

Meauxmentum Wage Rate Guidebook for Restaurant Positions

This version of the 2025 wage rate guide is ONLY applicable for restaurant locations in Lawton, OK & Wichita Falls, TX.

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I. OVERVIEW:

The purpose of this Wage Rate Guidebook for Restaurant Positions is to provide a framework to establish fair and equitable pay for all restaurant employees within the Meauxmentum Strategies & Investments (MSI) business family. It is also intended to provide hiring managers with clear guidelines for assigning starting pay rates, managing pay adjustments, and navigating pay-related compliance.

II. COMPENSATION PHILOSOPHY:

We believe in fostering a culture of excellence, accountability, and fairness where strong performance is recognized, valued, and rewarded. Our *Pay for Performance* compensation philosophy is rooted in the belief that employees should be rewarded based on their individual contributions, impact, and alignment with our organizational goals. We offer competitive wages that balance the consideration of internal equity & external market conditions.

The fundamental principles of our *Pay for Performance* compensation philosophy include:

- **Merit-Based**: We value and recognize employees based on their performance, skills, and commitment to achieving organizational and individual objectives. We are committed to rewarding and incentivizing exceptional performance.
- **Transparency**: We are also committed to maintaining transparency in our compensation practices. Employees should have a clear understanding of how their performance directly influences their pay, this approach fosters trust and motivation.
- **Equity & Fairness**: While performance drives compensation, we ensure fairness and equity by evaluating employees objectively and consistently across teams and stores. Additionally, we regularly review our wage/pay rates for internal parity. Our compensation structure is intended to mitigate biases and promote inclusivity.
- Market Competitiveness: Our compensation practices are also benchmarked against industry standards and the external market to ensure we are positioned competitively to attract & retain top talent. We also recognize that non-monetary rewards, such as recognition and development opportunities, play an important role in overall employee satisfaction.
- **Continuous Feedback & Development**: We believe in providing regular feedback and opportunities for growth & development. Performance assessments (PAs) are not just about pay increases but also serve as a formal tool for coaching, skill enhancement, and career progression.
- Alignment with Organizational Goals: Individual & store performance goals are aligned with our
 organizational strategic objectives. By linking compensation to organizational success, we encourage
 a shared sense of purpose and ownership among employees.

By adhering to these fundamental principles, our goal is to create an environment where employees feel valued, motivated, and empowered to contribute their best resulting in individual and collective success.

III. WAGE RATE RANGES:

Wage rate ranges have been established for the following positions: **Crew Member, Team Member Trainer (TMT), Shift Leader (SL), and Assistant General Manager (AGM).** A pay range has also been established for the **Restaurant General Manager (RGM)** position. There is some overlap between ranges to facilitate growth, movement, and career progression. MSI utilizes local & national wage rate information to ensure our wage/pay rates and ranges are reflective of the current market.

The pay ranges immediately below are **ONLY applicable for restaurant locations in Lawton, OK & Wichita Falls, TX.**

	Position:	*Minimum:	Midpoint:	Maximum:
	Crew Member	\$10.00	\$11.00	\$12.00
HOURLY:	Team Member Trainer	\$12.00	\$12.75	\$13.50
	Shift Leader	\$13.00	\$14.00	\$15.00
	Assistant General Manager	\$15.00	\$16.00	\$17.00
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:	Restaurant General Manager	\$50,000	\$57,500	\$65,000
LARY:				

To better understand where an employee may fall within their appropriate wage/pay range consider this:

- **Minimum:** Usually intended for employees who are new to the role, are in a learning situation (training), and/or do not have substantial experience in the position. *This is also considered the "Starting Wage" for all new positions.
- **Minimum-to-Midpoint:** Intended for employees who have gained some experience and skill, and who have become more proficient in the position.
- **Midpoint:** Represents a fully experienced & contributing employee.
- **Midpoint-to-Maximum:** Typically reserved for experienced employees who perform all tasks independently and consistently exceed expectations in the core competencies of the position.
- Maximum: Normally reserved for employees who are considered a subject matter expert (SME) in their position with a deep knowledge that extends beyond their primary responsibilities.

IV. STARTING WAGE RATES:

A Starting Wage rate has been established for all restaurant positions. The Starting Wage rate falls at the "minimum" end of the pay range. These rates have been established to attract new employees and reward our tenured employees in these positions. **Note**: Starting Wage Rates are applicable to all <u>new</u> individuals being hired into the company for the first time as well as individuals that are being <u>rehired</u> into the company.

If the state or local minimum wage is higher than the approved MSI Starting Wage, we must offer the state or local minimum wage (e.g. Arkansas minimum wage is \$11.00/hour). Executive & Human Resources approval is required for any offer exceptions outside of these Starting Wage pay guidelines.

Position:	*Starting Wage:	
Crew Member	\$10.00	
Team Member Trainer	\$12.00	
Shift Leader	\$13.00	
Assistant General Manager	\$15.00	

In addition to a competitive Starting Wage rate, RGMs are also eligible for additional opportunities to earn extra compensation, including training others as a certified Market Training Manager (MTM), achieving specific incentive criteria, etc. **Note**: An RGM must be in their position (within MSI) for six (6) consecutive months to be eligible for a promotion to MTM.

Position:	*Starting <u>Wage</u> :	MTM <u>Certification</u> :	Annual Incentive Potential:	Annual Merit <u>Increase Potential</u> : (0% - 4%)
Restaurant General Manager	\$50,000	Up to \$500 Per Trainee	Up to \$13,000 Per Year	\$0 - \$2,000

V. PAY ADJUSTMENT GUIDELINES:

A **pay adjustment** is any change that is made to an employee's hourly wage or salary. This adjustment can be an increase or a decrease. Executive approval is required for any adjustment to an employee's pay. Pay adjustments can be made to an employee's pay for different reasons, including but not limited to the following: Merit Increase, Promotion, Demotion, etc.

Merit Increase

A **merit increase** is designed to acknowledge valuable contributions and reward individual performance. Generally, consideration for a merit increase is made on an annual basis, often in

connection with the performance assessment (PA) process or by using performance-based criteria. As a part of our overall compensation strategy, merit increases are also broadly used to improve overall retention, productivity, and performance.

Annual merit increases generally range between 0% - 4% of an employee's pay. Merit increases will be prorated based on an employee's length of time in position. An employee is eligible to receive a merit increase when:

- o they have been employed in their current position for at least six (6) continuous months before the effective date of the merit increase.
- o the effective date of the merit increase is **at least six (6) months after** the employee's last pay increase.

If an employee's current pay is at the maximum end of the range, they are not eligible for an increase in pay. In that case, the executive team may consider alternative compensation methods including granting a one-time merit payment in lieu of an increase in pay, etc.

Promotion

Promoting employees is important for retaining top talent. A **promotion** typically involves giving an employee a more senior job title as well as more, and higher-level, responsibilities. An example of a promotion might include moving a Team Member Trainer to a Shift Leader, or moving a Shift Leader to an Assistant General Manager, etc. Pay increases should also be given when an employee receives a promotion. **Please note:** Pay increases for promotions <u>will not</u> be retroactively applied; therefore, an employee may not begin working in their new position prior to their approved effective date.

The hourly rate increase for Crew Member to Team Member Trainer (TMT) may be up to \$0.50 or to the minimum rate for the TMT position.

All other promotional increases may be up to 10%. Factors to consider when determining the percentage of a promotional increase may include the employee's skills & competencies, relevant knowledge & experience, past performance, degree of increase in responsibilities, education, certifications/training, demonstrated ability to perform the duties of the new job, etc. Additionally, internal equity and external competitiveness are also important factors. Use the following chart as a guide to help you determine what percentage increase you should consider requesting:

CRITERIA	ASSESSMENT FACTORS		
	Moderate Increase (3% - 5%)	<u>Standard Increase</u> (6% - 8%)	<u>Significant Increase</u> (9% - 10%)
Degree of increase in responsibilities	Moderate	Average	Significant
EE's current salary relative to others in new position (Internal Equity)	High	Mid	Low
Demonstrated ability to perform the duties of the new job	Mostly Demonstrates	Consistently Demonstrates	Consistently Exceeds

To be eligible for a promotion, an employee must:

- o be a regular, **full-time or part-time** employee;
- o be in their current position for six (6) consecutive months or more;
- o have maintained **satisfactory performance with no disciplinary action** within the last six (6) months; and,
- o meet or exceed the **requirements of the new position**, including any prerequisite training, if applicable.

Demotion

In some circumstances, an employee may request a **demotion**, or the company may decide to demote an employee due to various organizational factors. A demotion typically involves a reduction in an employee's job title, responsibilities, and pay. An example of a demotion may be an RGM moving back to an AGM position for personal reasons, or a Shift Leader moving back to a Team Member Trainer to attend school, etc. Employees most well suited for a demotion are typically your better performers that have a desire to remain employed with the company. Employees who have performance issues are <u>not</u> good candidates for demotion. Demoting these individuals tends only to shift problems, not solve them. In general, demotions should be given in exceptional situations and not become a common practice.

A demotion should include a corresponding decrease in pay. <u>Please note:</u> Pay decreases for demotions will not be retroactively applied. In the case of a demotion, the impacted employee's pay rate will be reduced to:

- o their **old pay rate** prior to them being promoted, OR
- o the **maximum end of the pay range** for the lower job level.

Off-Cycle Pay Adjustment

There may be other occasions (aside from the reasons above) when it is appropriate to request an **off-cycle pay adjustment** for an employee. These situations may be related to the cost of living, market changes, a substantial increase in an employee's responsibilities unaccompanied by a promotion, pay equity, pay correction, etc. These individual cases should be discussed with, and approved by, your direct manager prior to submitting the pay adjustment for approval in the system. Executive approval is required for all off-cycle pay adjustments.

<u>Please Note:</u> Executive & Human Resources approval is required for any and all exceptions to the pay adjustment guidelines.

VI. UNDERSTANDING WAGE & HOUR LAWS:

MSI is committed to a competitive, fair, and equitable compensation program and, as such, will fully comply with all federal, state, and local laws regarding compensation, pay transparency, and pay equity.

As a people leader, you are required to know, understand, and adhere to the following information. In accordance with the Equal Employment Opportunity Commission (EEOC), it is unlawful to knowingly or unknowingly discriminate in pay or application of employment practices. Therefore, all pay decisions must be made without regard to race, color, religion, sex, national origin, age, or disability.

If you are aware of a violation or if you have a question regarding pay laws or company policy related to pay compliance, please contact your Vice President and/or Human Resources.

Fair Labor Standards Act (FLSA):

The **Fair Labor Standards Act (FLSA)** is a federal law that covers minimum wage, overtime pay, recordkeeping, and child labor standards. **The FLSA:**

- requires covered workers to be paid at least the **federal minimum wage**, which is currently \$7.25.
 <u>Note</u>: Many states have established a higher minimum wage rate than the federal minimum wage.
 For example, the current minimum wage in Arkansas is \$11.00/hour.
- requires non-exempt (hourly) workers to be paid overtime pay at 1.5 times their hourly rate for all
 hours worked over 40 within the work week. <u>Note</u>: Hourly employees are <u>never allowed</u> to work "off
 the clock.
- requires employers to maintain accurate records of all hours worked for non-exempt (hourly) employees. <u>Note:</u> Employees should <u>never</u> work while on their lunch or break.
- allows employers to require employees to **share or "pool" tips** with other eligible employees. (Applicable to Wingstop employees only.)
- **prohibits** the employer or their managers from receiving any portion of employees' tips or participating in a tip pool. **Note:** For the purposes of determining tip eligibility, the FLSA's definition

of "manager" includes Shift Leaders and Assistant General Managers. (Applicable to Wingstop employees only.)

Protected Concerted Activity:

The **National Labor Relations Act (NLRA)** is a federal law that protects the rights of covered employees to engage in protected "concerted activity". Protected concerted activity is when two or more employees communicate about and/or to their employer about improving their pay. **Under the NLRA, employees:**

- can openly discuss their individual pay, hourly wages, hours, and other benefits (e.g. PTO, medical, etc.) with their co-workers. **Note:** Do not ever communicate to an employee that they are prohibited from discussing their pay.
- **cannot be terminated, disciplined**, threatened, retaliated against, or coercively questioned about this activity. **Note:** Do not ever discipline an employee for discussing their individual pay or benefits. Any concerns in this area should be immediately escalated to your Vice President and Human Resources.

State Payday Laws:

There is no federal law that determines how often employees must be paid; however, most individual states have pay laws regarding withholding an employee's check and when an employee's final paycheck is due once they are terminated, etc. **MSI policy:**

- requires managers to process voluntary & involuntary terminations immediately to ensure we
 are able to adhere to state laws regarding final pay. <u>Note</u>: To be complete, terminations must be
 submitted into NTF Connect in addition to back-office systems.
- **prohibits the withholding of any unpaid** wages due. Additionally, final paychecks are <u>not</u> conditional on the return of uniforms, equipment, etc.

VII. IMPORTANT NOTE:

The pay structure, policies, and processes outlined in this Wage Rate Guidebook may be subject to change due to various factors, including but not limited to changes in business needs/requirements, market conditions, regulatory requirements, and organizational priorities. MSI reserves the right to modify, amend, or update all wage/pay information and the related processes at any time and without prior notice.

This guidebook does not create a contract or offer of employment. MSI is an at-will employer that reserves the right to modify or revoke any compensation offers or agreements as deemed necessary.

Please contact your Vice President or Human Resources if you have any questions, concerns, or if you need additional information regarding MSI's pay policies, processes, or guidelines.