

CARROLS RESTAURANT GROUP, INC.
Syracuse, New York

PERSONNEL POLICY AND PROCEDURE

Subject: **CODE OF BUSINESS ETHICS AND CONDUCT** Instruction No: 325
Effective Date: 11/21/06
Revised: 10/9/21

Affects: All Directors, Officers and Employees Approved By: Jared L. Landaw
Title: Vice President, General Counsel and
Chief Ethics Officer

I. INTRODUCTION AND PURPOSE

This Code of Business Ethics and Conduct (this “Code”) is applicable to all directors, officers and employees of Carrols Restaurant Group, Inc. and its subsidiaries (collectively, the “Company”). References to “employees” in this policy are deemed to include all directors, officers, and salaried and hourly employees.

The purpose of this Code is to:

- promote the honest and ethical conduct of our employees, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- promote proper accounting and full, fair, accurate, timely and understandable disclosure in periodic reports and documents filed with the Securities and Exchange Commission (the “SEC”) and other public communications made by the Company;
- promote compliance with all laws, rules and regulations that apply to the Company, competing fairly and honestly in the marketplace, and maintaining a safe, healthy and respectful work environment; and
- protect and promote the proper use of the Company’s assets and the Company’s non-public, proprietary and confidential information.

All employees are expected to be familiar with this Code, to comply with its provisions, and to report any suspected violations as described in Section X below.

II. GENERAL INTEGRITY

Our Company is committed to maintaining the highest ethical standards in all of its business dealings and activities. We have a long-standing reputation as an honest and

ethical organization, which we value greatly. Each employee is expected to act with integrity and observe the highest ethical standards of business conduct in the course of performing his or her job. Any attempts by employees to advance the Company's interests by violating laws, rules or regulations or through unscrupulous dealings such as bribery, kickbacks, and similar unethical practices will not be tolerated.

Often in business we are faced with difficult situations and decisions and are unsure what to do. In those situations, you should always ask yourself:

- Are my actions legal?
- Am I being honest?
- Will my action stand the test of time?
- How will I feel about myself afterward?
- How will I feel if my actions were reported in the newspaper?
- Will I sleep soundly tonight?
- What would I tell my child to do?

In general, if it does not feel "right" it probably isn't!

If you have a question regarding a situation or have any doubt whether it is consistent with this Code, seek help. We encourage you to contact your supervisor or the Company's General Counsel. If they cannot answer your question or if you do not feel comfortable contacting them, contact the head of the Company's Audit Committee or the Company's Chairman of the Board.

III. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

In conducting the business of the Company, all employees must maintain compliance with both the letter and spirit of all applicable laws, rules and regulations. If you are in doubt as to whether a course of action is lawful, you should consult your supervisor and/or a member of the Company's Legal Department.

Payments to Government Personnel

The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country.

In addition, the U.S. government has laws and regulations regarding business gratuities that may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense.

State and local governments, as well as foreign governments, may have similar rules.

Political Contributions

The Company encourages its employees to participate in the political process and support the candidates and issues of their choice. Political participation should be conducted on an employee's own time as a private citizen and not on behalf of the Company. Employees must ensure that their personal activities are not perceived as representing the Company and that their personal contributions are at their own expense. The Company will not reimburse employees for their personal political contributions. Federal and state contribution and lobbying laws severely limit contributions that can be made by the Company to political parties or candidates. It is the Company's policy that Company funds or assets are not used to make a political contribution to any political party or candidate, unless prior approval has been given by the Board of Directors.

Non-Discrimination

The Company is committed to providing an equal opportunity in all aspects of employment without regard to race, color, gender identity or expression, religion, age, national origin, sexual orientation or disability.

Health, Safety and Workplace Conduct

The Company strives to provide each employee with a safe, healthy and respectful work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following the Company's health and safety rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. All employees, regardless of position, are also expected to provide a workplace free of violence, hostile or threatening behavior of any kind, including, without limitation, derogatory or offensive comments based on a person's race, color, gender identity or expression, religion, age, national origin, sexual orientation or disability.

Securities Law and Insider Trading

It is illegal to trade in Company securities while in possession of material, non-public information regarding the Company. It is also illegal to trade in securities of another company (such as a franchisor of the Company or a company affiliated with a franchisor of the Company) while in possession of material nonpublic information regarding that company. Furthermore, it is illegal to communicate or "tip" such information to others. In order to assist with the compliance of laws against insider trading, the Company has adopted insider trading policies and procedures governing trading in securities of the Company. Copies of these policies and procedures have been posted on the Company's web portal and are available from the General Counsel. If you have any questions

concerning the Company's insider trading policies or procedures or trading in Company securities, please refer to the Company's Policy on Insider Trading (Policy 329) and Management Insider Trading Policy (Policy 330) or consult with the Company's General Counsel.

IV. CONFLICTS OF INTEREST

As a valued employee, you have a duty of loyalty to the Company. This duty can be violated if you engage in activities that conflict with Company interests or even create a perceived conflict. A conflict may arise when you are influenced or even appear to be influenced by considerations of personal gain or benefit for you or a family member that conflict with your obligation to serve the Company. Conflicts can take many forms, not all of which can be specifically mentioned here. The following is not an exhaustive list, but are some examples of conflicts that should be avoided or otherwise disclosed:

- Engaging in any activity that conflicts with the Company's business, such as working as a consultant or in any other capacity for another quick service restaurant company.
- An employee or family member having an ownership interest or other business relationship with a competitor, supplier, franchisor, landlord or contractor of the Company.
- Conducting any Company business with or on behalf of a family member, including business with any competitor, supplier, franchisor, landlord or contractor of the Company.
- Borrowing money from any bank or firm with whom the Company does business, with terms more favorable than those generally available to the public.
- Serving as an officer or director of, or working as an employee or consultant for, a competitor, supplier, franchisor, landlord or contractor of the Company without the approval of the Chief Ethics Officer.

Conflicts of interest can also arise when it involves a close friend, not just family members. If you are "steering" Company business or a contract to a close friend rather than the organization with the best price, terms or service, you may be in violation of this Code. Once again, if it does not feel right, it probably isn't!

Any actual or potential conflict of interest should be promptly reported to the Company's Chief Ethics Officer, who shall disclose the matter to the Audit Committee for consideration if appropriate.

V. CONFIDENTIAL INFORMATION, PROPRIETARY INFORMATION AND FAIR DEALING

We seek to outperform our competitors fairly and honestly. Stealing proprietary information, violating confidentiality agreements, possessing trade secrets that were obtained without the owner's consent, or inducing such disclosures from past or present employees of other companies is prohibited. Each employee should deal fairly with and respect the rights of the Company's customers, suppliers and competitors. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

Employees must maintain the confidentiality of confidential and proprietary information entrusted to them by the Company, except when disclosure is authorized or required by applicable law, rule or regulation. Confidential information includes all confidential, non-public or proprietary information that might be of use to competitors, or harmful to the Company or its business if disclosed. It also includes information that business partners, suppliers and other third parties have entrusted to us, as well as data that contains personal information regarding our employees or customers. The obligation to preserve confidential information continues even after employment ends. Any documents, papers, records or other tangible items that contain confidential, non-public or proprietary information are the Company's property.

VI. ACCEPTANCE OF COSTLY ENTERTAINMENT OR GIFTS

A normal and acceptable part of business involves engaging in business related entertainment, such as dining or attending sporting or social events. These activities are fine if they are reasonable, are conducted in connection with Company business and do not influence your business judgments and decisions. It is not appropriate, however, to accept invitations to such entertainment activities if it involves a substantial cost to the provider.

Giving and accepting gifts is also a normal business activity, however, it is not acceptable to give or receive expensive or extravagant gifts or to be influenced by gifts, including free services, products, entertainment or travel. All gifts given or received must be given openly and lawfully and may not be exchanged when it is or will be perceived to influence the nature or continuation of the business relationship. As a general rule, any gift, the value of which exceeds one hundred fifty (\$150) dollars must be reported to your immediate supervisor. If you are in doubt as to the value, report it!

VII. PROPER ACCOUNTING AND REPORTING

All Company business transactions must be properly authorized and be accurately recorded and described in the Company's books and records, in accordance with

generally accepted accounting principles and established Company financial policy, including, without limitation, the Company's Code of Ethics for Executives and Principal Financial Employees (Policy 326). All periodic reports and documents filed with or submitted to the SEC and other public communications made by the Company must be full, fair, accurate, timely and understandable and in compliance with all applicable laws, rules and regulations and Company financial policy. Compliance with accounting procedures and internal control procedures is always required.

Employees should never participate in the misstatement of the Company's financial statements and no circumstances ever exist to justify the maintenance of "off the books" accounts to facilitate questionable or illegal payments or transactions, or to artificially improve financial results.

No director, officer or employee should make a false or misleading statement to the Company's external or internal auditors nor should any director, officer or employee conceal or fail to reveal any material information necessary to avoid making any statements made to such auditors misleading.

VIII. PROTECTION AND PROPER USE OF COMPANY ASSETS

All employees should protect the assets of the Company and ensure they are used appropriately and efficiently for legitimate business purposes. Theft, carelessness and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should immediately be reported for investigation. Company equipment should not be used for non-Company business, though incidental personal use may be permitted.

The obligation of employees to protect the assets of the Company applies to its proprietary information as well. Proprietary information includes, among other things, intellectual property as well as business, marketing and sales plans, price lists, customer and vendor lists and information, databases, records, organizational and salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy. It could also be illegal and result in civil or even criminal penalties.

IX. COMPLIANCE AND ENFORCEMENT

Everyone covered by this Code shall be held responsible for full compliance with the provisions hereof. Any person who violates this Code shall be subject to disciplinary action, up to and including termination of employment or provision of services for cause, as applicable, and possible prosecution.

X. REPORTING

Our Company is dedicated to providing a work environment in which all employees are free to express concerns or report violations without fear of retaliation. We call upon employees to help us in this goal by reporting all violations or apparent violations of this Code. Our Company is committed to maintaining confidentiality during investigation of any potential violations. Employees may make reports and voice concerns anonymously if they desire using EthicsPoint via the toll free number (800-511-8439) or via the web at www.ethicspoint.com. *No employee will suffer retaliation for making a good faith report of an ethics violation (or apparent violation). Anyone who tries to prevent an employee from reporting a violation or retaliates against an employee for reporting is subject to disciplinary action, up to and including termination.*

Generally, violations of this Code should be reported to the immediate supervisor of the employee who has committed the alleged violation or in the case of a director or executive officer, the Chief Ethics Officer. That supervisor shall inform the Legal Department or the Human Resources Department of the alleged violation. If, however, a reporting employee believes it would not be appropriate to report an alleged violation to the immediate supervisor, the reporting employee may report the violation directly to the Legal Department, the Human Resources Department or any officer of the Company.

All directors, officers and employees are expected to cooperate in any internal investigation of misconduct. The Company will take all reasonable steps to ensure that the identity of the reporting employee is kept confidential, except to the extent the reporting person consents to being identified or the identification is required by law or is otherwise necessary to conduct a full and complete investigation of the alleged violation.

Employees must report potential violations in good faith. Attempt to harm or slander a director, officer or employee by false accusation, malicious rumors or other irresponsible actions will be subject to disciplinary action, up to and including termination.