counseling

A verbal warning is generally used to inform you of minor rule or policy violations on the first offence. It serves to remind you of specific rules, policies and procedures. In most cases, verbal warnings are issued during a private discussion between you and your supervisor.

Written Warning

Written warnings may be issued for repeat violations after being issued a verbal warning, or for substantial violations of company policies. Each warning will document the employee's behavior and the policy that was violated. Written warnings will be signed by your supervisor and you will be asked to acknowledge the warning with your signature.

Final Written Warning and/or Suspension or Probation

This is considered a last step option in the disciplinary process. There has been a serious policy violation or a previous written warning has failed to correct the problem. A further occurrence of the policy violation after this step will result in termination of employment.

Termination

If the above steps have failed to correct the problem, or if there is a serious violation that warrants immediate dismissal, the employee will be issued a written termination notice and employment with the company will be formally terminate.

Dismissal

These are certain violations that are considered grounds for Immediate Dismissal. Because of the severity of these violations there will be no process of disciplinary action. These include, but are not limited to the following:

1. Rudeness to guest, staff, or vendor
2. Falsification of information on employment application.
3. Falsification of company records or reports, including time sheets.
4. Abuse, destruction or defacing of company property.
5. Insubordination to supervisor and management, or obstructing the flow of work.
6. Fighting on company premises or threats of bodily harm perpetrated by company employees.
7. Sales, use, possession, or being under the influence of alcohol or non-medically prescribed substances on company property.
8. Possession of firearms or dangerous weapons while on company property.
9. Unauthorized possession, use, or theft of property or funds from the company, customers, or employees.
10. Unauthorized use or possession of company vehicles including transporting unauthorized people.
11. Failure to promptly report any accident or injury in the workplace, or any accident involving a company vehicle.
12. Major violations of company safety rules.
13. Falsification of information given to supervisor or manager.
14. Unauthorized disclosure of confidential information.
15. Entering into unauthorized contracts or incurring unauthorized expenses in the company's name.
16. Sleeping or gross neglect of duties while on work time.
17. Willful or knowing violation of company policy or rules.
18. Any unlawful activity by employees occurring on company premises.
19. Forging a manager's signature.

Violations, depending on the seriousness of the situation, that will result in disciplinary action, warnings notices, suspension or dismissal include, but are not limited to the following:

1. Excessive absenteeism or tardiness.
2. Violations of safety rules.
3. Unsatisfactory work performance, including failing to use work time productively.
4. Conducting personal business or performing unauthorized work during working hours.
5. Leaving the company's premises or assigned work location during work hours without your manager's approval.
6. Distribution of printed or written material on company property without authorization.
7. Other inappropriate conduct at the discretion of management.
8. \$5.00 off cashier/ bartender drawer
9. Smoking in non-designated area
10. Improper shift change
11. Being out of uniform

RESIGNATION/TERMINATION

If you must resign voluntarily, the company would appreciate at least two weeks notice to give us time to find and train a replacement.

If you are planning to leave because you are dissatisfied with your job, please discuss your situation with your supervisor, Department Manager before making a final decision to resign. It is possible that by communicating your feelings, a solution other than resignation can be found.

Employees who do not report to work for three (3) consecutive days and have not contacted their supervisor or Department Manager will be considered to have voluntarily resigned their position and are subject to immediate termination for job abandonment.

Upon resignation/termination of your employment with the Masterson's Family of Businesses, the following policies will apply.

Compensation

If you resign or are dismissed, you will be paid up until your last day worked on the next regularly scheduled pay day, or no later than 14 days after your last day worked, whichever comes first.

Vacation Pay:

For employees who have completed a minimum of one year of service, unused vacation time is compensable upon resignation, provided the employee has given adequate notice (usually a minimum of two weeks)

Insurance

You may continue your medical insurance coverage for you and your dependents under COBRA or other applicable laws. You will be notified by mail on how to apply for continuation of coverage.

RE-EMPLOYMENT

Former employees may be rehired. However, they must be approved by Management and the Business Office, and have left Masterson's under favorable circumstances. Former employees rehired within 30 days of their last day worked may be eligible to keep their seniority intact regarding benefits that are based on length of service. Employees rehired after 30 days are not eligible for any benefits accrued during their previous employment with Masterson's.

COMMUNICATION

An important part of the **Masterson's Family of Businesses** management philosophy is to promote open communication between management and employees. Your supervisor will try to keep you informed of how they feel you are performing; in return, you should bring to their attention any questions you have about your job and generally let them know how you feel about your position.

Any work related problems you may be experiencing can be discussed with your supervisor, Manager or General Manager. Sometimes small problems can become large ones, unless they are acted upon while they are small. Your supervisor will always listen to your problems. If you have doubts about your performance or how your supervisor feels you are doing, ask. Your supervisor wants you to be satisfied in your position and you're the only one who can tell them if you are or not. Bring your complaints or concerns to your supervisor and then, if necessary, to your Manager or General Manager.

OPEN DOOR POLICY

Masterson's wants to hear your suggestions. If you know a better way to do a certain procedure, let your idea be known. Our employees know their specific job areas, sometimes better than their managers. Relate your ideas to your supervisor either verbally or in writing. All comments and suggestions will be carefully considered.

LEAVING THE BUILDING WHILE ON DUTY

For safety and security reasons, it is not permitted for you to leave the property while on duty. This includes going to your car for any reason, without permission from the on-duty manager. UNDER NO CIRCUMSTANCES are you permitted to perform any maintenance on your vehicle on company property. If your vehicle is broken down, please consult with your supervisor.



MASTERSON'S FAMILY OF BUSINESSES

ACKNOWLEDGMENT AND CONSENT FOR DRUG AND ALCOHOL TESTING

I understand that as a condition of prospective or continued employment with the **Masterson's Family of Businesses**, I must comply with the Company's substance abuse policy, and upon request submit to any required drug or alcohol testing as required by company policy. I also acknowledge that by signing this document that I have hereby received written notice of such drug and alcohol testing, and have read and understand all aspects of the Company policy regarding a *Drug Free Workplace* and procedures for substance abuse testing as described in the employee handbook.

I have read and understand the above conditions regarding drug and alcohol testing and agree to comply with them. Additionally, I hereby authorize the release of the results such an examination to the Masterson's Partnership for their use in evaluating my suitability for employment.

Printed name of Employee

Signature of Employee

Date

Witness Signature of Manager or Human Resource Employee



MASTERSON'S FAMILY OF BUSINESSES

ACKNOWLEDGEMENT OF RECEIPT OF COMPANY HANDBOOK

I acknowledge that I have received a copy of the Employee Handbook for the Masterson's Partnership. I understand:

- I am expected to know and be familiar with the contents of this handbook.
- If a policy is unclear to me or if I have any questions about the policies contained in this handbook, such questions are to be directed to my Supervisor, Department Manager or General Manager.
- This handbook replaces and supersedes all previous handouts and supplemental pages.
- This handbook is not intended to, nor does it establish any contractual or other legal rights between the company and its employees, and in no way alters the employment at-will relationship.

Printed Name of Employee

Signature of Employee

Date

Witness Signature of Manager or Human Resource Employee



MASTERSON'S FAMILY OF BUSINESSES

HARASSMENT POLICY ACKNOWLEDGEMENT

I acknowledge that I have read and fully understand the Masterson's Harassment Policy contained in the Employee Handbook. I also understand that if I feel that I am being harassed, or if I witness harassment committed upon another employee, I have the responsibility to communicate this promptly to any supervisor or manager or owner within the Masterson's organization.

Printed Name of Employee

Signature of Employee

Date

Witness Signature of Manager or Human Resources Employee