

## PAID PARENTAL LEAVE POLICY

Effective **April 1, 2021**, CKE Restaurants Holdings, Inc., Carl's Jr. Restaurants LLC and Hardee's Restaurants LLC (collectively, "the Company") has adopted a Paid Parental Leave Policy ("Policy") for all Eligible Employees. In general, the Policy provides Eligible Employees up to 4 weeks of paid parental leave for time away from work to fulfill a short-term disability waiting period or to bond with a child, as a result of birth (including surrogacy) and/or adoption.

This Policy may be amended, revised or terminated at the Company's sole discretion at any time without prior notice. This Policy is not intended to nor does it constitute or create a contract of employment with any Eligible Employee. This Policy is intended to be applied in accordance with all applicable federal, state, and local laws. The Company has absolute discretion to make the sole and final determination as to any and all issues arising out of this Policy.

### **Eligibility**

Except as provided under the exclusions below, the following employees are eligible for paid parental leave under the Policy ("Eligible Employees"), if the employee –

- Is actively employed by CKE Restaurants Holdings, Inc., Hardee's Restaurants LLC or Carl's Jr. Restaurants LLC;
- Is a regular full-time employee (General Manager and Corporate level); and
- Has incurred a Qualifying Family Event while actively employed by CKE Restaurants Holdings, Inc., Hardee's Restaurants LLC or Carl's Jr. Restaurants LLC

The above eligibility rules must be satisfied as of the first day that the parental leave commences or is projected to commence.

### *Qualifying Family Event*

A Qualifying Family Event means one of the following events –

- The birth of a Child (including surrogacy);
- The adoption or placement for adoption of a Child;

An adoption (or placement for adoption) occurs when an Eligible Employee receives into his or her physical care the Child. A Child is a minor under the age of 18.

### *Waiting Period Requirement*

You are eligible for paid parental leave under the Policy (provided you satisfy all other eligibility requirements), the first day of the month following your date of hire or rehire.

## *Exclusions*

The following employees or individuals are not eligible for paid parental leave –

- Employees whose primary work location is outside of the United States.
- Employees who are paid from a payroll that is administered outside of the United States.
- Any individual who is classified as an independent contractor.
- Restaurant employees who work part-time or variable hour schedules (e.g., Crew Member, Shift Leader, Team Leader positions)
- Corporate employees who are classified as Vice President(s) or Executive(s)
- Employees who are classified as seasonal, temporary or interns.
- Leased employees, unless the leasing entity is a CKE Restaurants Holdings, Inc. entity who has provided for eligibility under this Policy.
- Employees who adopt the Child(ren) of a spouse or domestic partner and the Child(ren) are not newly-born to, or newly placed for adoption with, the spouse/domestic partner.
- Employees whose Qualifying Family Event occurred prior to commencement of employment with CKE Restaurants Holdings, Inc., Hardee's Restaurants LLC or Carl's Jr. Restaurants LLC.

You will not be eligible for paid parental leave under this Policy and paid parental leave under this Policy will end, if your employment ends for any reason.

## **Special Rules that Apply to Childbirth and Short Term Disability Benefits**

Childbirth is an eligible disability under the Company's Short Term Disability Plan ("STD Plan"), and the length of the disability will depend on how long the birth mother is medically unable to work. A birth mother is automatically considered to be medically disabled for six weeks following a regular delivery and eight weeks following a caesarean section delivery (the "Automatic STD Period"). If a birth mother is unable to return to work at the end of the applicable six or eight-week period, you and/or your physician must submit medical information to *Lincoln Financial* under the STD Plan stating that you remain medically disabled. If you satisfy the STD Plan requirements, Lincoln Financial will approve additional STD Plan benefits up to the STD Plan maximum for the period of your medical disability (the "Additional STD Period").

During your Automatic STD Period and during any applicable Additional STD Period, if your STD Plan benefits are less than 100% of your eligible pay, this Policy can make up the difference outside of the STD Plan. This means that between the disability benefits paid by the STD Plan and make-up payment paid by the Policy you may receive 100% of your eligible pay for the period of your Automatic STD Period and any Additional STD Period. To be eligible for the make-up payment under this Policy, you must also be eligible for the STD Plan and receiving STD Plan benefits as a result of childbirth. The employee and the Company must determine (in advance) the use of Paid Parental Leave, when supplementing STD benefits. However, please keep in mind that the STD benefits and make-up benefits are subject to offset for other state paid leave benefits as set forth in the STD Plan and this Policy. The make-up benefits under this Policy end when your STD period ends (or earlier if you are no longer medically disabled). In the event that your disability continues beyond the 180-day STD period, and long-term disability

(“LTD”) benefits commence, the Company will not make up the difference between your LTD benefits and your eligible pay. Once you are medically cleared to return to active employment and your STD Plan (and LTD Plan, if applicable) benefits end, you may exhaust any remaining paid parental leave (not to exceed a total of 4 weeks) under this Policy (provided you are otherwise eligible). You will not be required to return to active work before taking your paid parental leave under this Policy. You cannot commence paid parental leave under this Policy until your STD Plan (and LTD Plan, if applicable) benefits end.

Eligible birth mothers can also request to schedule their 4 weeks of paid parental leave to be taken prior to and/or after STD Plan benefits (as long as paid parental leave is taken in a minimum of 2 week increments).

Eligible non-birth parents must follow the Company’s Leave of Absence Policy before requesting their paid parental leave. Paid parental leave can be taken in either 2 or 4 week increments (not to exceed 4 weeks for each Qualifying Family Event).

### **Paid Parental Leave under this Policy**

The Policy provides up to 4 weeks of paid parental leave in the first 6 months following a Qualifying Family Event. The following terms and conditions apply to paid parental leave under the Policy –

- Paid parental leave under the Policy must be taken for a Qualifying Family Event.
- Only Qualifying Family Events that occur on or after April 1, 2021 are eligible for paid parental leave under the Policy.
- Paid parental leave under the Policy may be taken at a minimum in increments of 2 or 4 calendar week periods.
- All paid parental leave under the Policy must be taken within the first 6 months following a Qualifying Family Event.

### **Paid Parental Leave that Applies in Special Situations**

This section describes the paid parental leave under this Policy that applies to special situations. Unless otherwise indicated below, all other Policy terms and conditions apply to each special situation.

#### *Two or More Qualifying Family Events that Occur at the Same Time*

- An Eligible Employee who seeks to take paid parental leave under the Policy for multiple Qualifying Family Events that occur at roughly the same time (e.g., birth of twins or adoption of two Children at the same time) is eligible for a total of 4 weeks of paid parental leave under the Policy for all such Qualifying Family Events during the first twelve months following the last Qualifying Family Event, regardless of the number of Children.
- The 4 weeks of paid parental leave must be used within the first 6 months following the last Qualifying Family Event.

### *Two or More Qualifying Family Events that Occur within any 12 Month Period*

- An Eligible Employee who seeks to take paid parental leave under the Policy for multiple Qualifying Family Events that occur within any 12 month period (e.g., adoption of two children that occur 5 months apart or birth of children that occur 11 months apart) is eligible for a total of 4 weeks of paid parental leave under the Policy for all (per) Qualifying Family Events that occur within such 12 month period, regardless of the number of Children.
- The 4 weeks of paid parental leave must be used within the first 6 months following the last Qualifying Family Event.

### *Two Eligible Employees who have the same Child(ren)*

- If there are two Eligible Employees who seek to take paid parental leave under the Policy with respect to the same Qualifying Family Event and/or Child (e.g., both parents are Eligible Employees), each Eligible Employee will have his/her own 4 week period of paid parental leave.
- If there are two Eligible Employees who seek to take paid parental leave under the Policy with respect to multiple Qualifying Family Events that occur at roughly the same time or that occur within any 12 month period (e.g., birth of twins, or adoption of two children at the same time) and such Qualifying Family Events are the same for each Eligible Employee, each Eligible Employee will have his/her own 4 week period of paid parental leave for all such Qualifying Family Events that occur within the 12 month period, regardless of the number of Children. In that event, the 4 weeks of paid parental leave for each Eligible Employee must be used within 6 months of each Qualifying Family Event.
- If there are two Eligible Employees who seek to take paid parental leave under the Policy for multiple Qualifying Family Events that occur within any 12 month period (e.g., adoption of two children that occur 5 months apart or birth of children that occur 11 months apart) and such Qualifying Family Events are the same for each Eligible Employee, each Eligible Employee will have his/her own 4 week period of paid parental leave for all such Qualifying Family Events that occur within the 12 month period, regardless of the number of Children. In that event, the 4 weeks of paid parental leave for each Eligible Employee must be used within 6 months of each Qualifying Family Event.
- Each Eligible Employee may take his/her own paid parental leave at the same time, or at different times, all subject to the regular terms of the Policy (e.g., the leave must be taken in a minimum of 2 calendar week periods and used within 6 months of the last Qualifying Family Event).

### *Qualifying Family Events Occurring before April 1, 2021*

- Qualifying Family Events that occurred prior to April 1, 2021 are not covered.

## **Eligible Pay**

Your paid parental leave under the Policy will be paid at 100% of your eligible pay. “Eligible pay” means your annualized biweekly base rate of pay in effect immediately prior to the date that your paid parental leave commences or is expected to commence. “Eligible pay” does not include bonuses, overtime, incentive payments, commissions, fringe benefits, employee benefits, stock options and related gains, restricted stock units and related gains, non-cash benefits, any equity or equity-type awards and related income or gains and any other extraordinary compensation.

Eligible Employees are not entitled to receive payment of compensation equal to regular compensation in lieu of taking the paid parental leave under the Policy. Benefits under the Policy do not constitute entitlement and are not vested. Benefits under the Policy are discretionary and may be paid only if actually used for the purposes and within the time-frame set forth in this Policy. Holidays which occur in the course of the period of paid parental leave under the Policy will be paid as paid parental leave under the Policy and will not be paid as holiday pay.

## **Maintaining Your Other Benefits During Paid Parental Leave**

While you are receiving paid parental leave under the Policy, your other benefits that you have elected (if any) will continue, except as described below, and the required contributions will be automatically deducted from your paycheck. However, because you are not actively at work, your vacation and sick leave benefits may be affected. To the extent that you have elected the benefit prior to your paid parental leave, the following benefits (and corresponding deductions, if any) will continue while you are receiving paid parental leave under the Policy as follows –

- Medical, Dental, Vision, Employee Assistance Program, Long Term Disability, Short Term Disability, Life, Accidental Death and Dismemberment and 401(k) will continue.
- Any voluntary policy coverage you have elected will continue.
- Contributions to your health savings account or the health care or limited purpose FSA will continue.
- Dependent care FSA contributions may continue as set forth below.

*Dependent Care FSA.* While you take paid parental leave under the Policy, your Dependent Care FSA (if any) may be affected as follows –

- If you take paid parental leave under the Policy in increments of two weeks, your contributions to your dependent care FSA account will continue as normal and you may submit eligible expenses to be reimbursed by the account.
- If you take paid parental leave under the Policy in increments of more than two weeks at a time, dependent care expenses incurred during the time you are receiving paid parental leave may not be reimbursed from your dependent care FSA account and your contributions to the dependent care FSA may cease while you are receiving paid parental leave.

If you incur an injury or illness, other than recovery from childbirth, during the paid parental leave period under the Policy, you should contact ***Lincoln Financial*** to determine your

eligibility for and to request STD Plan benefits. STD Plan benefits will take priority over paid parental leave under this Policy. If STD Plan benefits are paid, paid parental leave under this Policy will terminate and you can restart any remaining paid parental leave under the Policy after STD Plan benefits end, provided that you still satisfy all Policy terms and conditions.

### **Applying for Paid Parental Leave under the Policy**

In order to request paid parental leave under the Policy, all Eligible Employees must follow the Company's Leave of Absence Policy. Eligible Employees must then contact the CKE Benefits Department in writing to discuss scheduling their paid parental leave. A Leave of Absence, and subsequent request for paid parental leave, can be requested up to 30 days in advance of your leave start date.

Further, paid parental leave cannot be retroactively requested more than 14 calendar days after your requested leave start date. The Company will strive to approve all requested paid parental leave under this Policy. However, the Company reserves the right to not approve (or delay the approval of) paid parental leave, in the event that unforeseeable circumstances or business exigencies occur.

As part of your paid parental leave request, supporting documentation must be submitted to the CKE Benefits Department and/or Lincoln Financial. Acceptable documentation includes, but is not limited to, the following –

- Your name and the Child's name;
- Your relationship to the Child;
- The date of the Child's birth, date of adoption or placement for adoption; and
- The dates of the requested paid parental leave. The CKE Benefits Department and/or Lincoln Financial will also ask you to provide written documentation relating to the paid parental leave request, as applicable –
- A copy of a newborn Child's birth certificate or other proof of birth (e.g., hospital birth certificate).
- Documentation from a state agency or other legal authority indicating the full name of the adoptee which indicates you are the adoptive parent and the date of placement is included.

### **State Wage Replacement Coordination**

Certain states offer wage replacement programs that typically replace a portion of an employee's pay relating to parental leave. If you are employed in the State of New York, you should contact Lincoln Financial to file a claim with respect to New York paid family leave. If you are employed in California, New Jersey, Rhode Island or Washington, you must file a claim with the applicable state agency or state program to receive family leave pay in that state. You must also request paid parental leave under the Policy by contacting Lincoln Financial.

If you are receiving STD Plan benefits, please see the STD Plan summary plan description for the offset rules relating to state paid disability benefits.

## **Family and Medical Leave Act (FMLA)**

If you are eligible for FMLA leave related to your Qualifying Family Event, such FMLA leave will run concurrently with your paid parental leave under the Policy. If you return to work within your FMLA leave period, you are entitled to be returned to the same position you held when your paid parental leave under the Policy (or STD leave, if applicable) commenced, or to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment based on the requirements of FMLA. In the event that your FMLA leave is exhausted and you are still receiving or will receive paid parental leave under the Policy, the Company will voluntarily consider the remaining paid parental leave under the Policy as authorized leave pursuant to terms and conditions similar to FMLA. If you return to work from paid parental leave under the Policy after your FMLA leave period has expired, you are also entitled to be returned to the same position you held when your paid parental leave under the Policy (or STD leave, if applicable) commenced, or to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment based on terms and conditions similar to FMLA. Authorized leave extended in this manner is not FMLA leave, but it will be administered similar to FMLA leave. Please see the Company's Leave of Absence Policy for further information about FMLA leave.

If you are eligible for leave under state law related to your Qualifying Family Event, such leave will run concurrently with paid parental leave under the Policy, to the extent permitted by law.

## **Anti-Retaliation Policy**

The Company strictly prohibits any form of retaliation or discrimination against an employee for attempting to use or using the paid parental leave under the Policy.

If you have any questions about this Policy, please contact the CKE Benefits Department.