



Vacation Benefits for Restaurant Management, Administrative and Clerical Employees

Policy

To provide eligible employees annual paid vacation benefits which are intended to safeguard and sustain the health of such employees by providing a period of rest and relaxation. The Company encourages eligible employees to fully utilize their vacation benefits each year and be fully relieved of work duties while on vacation. To the extent a non-exempt employee performs any work while on vacation, the employee is responsible to make sure that work is recorded as work time. Any questions regarding the policy should be referred to Human Resources. .

Procedures

1. Eligibility

Employees classified as regular full-time or regular part-time (whose normal work week consists of at least 20 hours) will be eligible to receive vacation with pay.

- a. Employees classified as temporary are not eligible to receive vacation with pay. When a temporary employee changes to regular status, they will be eligible for vacation time based on their hire date as a temporary employee (not the date they became a regular employee).
- b. All employees in an executive management position (Franchise Business Consultants, Directors, Vice Presidents and Executive Officers) do not accrue and receive paid vacation under this policy.
- c. The Policy does not apply to employees of our franchise operators. Any new employee resulting from the acquisition by the Company of a franchised restaurant who continues employment with Jack in the Box or Qdoba will be eligible for vacation benefits under this policy based on the effective date of transfer or acquisition to Company operations, unless otherwise dictated by the Company.

2. Eligibility

Vacation benefits accrue based on the eligible employee's continuous years of employment from their most current hire date in the Company's Human Resources Information System. Vacation hours are accrued as provided in Section 4c of this policy in accordance with the following schedule, and are based on the employee's normal bi-weekly hours of their job classification.

Continuous Service Requirement	Vacation Schedule	Normal Bi-weekly hours			
		80		90	
		Vacation Hours Per Year	Max Accrual*	Vacation Hours Per Year	Max Accrual*
Hire date up to 9 year Anniversary Date	3 weeks (15 days)	120	160	135	180
After 9 year Anniversary Date	4 weeks (20 days)	160	200	180	225

This applies to Company operated Jack in the Box and Qdoba facilities only.

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- * Maximum Vacation Hour Accrual Limit is the regular vacation schedule, plus one week (5 days based on the employee's standard bi-weekly hours)

3. When Vacations May be Taken

- a. Employees may use available vacation hours at any time, subject to approval the of employee's immediate supervisor, with consideration given to operating and business requirements, resource availability, and the employee's length of service.
- b. Vacation hours for new hires become available immediately. The employee's immediate supervisor may approve the use of available vacation hours prior to one full year of employment. If hours are used an available hours will be in the negative during the first year of employment.
- c. The Company encourages each employee to use available vacation hours for rest and relaxation; therefore, pay in lieu of vacation will not be granted.
- d. Employees may take vacation in one-half hour increments or as provided by law.
- e. All vacation hours used must be documented by submitting an approved timesheet to Payroll. Documentation must be submitted prior to or by the end of the pay period in which the vacation hours are used.

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4. General Terms of the Vacation Policy

- a. Anniversary Date means the day and the month, followed by one or more years of continuous service, corresponding to the most current date of hire.
- b. Continuous employment is defined as uninterrupted service as a regular employee of the Company.
- c. Vacation hours accrue bi-weekly from the employee's hire date (number of vacation hours earned per year divided by 26 bi-weekly pay periods). Vacation hours will stop accruing if the employee reaches their Maximum Vacation Hour Accrual Limit. Vacation hours will resume accruing once the employee uses vacation hours and their available hours fall below the Maximum Vacation Hour Accrual Limit.
- d. In the event of an employee rehire, the most current hire date will serve as the start date for calculating vacation hours.
- e. Vacation pay is based on the employee's current rate of pay at the time vacation hours are paid. Incentive pay is not included in determining vacation pay.
- f. Vacation hours do not count as time worked for the purpose of overtime calculations for non-exempt employees.
- g. Vacation hours for part time employees will be based on the employee's normal bi-weekly hours worked per pay period.
- h. An employee's available vacation hours will not be used for days coinciding with a recognized Company holiday or a temporary recall to work during the period scheduled for the employee's vacation.
- i. Vacation hours accrue only during the first two pay full periods of a leave of absence, regardless of the length or type of leave.

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5. Military Service and Vacation

- a. Entering Service -- Upon request, an employee will be paid for any or all vacation hours accrued and not yet used at the time he or she begins leave.
- b. Vacation hours do not accrue while on a leave of absence (in excess of two full pay periods) for military duty; however, total service with the Company continues while on a military leave of absence. Vacation hours continue to accrue while on an excused absence for the required two-week Summer Reserve or Guard Duty.
- c. Returning From Service -- The returning veteran, if eligible for reinstatement under the applicable law, begins accruing vacation hours immediately, and the anniversary date shall be based on the original hire date, not the date of return to work.

6. Vacation and Termination

- a. An employee is eligible to be paid for unused vacation hours at the time of termination, regardless of whether termination is voluntary, and whether notice is given or not given.
- b. Vacation hours for which an employee is paid at termination is not considered active service, and is not included in Company length of service calculations.
- d. Should an employee die, all unused, available vacation hours will be paid to the deceased employee's estate.

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