

**CARROLS RESTAURANT GROUP, INC.**  
Syracuse, New York

**CORPORATE GOVERNANCE GUIDELINES**

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Subject: **CORPORATE GOVERNANCE GUIDELIENS**      Instruction No: 338  
Effective Date: 11/09/21

Affects: Board of Directors

Approved By: Jared L. Landaw  
Title: Vice President and General  
Counsel

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The Board of Directors (the “**Board**”) of Carrols Restaurant Group, Inc. (the “**Company**”) has adopted the corporate governance guidelines set forth below to assist and guide the Board in the exercise of its responsibilities. These guidelines should be interpreted in accordance with any requirements imposed by applicable federal or state law or regulation and the Amended and Restated Certificate of Incorporation (as amended, the “**Certificate of Incorporation**”) and the Amended and Restated Bylaws (as amended, the “**Bylaws**”) of the Company. The Board may review and amend these guidelines from time to time.

**I. DIRECTOR QUALIFICATION STANDARDS**

**Director Criteria:** The Board has delegated to the Corporate Governance and Nominating Committee the responsibility for developing and recommending to the Board qualification standards and other criteria for selecting new directors. The Corporate Governance and Nominating Committee will recommend to the Board from time to time such criteria for its consideration and approval.

**Process for Identifying and Selecting Directors:** The Board has delegated to the Corporate Governance and Nominating Committee the responsibility for identifying individuals qualified to become Board members consistent with the qualification standards and other criteria approved by the Board. The Corporate Governance and Nominating Committee will recommend to the Board such qualified individuals as nominees to the Board for its approval.

The Board shall retain the ultimate authority to nominate a candidate for election by the stockholders as a director or to fill any vacancy that may occur.

The Corporate Governance and Nominating Committee will consider qualified director candidates recommended by stockholders and will apply the same standards in evaluating candidates recommended by stockholders as it does in evaluating candidates recommended from other sources.

Stockholders wishing to recommend persons for consideration by the Corporate Governance and Nominating Committee as nominees for election to the Board can do so by writing to Jared L. Landaw, Vice President, General Counsel and Secretary, Carrols Restaurant Group, Inc., 968 James Street, Syracuse, New York 13203. Recommendations should include the name, Company stockholdings and contact information of the person making the recommendation, the candidate's name, address and other contact information, any direct or indirect holdings of the Company's securities by the candidate, and the candidate's current public and private company affiliations, employment history and qualifications. All recommendations will be forwarded to the Chair of the Corporate Governance and Nominating Committee for review and consideration. In addition, stockholders of record may nominate candidates for election to the Board by following the procedures set forth in Section 11 of the Company's Bylaws.

**Independence:** At least a majority of the members of the Board shall meet the definition of independence set forth in the rules and regulations of The NASDAQ Stock Market. Whether a director qualifies as "independent" will be determined on an annual basis by the Board.

**Limit on Number of Other Boards:** Carrying out the duties and fulfilling the responsibilities of a director require a significant commitment of an individual's time and attention. To this end, non-management directors should not serve on more than three public company boards in addition to the Board. Management directors should not serve on more than one public company board in addition to the Board. In connection with its assessment of director candidates for nomination, the Corporate Governance and Nominating Committee will assess whether the performance of any director has been or is likely to be adversely impacted by excessive time commitments, including service on other boards of directors. In advance of accepting an invitation to serve on another public company board, directors must notify the Chairman of the Board and the Chair of the Corporate Governance and Nominating Committee to allow an assessment to be made of the potential impact of such service on the director's time and availability, potential conflicts of interest and other factors that may affect the director's ability to perform his or her duties.

**Term and Age Limits:** The Board does not believe it should establish limits on a director's service, except as a result of reaching the Company's mandatory retirement age. As an alternative to term limits, the Corporate Governance and Nominating Committee will assess each director's performance against relevant factors in connection with determining whether to recommend the director for continued service on the Board.

Our Board has established a Mandatory Retirement Policy. The policy provides that (i) effective February 16, 2017, no person (including any currently serving members of the Board) shall be eligible for election as a director of the Board who: (A) is 75 years of age, which is referred to herein as the "Mandatory Retirement Age", or older, or (B) would reach the Mandatory Retirement Age within one (1) year after the date on which he or she would stand for election to the Board, and (ii) from and after the 2017 Annual Meeting of Stockholders, no person shall continue to serve as director of the Board

following the end of the calendar year that such person attains the Mandatory Retirement Age.

**Change of Responsibility of Director:** When a non-employee director's employment or principal occupation changes substantially during his or her tenure as a director, that director shall inform the Chairman of the Board and the Chair of the Corporate Governance and Nominating Committee and consult with them regarding the impact (if any) of such change on the director's ability to continue to carry out his or her duties and responsibilities as a director of the Company effectively and, if there is a perceived adverse impact, whether continued Board service is appropriate. Where appropriate, the Corporate Governance and Nominating Committee shall review such change in circumstances and make its recommendation to the Board. The Board, in its discretion, will determine whether such member should continue to serve as a director or be required to tender his or her resignation from the Board.

## II. DIRECTOR RESPONSIBILITIES

**Role of Directors:** The business and affairs of the Company are managed under the direction of the Board, acting on behalf of the stockholders. Among other things, the Board performs the following specific functions, either directly or through its committees: (a) selects, evaluates and determines the compensation of the Chief Executive Officer, (b) reviews and approves the Company's strategic plans and annual operating plans and budgets, (c) oversees succession planning for the Chief Executive Officer, (d) advises management on significant issues facing the Company, (e) reviews and approves significant corporate actions, (f) oversees the Company's financial reporting process and legal and ethical compliance programs, and (g) nominates directors and establishes procedures for effective corporate governance.

The Board has delegated to the officers of the Company the authority and responsibility for managing the Company's everyday affairs. The Board has an oversight role and is not expected to perform or duplicate the tasks of the Chief Executive Officer or senior management.

**Board and Company Leadership:** The Board is responsible for the selection of the Chairman of the Board and the Chief Executive Officer.

**Independent Chairman:** The Board does not have a policy on whether the offices of Chairman of the Board and Chief Executive Officer should be separate or combined and believes that the optimal leadership structure may vary based on the unique circumstances and challenges confronting the Company at any given time.

When the position of Chairman is not held by an independent director, a Lead Independent Director will be designated by the Board. The Lead Independent Director will be selected from among the independent directors by a majority of the independent directors. In the event the Board appoints a Lead Independent Director, the Lead Independent Director's duties will include: (i) serving as a liaison between the Chairman

and the independent directors of the Board; (ii) presiding at meetings of the Board where the Chairman is not present, including executive sessions of the independent directors; (iii) approving meeting agendas for the Board and meeting schedules; and (iv) ensuring that he or she is available for consultation and direct communication with the Company's major stockholders upon request. The name of the Lead Independent Director will be disclosed in the Company's proxy statement for its annual meeting of stockholders.

**Board Meetings:** Board and committee meetings are generally held on a pre-determined schedule, with additional meetings scheduled as needed. The Chairman of the Board presides at Board meetings.

**Attendance:** All members of the Board are expected to make reasonable efforts to attend regularly scheduled meetings of the Board and of the committees on which they serve and to participate in telephone conference meetings or other special meetings of the Board or committees on which they serve. In the event that directors are unable to make at least 75% of those regular or special meetings (together with the meetings of committees on which they serve), the Company will be required to disclose that fact in its annual proxy statement. In addition, attendance and participation at meetings is an important component of the directors' duties and, as such, attendance rates will be taken into account by the Corporate Governance and Nominating Committee in connection with assessments of director candidates for renomination as directors.

All directors are encouraged to attend the Company's annual meeting of stockholders.

**Time Commitment; Advance Distribution and Review of Materials:** Directors are expected to spend the time needed and meet as frequently as the Board deems necessary or appropriate to discharge their responsibilities. Information and materials for Board consideration, including the agenda, are generally distributed to directors in advance of a Board meeting. Directors should review these materials prior to the meeting. Senior management is responsible for distributing to directors information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting.

### III. BOARD STRUCTURE

**Size of Board:** The Board, with the assistance of the Corporate Governance and Nominating Committee, will periodically evaluate the size of the Board in accordance with the Board's needs and other relevant circumstances at the time, subject to applicable provisions in the Company's Certificate of Incorporation and Bylaws.

**Committees:** The Board intends at all times to have an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee. Each of these standing committees will have a written charter that sets forth the responsibilities of such committee and the qualifications for committee membership. The Board may from time to time establish additional committees as necessary or appropriate. The Audit, Compensation and Corporate Governance and Nominating Committees will

be comprised of only directors who meet the NASDAQ Stock Market definition of “independence,” as determined by the Board. In addition, the charters of the Audit Committee and the Compensation Committee will set forth additional criteria, including any additional requirements under the rules and regulations of the NASDAQ Stock Market and the Securities and Exchange Commission, for directors to serve as members of such committees.

**Executive Sessions:** The independent directors will meet at regularly scheduled executive sessions, at least twice each year, without management participation.

#### **IV. DIRECTOR ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS**

In carrying out its responsibilities, the Board, and each committee thereof, shall be entitled to rely on the advice and information that it receives from management and such experts, advisors and professionals with whom the Board, or any such committee, may consult. The Board, and each committee thereof, shall have the authority to request that any officer or employee of the Company, the Company’s outside legal counsel, the Company’s independent auditor or any other professional retained by the Company to render advice to the Company, attend a meeting of the Board, or such committee, or meet with any members of or advisors to the Board. The Board or any committee thereof shall also have the authority to engage legal, accounting or other advisors to provide it with advice and information in connection with carrying out its or their responsibilities. The Company shall be responsible for the payment of any outside advisor retained by the Board or any committee thereof in connection with the Board or such committee carrying out their responsibilities.

#### **V. DIRECTOR COMPENSATION AND OWNERSHIP**

The form and amount of director compensation will be reviewed periodically by the Compensation Committee, which shall make recommendations to the Board based on such review. The Board shall retain the ultimate authority to determine the form and amount of director compensation.

The Company’s executive officers shall not receive additional compensation for their service as directors.

The Board believes that to align the interests of directors and stockholders, directors should have a significant financial interest in the Company. Therefore, each director is required to meet the minimum stock ownership guidelines set forth in the Company’s Stock Ownership Guidelines Policy.

## **VI. PERFORMANCE EVALUATION OF THE BOARD AND COMMITTEES**

The Corporate Governance and Nominating Committee will oversee periodic evaluations of the Board and its committees and will report to the Board on the results of its evaluations.

## **VII. CODE OF ETHICS**

The Board has adopted a Code of Business Ethics and Conduct for directors, officers and employees. The Board has also adopted a Code of Ethics for Executives and Principal Financial Employees. The purpose of these codes is to, among other things, promote honest and ethical conduct, proper accounting, fair and accurate disclosure in the Company's public filings, and compliance with laws, rules and regulations. The Code of Business Ethics and Conduct and the Code of Ethics for Executives and Principal Financial Employees are each posted on the Company's website at [www.carrols.com](http://www.carrols.com).

## **VIII. STOCKHOLDER COMMUNICATIONS WITH DIRECTORS**

Any stockholder or other interested party who desires to communicate with our Chairman of the Board, the entire Board, the independent directors or any individual director may do so by writing to the desired recipient or recipients c/o Daniel Accordino, Chairman of the Board of Directors, Carrols Restaurant Group, Inc., 968 James Street, Syracuse, New York 13203. Communications will then be distributed to the appropriate director or directors unless the communication is offensive, primarily commercial in nature, or relates to an improper or irrelevant topic.

## **IX. BOARD COMMUNICATION WITH EXTERNAL CONSTITUENCIES**

The Board believes that the management speaks for the Company. As such, individual directors will not meet or otherwise directly communicate with stockholders, research analysts, vendors, the press or other external constituencies on behalf of the Company unless the communication is (1) requested by the Chairman of the Board, the Chief Executive Officer or the full Board or (2) required to discharge his or her duties as set forth in committee charters.

## **X. POSTING REQUIREMENT**

The Company shall post these guidelines on the Company's website. In addition, the Company shall disclose in the proxy statement for its annual meeting of stockholders that a copy of its Corporate Governance Guidelines is available on the Company's website and provide the website address.