



#### Online

Go to [www.investorvote.com/BJRI](http://www.investorvote.com/BJRI)  
or scan the QR code – login details are located  
in the shaded bar below.



Votes submitted electronically must be received  
by 11:00 p.m., Pacific Time, on June 8, 2021.

## Shareholder Meeting Notice

1234 5678 9012 345

### Important Notice Regarding the Availability of Proxy Materials for the BJ's Restaurants, Inc. Shareholder Meeting to be Held on June 9, 2021

Under Securities and Exchange Commission rules, you are receiving this notice that the proxy materials for the annual shareholders' meeting are available on the Internet. Follow the instructions below to view the materials and vote online or request a copy. The items to be voted on and location of the annual meeting are on the reverse side. Your vote is important!

This communication presents only an overview of the more complete proxy materials that are available to you on the Internet. We encourage you to access and review all of the important information contained in the proxy materials before voting. The proxy statement and annual report to shareholders are available at:

[www.investorvote.com/BJRI](http://www.investorvote.com/BJRI)

#### Easy Online Access – View your proxy materials and vote.



- Step 1: Go to [www.investorvote.com/BJRI](http://www.investorvote.com/BJRI).
- Step 2: Click on the icon on the right to view meeting materials.
- Step 3: Return to the investorvote.com window and follow the instructions on the screen to log in.
- Step 4: Make your selections as instructed on each screen for your delivery preferences.
- Step 5: Vote your shares.

When you go online, you can also help the environment by consenting to receive electronic delivery of future materials.



**Obtaining a Copy of the Proxy Materials** – If you want to receive a copy of the proxy materials, you must request one. There is no charge to you for requesting a copy. Please make your request as instructed on the reverse side on or before May 30, 2021 to facilitate timely delivery.



## Shareholder Meeting Notice

BJ's Restaurants, Inc.'s Annual Meeting of Shareholders will be held on Wednesday, June 9, 2021, at BJ's Restaurants, Inc., 7755 Center Ave., 4th Floor, Huntington Beach, CA 92647, at 9:00 a.m. Pacific Daylight Time.

Proposals to be voted on at the meeting are listed below along with the Board of Directors' recommendations.

The Board of Directors recommends a vote **FOR** all the nominees listed and **FOR** Proposals 2 - 4:

1. Election of Directors:  
01 - PETER A. BASSI  
02 - LARRY D. BOUTS  
03 - BINA CHAURASIA  
04 - JAMES A. DAL POZZO  
05 - GERALD W. DEITCHLE  
06 - NOAH A. ELBOGEN  
07 - LEA ANNE S. OTTINGER  
08 - KEITH E. PASCAL  
09 - JANET M. SHERLOCK  
10 - GREGORY A. TROJAN  
11 - PATRICK D. WALSH
2. Ratification and approval of the Company's Amended and Restated Equity Incentive Plan.
3. Approval, on an advisory and non-binding basis, of the compensation of named executive officers.
4. Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2021.

NOTE: In their discretion, the Proxy Holder(s) are authorized to vote upon such other business as may properly come before the meeting, or any adjournment thereof, to the extent authorized by Rule 14a-4 promulgated by the Securities and Exchange Commission.

**PLEASE NOTE - YOU CANNOT VOTE BY RETURNING THIS NOTICE.** To vote your shares you must go online or request a paper copy of the proxy materials to receive a proxy card. If you wish to attend and vote at the meeting, please bring this notice with you.

Due to concerns relating to the public health impact of the coronavirus outbreak (COVID-19) and related travel, the 2021 Annual Meeting may be held by means of remote communication (i.e., a virtual-only meeting). If we determine to do so, we will announce the decision in advance, and will provide details on how to participate on our website at [investors.bjsrestaurants.com](http://investors.bjsrestaurants.com) and/or by supplemental filings with the SEC. We encourage you to vote your shares prior to the Annual Meeting regardless of whether you intend to attend in person.



### Here's how to order a copy of the proxy materials and select delivery preferences:

Current and future delivery requests can be submitted using the options below.

If you request an email copy, you will receive an email with a link to the current meeting materials.

**PLEASE NOTE:** You must use the number in the shaded bar on the reverse side when requesting a copy of the proxy materials.

- **Internet** - Go to [www.investorvote.com/BJRI](http://www.investorvote.com/BJRI).
- **Phone** - Call us free of charge at 1-866-641-4276.
- **Email** - Send an email to [investorvote@computershare.com](mailto:investorvote@computershare.com) with "Proxy Materials BJ's Restaurants, Inc." in the subject line. Include your full name and address, plus the number located in the shaded bar on the reverse side, and state that you want a paper copy of the meeting materials.

To facilitate timely delivery, requests for a paper copy of proxy materials must be received by May 30, 2021.



**BJ'S RESTAURANTS, INC.**  
7755 Center Avenue, Suite 300  
Huntington Beach, California 92647

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
To Be Held June 9, 2021**

Dear Shareholders:

You are cordially invited to attend the BJ's Restaurants, Inc. Annual Meeting of Shareholders on Wednesday, June 9, 2021, at 9:00 a.m. (Pacific Daylight Time). The meeting will be held at the Restaurant Support Center of BJ's Restaurants, Inc., 7755 Center Avenue, 4th Floor, Huntington Beach, California 92647.

We are holding the meeting to:

- (1) Elect eleven members of our Board of Directors named herein to serve until our next Annual Meeting of Shareholders and until their successors are elected and qualified;
- (2) Ratify and approve the BJ's Restaurants, Inc. Amended and Restated Equity Incentive Plan; and
- (3) Approve, on an advisory and non-binding basis, the compensation of our Named Executive Officers;
- (4) Ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm ("independent auditor") for fiscal 2021; and
- (5) Transact any other business as may properly come before the meeting or any adjournments or postponements thereof.

If you owned our common stock at the close of business on April 13, 2021 (the "Record Date"), you may attend and vote at the meeting. For a period of at least ten days prior to the meeting, a complete list of shareholders entitled to vote at the meeting will be open for examination by any shareholder during ordinary business hours at our Restaurant Support Center located at 7755 Center Avenue, Suite 300, Huntington Beach, California 92647.

We are pleased to take advantage of the U.S. Securities and Exchange Commission rule that allows companies to furnish proxy materials to their shareholders over the Internet. As a result, we are mailing to our shareholders a Notice of Internet Availability of Proxy Materials (the "Notice") instead of a paper copy of this Proxy Statement and our Annual Report for fiscal 2020. We believe that this process allows us to provide our shareholders with the information they need in a timelier manner, while lowering the costs of printing and distributing our proxy materials and reducing the environmental impact. The Notice contains instructions on how to access those documents over the Internet. The Notice also contains instructions on how to request a paper copy of our proxy materials, including this Proxy Statement, our Annual Report and a proxy card.

We intend to hold our Annual Meeting in person. However, due to continued health considerations arising from the COVID-19 pandemic, we are also planning for the possibility that we may need to switch to an alternative method of holding the meeting, such as a virtual meeting, held solely by means of remote communication. If we take this step, we will announce the decision to do so via press release, and details about how to participate and vote will be posted on our website and filed with the Securities and Exchange Commission as additional proxy materials. Shareholders are encouraged to monitor our website at [investors.bjsrestaurants.com](http://investors.bjsrestaurants.com) for updated information.

Your vote is important. Whether or not you plan to attend the meeting, you are urged to vote your shares as early as possible by mail, telephone or internet as instructed on your proxy card or Notice.

*Registered holders may vote by:*

1. Internet: go to <http://www.investorvote.com/BJRI>

2. Toll-free telephone: call 1-800-652-VOTE (8683) within the United States, Canada and Puerto Rico any time on a touch tone telephone.
3. Mail (if you received a paper copy of the proxy materials by mail): mark, sign, date and promptly mail the proxy card in the postage-paid envelope.

Any proxy may be revoked at any time prior to the final vote at the Annual Meeting of Shareholders.

*Beneficial Shareholders.* If your shares are held in the name of a broker, bank or other holder of record, follow the voting instructions you receive from the holder of record to vote your shares.

Sincerely,

Gerald W. Deitchle  
Chairman of the Board

Gregory A. Trojan  
Chief Executive Officer

April 23, 2021  
Huntington Beach, California

#### **IF YOU PLAN TO ATTEND THE MEETING**

Please note that attendance will be limited to shareholders. Admission will be on a first-come, first-served basis. To the extent attendance is in person, shareholders may be asked to present valid picture identification, such as a driver's license or passport. In addition, in light of the COVID-19 pandemic and related health and safety requirements, the Company may limit seating and/or require those who attend to wear a mask and observe other COVID-19 related safety protocols. Shareholders holding stock in brokerage accounts ("street name" holders) will need to bring a copy of a brokerage statement reflecting stock ownership as of the Record Date. Cameras, recording devices and other electronic devices will not be permitted at the Annual Meeting.

**BJ'S RESTAURANTS, INC.**  
**7755 Center Avenue, Suite 300**  
**Huntington Beach, California 92647**

**PROXY STATEMENT**

**ANNUAL MEETING OF SHAREHOLDERS**

**June 9, 2021**

**INFORMATION CONCERNING SOLICITATION OF PROXIES AND VOTING**

The following information is provided in connection with the solicitation of proxies by and on behalf of the Board of Directors of BJ's Restaurants, Inc. in connection with our 2021 Annual Meeting of Shareholders and adjournments or postponements thereof to be held on Wednesday, June 9, 2021, at the Restaurant Support Center of BJ's Restaurants, Inc., 7755 Center Avenue, 4th Floor, Huntington Beach, California 92647 at 9:00 a.m., Pacific Daylight Time, for the purposes stated in the Notice of Annual Meeting of Shareholders preceding this Proxy Statement.

**SOLICITATION AND REVOCATION OF PROXIES**

A form of proxy is being furnished to each shareholder and is solicited on behalf of our Board of Directors for use at the Annual Meeting. The proxy materials, including this Proxy Statement, proxy card and our Annual Report for fiscal 2020, are being distributed and made available on or about April 23, 2021. This Proxy Statement contains important information for you to consider when deciding how to vote on the matters brought before the 2021 Annual Meeting. Please read it carefully.

In accordance with the rules and regulations adopted by the U.S. Securities and Exchange Commission ("SEC"), we have elected to provide our shareholders access to our proxy materials over the Internet. Accordingly, a Notice of Internet Availability of Proxy Materials (the "Notice") will be mailed on or about April 23, 2021, to our shareholders who owned our common stock at the close of business on April 13, 2021 (the "Record Date"). Shareholders will have the ability to access the proxy materials on a website referred to in the Notice or request a printed set of the proxy materials be sent to them by following the instructions on the Notice.

The Notice will also provide instructions on how you can elect to receive future proxy materials electronically or in printed form by mail. If you choose to receive future proxy materials electronically, you will receive an email next year with instructions containing a link to the proxy materials and a link to the proxy voting site. Your election to receive proxy materials electronically or in printed form by mail will remain in effect until you terminate such election. Choosing to receive future proxy materials electronically will allow us to provide you with the information you need in a timelier manner, will save us the cost of printing and mailing documents to you, and will conserve natural resources.

We will bear the cost of the solicitation of proxies, including the charges and expenses of brokerage firms and others forwarding the solicitation materials to beneficial owners of stock. We may reimburse persons holding shares in their names or the names of their nominees for the benefit of others, such as brokerage firms, banks, depositaries, and other fiduciaries, for costs incurred in forwarding solicitation materials to their principals. The costs of such solicitation are not expected to exceed \$10,000. Our directors, officers and regular administrative employees may solicit proxies personally, by telephone or electronic communication but will not be separately compensated for such solicitation services.

Shareholders are requested to complete, date and sign the proxy card provided to them and return it promptly to us. Alternatively, internet and telephone voting will be available through 11:00 p.m., Pacific Daylight Time, on June 8, 2021. Any proxy given may be revoked by a shareholder at any time before it is voted at the Annual Meeting and all adjournments thereof by filing with our Secretary a notice in writing revoking it, or by duly executing and submitting a proxy bearing a later date via the internet, telephone or mail. Proxies may also be revoked by any shareholder present at the Annual Meeting who expresses a desire to vote their shares in person.

Unless contrary instructions are specified, if the proxy is completed and submitted (and not revoked) prior to the Annual Meeting, the shares represented by the proxy will be voted (i) **FOR** the election of all eleven of the nominee-directors specified herein; (ii) **FOR** the ratification and approval of our Amended and Restated Equity Incentive Plan; (iii) **FOR** the approval of the compensation of Named Executive Officers (on an advisory and non-binding basis); and (iv) **FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2021. Where a specification is indicated as provided in the proxy, the shares represented by the proxy will be voted and cast in accordance with the specification made therein. As to other matters, if any, to be voted upon, the persons designated as proxies will take such actions as recommended by our Board of Directors. The persons named as proxies were selected by our Board of Directors, and each of them is one of our officers.

Your execution of a proxy card or submission of your vote via the internet or telephone will not affect your right as a shareholder to attend the Annual Meeting and to vote in person.

If your shares are registered directly in your name, you are considered the shareholder of record with respect to those shares. If your shares are held in a stock brokerage account or by a bank, trust or other nominee, then the broker, bank, trust or other nominee is considered to be the shareholder of record with respect to those shares, while you are considered the beneficial owner of those shares. In that case, your shares are said to be held in "street name." Street name holders generally cannot vote their shares directly and must instead instruct the broker, bank, trust or other nominee how to vote their shares.

If you are a street name holder and fail to instruct the shareholder of record how you want to vote your shares on a particular matter, those shares are considered to be "uninstructed." New York Stock Exchange rules determine the circumstances under which member brokers of the New York Stock Exchange may exercise discretion to vote "uninstructed" shares held by them on behalf of their clients who are street name holders. These rules apply to brokers holding our shares even though our Common Stock is traded on the NASDAQ Select Global Market. With respect to the election of the nominees for director, the proposal to ratify and approve our Amended and Restated Equity Incentive Plan, and the proposal to approve the compensation of Named Executive Officers (on an advisory and non-binding basis), the rules do not permit member brokers to exercise voting discretion as to the uninstructed shares. With respect to the proposal to ratify the selection of Ernst & Young LLP as our independent auditor for our 2021 fiscal year, the rules treat such a proposal as "routine" and permit member brokers to exercise voting discretion as to the uninstructed shares.

For matters with respect to which the broker, bank or other nominee does not have, or has but does not exercise, voting discretion, the uninstructed shares will be referred to as a "broker non-vote." Under our Bylaws and California law, shares represented by proxies that reflect abstentions or "broker non-votes" will be counted as shares that are present and entitled to vote for purposes of determining the presence of a quorum. If you properly submit your proxy but abstain from voting for one or more director nominees or abstain from voting on the other proposals, your shares will be counted as present at the Annual Meeting for the purpose of determining a quorum and for the purpose of calculating the vote on the particular matter(s) with respect to which you abstained from voting. If you do not submit your proxy or voting instructions and also do not vote by ballot at the Annual Meeting, your shares will not be counted as present at the meeting for the purpose of determining a quorum unless you hold your shares in street name and the broker, bank, trust or other nominee has discretion to vote your shares and does so.

If you abstain from voting for one or more of the director nominees or you do not vote your shares on this matter (whether by broker non-vote or otherwise), this will have no effect on the outcome of the vote. With respect to the proposals to ratify and approve our Amended and Restated Equity Incentive Plan, approve the compensation of Named Executive Officers (on an advisory and non-binding basis), and ratify the selection of Ernst & Young LLP as our independent auditor, if you abstain from voting, doing so will have the same effect as a vote against the proposal, but if you do not vote your shares (or, for shares held in street name, if you do not submit voting instructions and your broker, bank, trust or other nominee does not or may not vote your shares), this will have no effect on the outcome of the vote.

## **HOUSEHOLDING OF ANNUAL MEETING MATERIALS**

Some banks, brokers, and other nominee record holders may participate in the practice of "householding" proxy statements and annual reports. This means that only one copy of the Notice, this Proxy Statement and the Annual Report for Fiscal 2020 may have been sent to multiple shareholders in your household. If you would like to obtain another copy of either document, please contact our Investor Relations Department at 7755 Center Avenue, Suite 300, Huntington Beach, California 92647, telephone (714) 500-2400. If you want to receive separate copies of the proxy statement and annual report in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker, or other nominee record holder, or you may contact us at the above address or telephone number.

## **SHAREHOLDERS' VOTING RIGHTS**

Only holders of record of shares of our Common Stock, no par value, on the Record Date, which is the close of business on April 13, 2021 will be entitled to notice of, and to vote at, the Annual Meeting. On the Record Date, there were 23,218,766 shares of Common Stock issued and outstanding, with one vote per share, held by 13,259 shareholders of record.

With respect to the election of directors, assuming a quorum is present, the eleven candidates receiving the highest number of votes are elected. See "Election of Directors." To ratify and approve our Amended and Restated Equity Incentive Plan, approve the compensation of Named Executive Officers (on an advisory and non-binding basis), and ratify the appointment of Ernst & Young LLP, assuming a quorum is present, the affirmative vote of shareholders holding a majority of the voting power represented and

voting at the Annual Meeting (which shares voting affirmatively also constitute at least a majority of the required quorum) is required. A quorum is the presence in person or by proxy of shares representing a majority of the voting power of our Common Stock.

## **ELECTION OF DIRECTORS**

### **(PROPOSAL NO. 1 ON PROXY CARD)**

The number of directors on our Board of Directors shall not be fewer than seven nor more than thirteen in accordance with our Bylaws. The exact number is fixed from time to time by our Board of Directors and is currently set at eleven.

All directors are subject to election at each Annual Meeting of Shareholders. At this Annual Meeting, eleven directors will be elected to serve until the next Annual Meeting of Shareholders and until their respective successors are elected and qualified. The nominees for election as directors at this Annual Meeting are set forth in the table below. All nominees are recommended by our Board of Directors for election at the Annual Meeting, and all nominees currently serve on our Board of Directors. In the event that any of the nominees for director should become unable to serve if elected, it is intended that shares represented by proxies which are executed and returned will be voted for such substitute nominee(s) as may be recommended by our existing Board of Directors. The Board of Directors may elect to fill interim vacancies of directors. Each of our officers is elected by, and serves at the discretion of, the Board of Directors, subject to the terms of any employment agreement.

The eleven nominees receiving the highest number of votes cast “For” their election at the Annual Meeting will be elected as our directors. Proxies cannot be voted for a greater number of persons than the number of nominees named in this Proxy Statement. Under our majority voting policy, any director nominee who receives a greater number of “Withhold” votes than “For” votes with respect to their election shall tender their resignation within 15 days of the final vote. See the description of our majority voting policy in “Shareholders’ Voting Rights” below.

Subject to certain exceptions specified below, shareholders of record on the Record Date are entitled to cumulate their votes in the election of our directors (i.e., they are entitled to the number of votes determined by multiplying the number of shares held by them times the number of directors to be elected) and may cast all of their votes so determined for one nominee or spread their votes among two or more nominees as they see fit. No shareholder shall be entitled to cumulate votes for a given candidate for director unless such candidate’s name has been placed in nomination prior to the vote and the shareholder has given notice at the Annual Meeting, prior to the voting, of the shareholder’s intention to cumulate his or her votes. If any one shareholder has given such notice, all shareholders may cumulate their votes for candidates in nomination. Discretionary authority to cumulate votes is hereby solicited by the Board of Directors if any shareholder gives notice of such shareholder’s intention to exercise the right to cumulative voting. In that event, the Board of Directors will instruct the proxy holders to vote all shares represented by proxies in a manner that will result in the approval of the maximum number of directors from the nominees selected by the Board of Directors that may be elected with the votes held by the proxy holders.

### **Director Nomination Process**

The Board of Directors and the Governance and Nominating Committee periodically review and assess the size and composition of the Board in light of the collective skills and experience of current Board members and the perceived needs of the Board at a particular point in time. Our Corporate Governance Guidelines set forth the general qualifications for Board membership and procedures for identification of prospective Board candidates. The Governance and Nominating Committee, with the input of other members of the Board, develops and reviews background information on candidates for the Board and makes recommendations to the Board regarding such candidates. The Committee considers candidates for Board membership suggested by its members and other Board members, as well as candidates suggested by members of our management and by our shareholders. A shareholder who wishes to recommend a prospective nominee for the Board should notify any member of the Governance and Nominating Committee in writing with whatever supporting material the shareholder considers appropriate.

The Governance and Nominating Committee considers whether to nominate any person nominated by a shareholder pursuant to the provisions of our Bylaws relating to shareholder nominations. Our Bylaws provide that only persons who are nominated in accordance with specified Bylaw procedures shall be eligible for election as directors. Nominations of persons for election to the Board of Directors may be made at a meeting of shareholders by, or at the direction of, the Board of Directors or by any shareholder entitled to vote for the election of directors who complies with certain notice procedures set forth in the Bylaws. To be timely in the case of an annual meeting, a shareholder’s notice must be delivered to or mailed and received at our principal executive offices not later than the close of business on the 60th day and no earlier than the close of business on the 90th day prior to the first anniversary of the date on which we first mailed proxy materials for the preceding year’s annual meeting. However, in the event that the date of the annual meeting is more than 30 days before or after the one year anniversary of the date on which the preceding annual meeting was

called, notice by the shareholder must be received no earlier than the close of business on the 10th day following the day on which public disclosure of the date of the annual meeting was first made. The shareholder's notice must set forth certain information concerning the proposed nominee(s) and the shareholder giving notice, as set forth in the Bylaws.

Once the Governance and Nominating Committee has identified a prospective nominee, the Committee makes an initial determination as to whether to conduct a full evaluation of the candidate. This initial determination is based on whatever information is provided to the Committee with the recommendation of the prospective candidate, as well as the Committee's own knowledge of the prospective candidate, which may be supplemented by inquiries to the person making the recommendation or others. The preliminary determination is based primarily on the need for additional Board members to fill vacancies, provide specific expertise or expand the size of the Board and the likelihood that the prospective nominee can satisfy the evaluation factors described below. If the Committee determines, in consultation with the Chairman of the Board and other Board members, as appropriate, that additional consideration is warranted, it may request a third-party search firm to gather additional information about the prospective nominee's background and experience and to report its findings to the Committee. The Committee then evaluates the prospective nominee against the following standards and qualifications:

- the ability of the prospective nominee to represent the interests of all of our shareholders;
- the prospective nominee's standards of integrity, commitment and independence of thought and judgment;
- the prospective nominee's ability to dedicate sufficient time, energy and attention to the diligent performance of his or her duties, including the prospective nominee's service on other public company boards;
- the prospective nominee's ability to qualify as a director when we apply for and hold certain business and liquor licenses where such qualification is required;
- the extent to which the prospective nominee contributes to the range of talent, skill and expertise appropriate for the Board;
- NASDAQ listing requirements and applicable state and federal laws or regulations relating to Board composition; and
- the extent to which the prospective nominee helps the Board reflect the diversity of our shareholders, employees, customers, other stakeholders, and communities.

The Committee also considers such other relevant factors as it deems appropriate, including the current composition of the Board, the balance of management and independent directors, specific business and financial expertise, experience as a director of a public company, the need for Audit Committee expertise, the evaluations of other prospective nominees, and diversity. The Board considers a number of factors relating to Board diversity, including but not limited to the sex, gender identity, race, ethnicity, geography and age of prospective nominees. The Board is committed to increasing its diversity through the recruitment of qualified members with more diverse backgrounds to fill Board vacancies as they occur.

In connection with this evaluation, the Committee determines whether to interview the prospective nominee(s), and if warranted, one or more members of the Committee, and others as appropriate, interview the prospective nominee(s) in person or by telephone. After completing this evaluation and interview, the Committee makes a recommendation to the full Board as to the person(s) who should be nominated by the Board, and the Board determines the nominee(s) after considering the recommendation and report of the Committee.

The Board has adopted age limits for members of our Board which require that any person who has reached the age of 75 shall not be nominated for initial election to the Board. However, the Governance and Nominating Committee may recommend, and the Board may approve the nomination for re-election of a director at or after the age of 75 if, in light of all the circumstances, the Board believes it is in our best interests and the best interests of our shareholders.

We previously entered into an employment agreement with Mr. Trojan that requires us to take all reasonable action within our control to cause him to continue to be appointed or elected to our Board of Directors during the term of his employment under the employment agreement.



## Relationship with BJ's Act III, LLC

On May 5, 2020, we completed the sale of 375,000 shares of common stock and a warrant to purchase up to 875,000 shares of common stock to SC 2018 Trust, LLC ("SC LLC"). Following the closing of such sale, SC LLC contributed the purchased shares and warrant to BJ's Act III, LLC, a newly-formed subsidiary of Act III Holdings, LLC, which is owned by SC LLC and other limited liability companies either controlled by Ronald M. Shaich or wholly owned by trusts established by Ronald M. Shaich.

SC LLC and BJ's Act III, LLC are parties to an Amended and Restated Investor Rights Agreement, dated November 24, 2020, pursuant to which they (and any transferees who agree to become parties thereto) (together, the "Investors") have certain rights and obligations, including the following:

*Board Observer.* The Investors will have the right to designate one person (the "Observer") to serve as an observer at meetings of the Board and at meetings of the Governance and Nominating Committee; provided that the Investors shall not have the right to designate an Observer during any period in which Keith Pascal or any replacement suggested by the Investors is serving as a member of the Board or the Governance and Nominating Committee, respectively (together with Mr. Pascal, an "Investor Approved Board Member"). We have no obligation to nominate or appoint as a director any person suggested by the Investors or to continue to nominate Mr. Pascal for election. Investors' right to designate an Observer shall terminate at such time as Investors fail to collectively beneficially own the lesser of 4.25% of the then outstanding common stock or rights convertible or exercisable into common stock (on an as-converted or exercised basis) or 187,500 shares of common stock (the "Ownership Threshold").

*Standstill.* Until the later of May 5, 2023, or at such time as the Investors no longer meet the Ownership Threshold, the Investors are prohibited from, among other things, (i) effecting a tender offer, merger or acquisition of the Company, (ii) soliciting proxies or seeking a director/management change in the Company, and (iii) acquiring securities, assets or indebtedness of the Company in connection with any of the actions described in clauses (i) and (ii) above (collectively, the "Standstill Provisions"); provided, however, that if an Investor Approved Board Member is no longer serving as a member of the Board for reasons other than such person's voluntary resignation, incapacity or death (and no Investor Approved Board Member is appointed following such resignation, incapacity or death), the Standstill Provisions shall terminate on the earlier of May 5, 2023, or at such time as the Investors no longer meet the Ownership Threshold.

## Director Nominees

### *Director Nominee Highlights.*

<b>Independent Directors:</b>	Nine of our eleven directors have been determined to be independent directors.
<b>Diversity:</b>	Three of our eleven directors are female and eight are male. Two of our eleven directors self-identify as members of underrepresented communities.
<b>Average Age:</b>	59 years
<b>Average Tenure:</b>	9.4 years

*Director Nominee Biographies and Qualifications.* The following table sets forth certain information concerning the nominees for election as directors:

<b>Nominee</b>	<b>Principal Occupation</b>	<b>Age</b>
Gerald W. Deitchle	Chairman of the Board; Retired President and Chief Executive Officer, BJ's Restaurants, Inc.	69
Gregory A. Trojan	Chief Executive Officer, BJ's Restaurants, Inc.	61
Peter A. Bassi	Retired Chairman, Yum! Restaurants International	71
Larry D. Bouts	Investor/Business Advisor; Former Chairman and Chief Executive Officer, Six Flags Theme Parks	72
Bina Chaurasia	Chief Administrative Officer and Chief People Officer, Tanium	58
James A. Dal Pozzo	Chairman of the Board, The Jacmar Companies	62
Noah A. Elbogen	Partner, Act III Holdings, LLC	38
Lea Anne S. Ottinger	Strategic Business Consultant; Managing Partner, LMR Advisors	62
Keith E. Pascal	Partner, Act III Holdings, LLC	56
Janet M. Sherlock	Chief Information Officer, Ralph Lauren Corporation	55
Patrick D. Walsh	Chief Executive Officer, Town Sports International Holdings, Inc.; Managing Member and Chief Executive Officer, PW Partners, LLC	45

Each nominee brings unique capabilities to the Board, and the Board believes the nominees as a group have the experience and skills in areas such as general business management, corporate governance, leadership development, restaurant management, finance, risk management and corporate communications that are necessary to effectively oversee our Company. In addition, the Board believes that each of our directors possesses high standards of ethics, integrity and professionalism, sound judgment, community leadership and a commitment to representing the long-term interests of our shareholders. The following is a summary of the business background of each nominee as well as other information about each nominee's qualifications to serve as a director of our Company:

GERALD ("JERRY") W. DEITCHLE has been a member of our Board of Directors since November 2004, and has served as our Chairman of the Board since June 2008. He served as our President from February 2005 until December 2012, and as our Chief Executive Officer from February 2005 until his retirement in February 2013. From April 2004 to January 2005, Mr. Deitchle served as President, Chief Operating Officer and a director of Fired Up, Inc., which previously owned, operated and franchised the Johnny Carino's Italian restaurant concept. From 1995 to 2004, he was a member of the executive management team at The Cheesecake Factory Incorporated, a publicly-held operator of upscale casual dining restaurants, with his last position as corporate President. From 1984 to 1995, he was employed by the parent company of Long John Silver's Restaurants, Inc., with his last position as Executive Vice President. Mr. Deitchle currently serves as a consultant to us and as a part-time advisor to privately-held restaurant businesses. Mr. Deitchle previously served on the Board of Directors of Fogo de Chao, Inc. (NASDAQ: FOGO), an operator of Brazilian-style steakhouses that became a private company in 2018.

- *Director Qualifications:* With eight years of prior experience as our President and Chief Executive Officer and as our Chairman since June 2008, in addition to over 35 years of executive and financial management experience with large, national restaurant and retail companies, both privately-held and publicly-held, the Board believes Mr. Deitchle has the experience necessary to help guide the development of our strategic positioning and expansion plans.

GREGORY A. TROJAN has served as our Chief Executive Officer since February 2013, and as a member of our Board of Directors since December 2012. He served as our President from December 2012 until January 2018. Prior to joining us, Mr. Trojan was employed by Guitar Center, Inc., a leading retailer of musical instrument products, where he served as President, Chief Executive Officer and Director from November 2010 to November 2012 and as President, Chief Operating Officer and Director from October 2007 to November 2010. From 1998 to 2006, Mr. Trojan served as Chief Executive Officer of House of Blues Entertainment, Inc., an operator of restaurant and music venues, concerts and media properties, having served as President from 1996 to 1998. Prior to that, he held various positions with PepsiCo, Inc. from 1990 to 1996, including service as Chief Executive Officer of California Pizza Kitchen, Inc. when it was owned by PepsiCo. Earlier in his career, Mr. Trojan was a consultant at Bain & Company, the Wharton Small Business Development Center and Arthur Andersen & Company. Mr. Trojan served on the Board of Directors of Oakley, Inc. from June 2005 to November 2007, and Domino's Pizza, Inc. (NYSE: DPZ) from March 2010 to November 2017.

- *Director Qualifications:* As our current Chief Executive Officer, and with extensive experience as an executive with large, national retail, consumer products and restaurant companies, the Board believes Mr. Trojan has the necessary background and experience to lead the development and execution of our strategic positioning and expansion plans.

PETER ("PETE") A. BASSI has been a member of our Board of Directors since September 2004, and currently serves as our Lead Independent Director. Mr. Bassi served as Chairman of Yum! Restaurants International (also known as "YRI") from June 1997 until his retirement in 2005. YRI is the International Division of Yum! Brands, Inc. ("Yum!"), which operates and franchises Taco Bell, Pizza Hut, and KFC Restaurants and was created in 1997 in a spin-off from PepsiCo, Inc. Prior to leading YRI, he was in charge of YRI's Asian business. Mr. Bassi joined PepsiCo in 1972 in the Pepsi-Cola Company division. During his long tenure at PepsiCo, Mr. Bassi served in various assignments at Pepsi-Cola International, Pizza Hut (U.S. and International), Frito-Lay, and Taco Bell. Mr. Bassi currently serves on the Board of Directors of publicly-held Yum China (NASDAQ: YUMC). From 2009 to 2019, Mr. Bassi served on the Board of Directors of publicly-held Potbelly Sandwich Works (NASDAQ: PBPB), and from 2015 to 2018, Mr. Bassi served on the Board of Directors of Mekong Capital, a Vietnamese private equity firm. From 2002 to 2009, Mr. Bassi also served on the Board of Directors of publicly-held The Pep Boys – Manny, Moe & Jack (NYSE: PBY), and from 2013 to 2015, he served on the Board of Directors of publicly-held AmRest Holdings SE (WSE: EAT), which is based in Poland.

- *Director Qualifications:* As a former senior executive officer of one of the largest publicly-held restaurant companies in the United States with extensive public company directorship experience, Mr. Bassi brings uniquely-suited management experience to the Board as well as extensive marketing knowledge and expertise from his almost 40 years in the food and beverage industry. Mr. Bassi's significant financial experience also qualifies him as an audit committee financial expert under applicable rules of the SEC.

LARRY D. BOUTS has been a member of our Board of Directors since April 2004. Mr. Bouts currently serves as an investor and advisor to several early-stage companies in various industry segments, including technology, energy and consumer-oriented businesses. Previously, Mr. Bouts served as Chairman and Chief Executive Officer of Six Flags Theme Parks while it was a private company. Prior to that, he led the launch of the Toys “R” Us international expansion throughout Canada, Australia, Europe, and Asia as President of the International Division, successfully developing a profitable multi-billion dollar offshore retail brand in over 25 countries. Mr. Bouts spent 13 years at PepsiCo, Inc. where he held various planning and finance positions, including Chief Financial Officer of two of PepsiCo’s operating divisions.

- *Director Qualifications:* Mr. Bouts has extensive management and financial experience as a former senior executive of large consumer-discretionary segment companies, including Six Flags Theme Parks and the International Division of Toys “R” Us. Mr. Bouts also has significant financial experience which qualifies him as an audit committee financial expert under applicable rules of the SEC.

BINA CHAURASIA has been a member of our Board of Directors since November 2020. Since August 2017, Ms. Chaurasia has worked at Tanium, a privately-held endpoint security and systems management company based in Emeryville, California, serving first as Chief People Officer and, since October 2020, as Chief Administrative Officer and Chief People Officer, where she is responsible for human resources, global real estate and facilities, and global enablement. Ms. Chaurasia was previously Chief Human Resources Officer at Ericsson from 2010 to 2016, Vice President of Global Talent for Hewlett-Packard from 2007 to 2010, and Vice President of Global Human Resources at Gap Inc. from 2003 to 2007. Ms. Chaurasia also previously held senior human resource leadership roles at PepsiCo-Yum! and at Sun Microsystems.

- *Director Qualifications:* Ms. Chaurasia has extensive human resource experience from her over 20 years in senior leadership and executive management positions. We believe her experience provides substantial insight to the Compensation Committee with respect to issues regarding our valuable human capital and the human resources elements of our business.

JAMES (“JIM”) A. DAL POZZO has been a member of our Board of Directors since January 2001. Since January 2013, Mr. Dal Pozzo has served as Chairman of the Board of The Jacmar Companies, a food distribution company servicing restaurants in California and Nevada. Mr. Dal Pozzo also served as Chief Executive Officer of The Jacmar Companies from January 2013 to December 2017, as President of The Jacmar Companies from 1993 to January 2013, and as Chief Financial Officer and Treasurer of The Jacmar Companies from 1987 to 1992. Prior to working for The Jacmar Companies, Mr. Dal Pozzo served as Chief Financial Officer of the Ojai Ranch and Investment Company in 1992. Mr. Dal Pozzo is a Certified Public Accountant and was with Peat Marwick from 1981 to 1987, where he specialized in the restaurant, distribution, retail and manufacturing industries.

- *Director Qualifications:* Mr. Dal Pozzo’s experience as the Chairman of the Board and former Chief Executive Officer of a holding company with interests in foodservice distribution, restaurants and real estate development provides him with extensive knowledge of the food distribution, supply chain operations and restaurant industries. Mr. Dal Pozzo also has experience in risk management in food distribution and supply chain expertise. Mr. Dal Pozzo is also a Certified Public Accountant.

NOAH A. ELBOGEN has been a member of our Board of Directors since June 2014. Mr. Elbogen currently serves as a Partner at Act III Holdings, LLC, a Boston-based investment fund. From August 2016 to June 2019, Mr. Elbogen served as Managing Member and Chief Executive Officer of Misada Capital Group LLC, a New-Jersey based investment manager. From July 2011 to July 2016, Mr. Elbogen served as an Investment Analyst at Luxor Capital Group, LP, a New York-based investment manager, where he focused primarily on the restaurant sector. Prior to joining Luxor Capital Group, Mr. Elbogen served as a Research Analyst covering the consumer sector at S.A.C. Capital Management, LLC from August 2009 to June 2011, at Highbridge Capital Management, LLC from January 2007 to January 2009, and at Scout Capital Management LLC from August 2005 to January 2007. Mr. Elbogen began his investment career as an Equity Research Associate at Bear Stearns where he covered the Specialty Retail and Hardlines sectors. Mr. Elbogen served as Director at Papa Murphy’s Holdings, Inc. (NASDAQ: FRSB) from December 2017 to May 2019.

- *Director Qualifications:* Mr. Elbogen has significant investment, financial and operations experience from his 16 years as an institutional investor and research analyst and has experience as an operator in the restaurant industry, all of which make him qualified to serve as a director.

LEA ANNE S. OTTINGER has been a member of our Board of Directors since August 2010. In 1998, Ms. Ottinger founded LMR Advisors, where she serves as a strategic business consultant supporting growth-oriented businesses primarily in the consumer/retail sector. Building upon her career in private equity (as a Vice President of Berkshire Partners, and its predecessor, Thomas H. Lee Company from 1982 to 1989), her focus is on mergers & acquisitions and monetization strategies that enhance

business expansion and realization of stakeholder financial objectives. From 1990 to 1998, Ms. Ottinger was a franchise owner and operator of several The Body Shop™ skin and hair care stores and served as a national representative to the Franchisee Board. From 2000 to 2018, she served on the Board of Directors of Savers, Inc., the largest for-profit thrift store retailer in the world. From June 2004 until its acquisition in March 2010, she served on the Board of Directors of Bare Escentuals, Inc. (formerly NASDAQ: BARE), one of the leading cosmetic companies in the United States.

- *Director Qualifications:* Ms. Ottinger has significant investment and financial expertise from her many years as a principal in private equity and as a strategic business advisor specializing in mergers and acquisitions, which benefits the Board. She has been involved in the acquisition, sale, advisory role, or operations of over 20 companies, with an emphasis on growth-oriented businesses in the consumer/retail sector. She also has prior experience as a public company director with experience in governance, Board oversight, strategic planning, and audit functions.

KEITH E. PASCAL has been a member of our Board of Directors since May 2020. Since March 2018, Mr. Pascal has served as a Partner at Act III Holdings, LLC, a Boston-based investment fund, and since 2008, he has served as President and Founder of 12:51:58, an enterprise software platform provider for global restaurant and retail operators. From January 2015 to March 2018, Mr. Pascal worked for Panera Bread where he served as a consultant and was named Chief Concept Officer in November 2017. Mr. Pascal served as Chief Executive Officer of Goji, a developer of high tech cooking technology, from 2010 to 2012, as Chief Executive Officer of Torex Retail PLC Hospitality Division from 2006 to 2008, and as Founder and Chief Executive Officer of Savista, a point of sale software and business process outsourcing company serving the global restaurant industry, from 1999 to 2006. Mr. Pascal started his career in operations at McDonald's Corporation. Mr. Pascal currently serves on the Board of Directors of publicly-held PAR Technology Corp. (NYSE: PAR).

- *Director Qualifications:* With over 20 years of restaurant operations and executive experience with both privately-held and publicly-held national restaurant chains, coupled with his significant experience in the restaurant industry as both an investor and a director, the Board believes Mr. Pascal is qualified to serve as a director.

JANET M. SHERLOCK has been a member of our Board of Directors since January 2019. Ms. Sherlock currently serves as Chief Information Officer of Ralph Lauren Corporation, a global leader in the marketing, design, and distribution of apparel, fragrance, accessories, and home products. From January 2010 to July 2017, Ms. Sherlock was Chief Information Officer at Carter's, Inc., a global manufacturer and retailer of baby and children's apparel and accessories. Prior to that, Ms. Sherlock led the Digital and Omni-Channel practice at Gartner, a leading research and advisory firm, from October 2008 to December 2009. Ms. Sherlock also held various business and technology leadership roles at Calico Corners/Everfast, Inc., Guess?, Inc., BP and ExxonMobil from 1998 to 2008.

- *Director Qualifications:* Ms. Sherlock has significant management and technology experience as an executive for some of the world's best known consumer brands, including Ralph Lauren and Carter's. Her experience developing breakthrough growth strategies for these brands, coupled with her extensive technology background, is of considerable value as we continue to invest in our digital platform and technology capabilities.

PATRICK D. WALSH has been a member of our Board of Directors since June 2014. Since September 2016, Mr. Walsh has served as Chief Executive Officer of Town Sports International Holdings, Inc. (NASDAQ: CLUB), an owner and operator of fitness clubs in the Northeast and Mid-Atlantic regions of the United States. Mr. Walsh has also served as a director of Town Sports International Holdings, Inc. since March 2015, and served as Executive Chairman from June 2015 to August 2016. As a result of the closure of its fitness clubs and suspension of monthly membership dues at the beginning of the COVID-19 pandemic, certain subsidiaries of Town Sports International Holdings, Inc. filed voluntary petitions for relief under chapter 11, title 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. Since August 2012, Mr. Walsh also has served as the Managing Member and Chief Executive Officer of PW Partners, LLC, an investment management firm focused on long-term value creation for small and mid-cap companies. From December 2011 to August 2012, Mr. Walsh was Managing Partner of PWK Partners, LLC, a value-oriented, private investment firm. From March 2008 to September 2011, Mr. Walsh served as partner at Oak Street Capital Management, LLC, a long-short, value-oriented, private investment management firm. From August 2004 to February 2008, Mr. Walsh was a Vice President at Deutsche Bank Securities, Inc. Mr. Walsh served on the Board of Directors of BBQ Holdings, Inc. (formerly Famous Dave's of America, Inc.) (NASDAQ: BBQ), an owner, operator and franchisor of barbecue restaurants, from 2013 to 2019, and on the Board of Directors of Del Taco Restaurants, Inc. (NASDAQ: TACO) from 2015 to 2019. Mr. Walsh is a Chartered Financial Analyst.

- *Director Qualifications:* Mr. Walsh has an extensive background in financial analysis as well as a broad understanding of operational, financial and strategic issues facing public companies, all of which make him well qualified to serve as a member of the Board and Audit Committee. In addition, Mr. Walsh’s significant experience in the restaurant industry, as both an investor and a director, benefits the Board. Mr. Walsh’s significant financial experience qualifies him as an audit committee financial expert under applicable rules of the SEC.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” ALL OF THE NOMINEES ABOVE.**

## CORPORATE GOVERNANCE

We are committed to strong corporate governance that is designed to promote the long-term interests of our shareholders and other stakeholders, foster responsible decision making and accountability by management and employees, encourage and promote diversity and inclusion, and maintain appropriate internal checks and balances.

### **Determination of Director Independence**

In March 2021, the Board undertook its annual review of director independence with respect to its incumbent directors. During this review, the Board considered transactions and relationships between us and our subsidiaries and affiliates and each of our incumbent directors or any members of their immediate families, including those reported under “Certain Relationships and Related Transactions.” The purpose of this review was to determine whether any such relationships or transactions were inconsistent with a determination that the director is independent under the applicable rules of the SEC and the NASDAQ as well as our Corporate Governance Guidelines.

As a result of this review, the Board affirmatively determined that all of our directors serving during fiscal 2020, and all of those who are nominated for election at the Annual Meeting, are independent of us and our management under the applicable rules of the SEC and the NASDAQ, with the exception of Messrs. Trojan and Deitchle. Mr. Trojan is not considered to be independent due to his current service as our Chief Executive Officer. In addition, although Mr. Deitchle is considered independent for most purposes, he is not considered independent under SEC and NASDAQ rules for purposes of serving on our Audit Committee due to his current service as a consultant to us.

### **Majority Voting Policy**

Our Board of Directors has adopted a majority voting policy which provides for majority voting for directors in uncontested elections. Under our majority voting policy, which is part of our Corporate Governance Guidelines, a director nominee must receive more “For” votes than “Withhold” votes. Abstentions will have no effect on the director election since only “For” and “Withhold” votes with respect to a nominee will be counted. Any incumbent director nominee who receives a greater number of “Withhold” votes than “For” votes with respect to his or her election at the 2021 Annual Meeting shall tender his or her resignation within 15 days of the final vote. Our Board, within 90 days of receiving the certified voting results pertaining to the election, will decide whether to accept the resignation of any unsuccessful incumbent or take other action, through a process managed by the Governance and Nominating Committee. In reaching its decision, the Board may consider any factors it deems relevant, including the director’s qualifications, the director’s past and expected future contributions to us, the overall composition of the Board, and whether accepting the tendered resignation would cause us to fail to meet any applicable rule or regulation, including NASDAQ listing standards. The Board will promptly disclose the decision whether to accept the director’s resignation offer (and the reasons for rejecting the resignation, if applicable) in a document filed with the SEC.

### **Board Meetings and Board Committees**

Each director is expected to dedicate sufficient time, energy and attention to ensure the diligent performance of their duties, including attendance at meetings of our shareholders, the Board and those Committees of which they are a member. The Board met eight times during fiscal 2020. Each of our directors attended 75% or more of the aggregate total number of meetings of the Board and the total meetings of all Committees of the Board on which he or she served that were held during the last fiscal year while such person was a member of the Board. At the end of each regularly-scheduled quarterly Board meeting, the non-employee directors met in executive session without members of management present. While we do not have a policy regarding Board member attendance at our Annual Meeting, typically all serving directors and all standing for election attend our annual shareholder meeting. Due to the COVID-19 pandemic, our 2020 meeting was held virtually and was attended virtually by all of our directors and may be held virtually for 2021, in the event that public health restrictions prevent an in-person meeting. To the extent this year’s Annual Meeting is held in person, all nominees to the Board of Directors are expected to attend.

The business of our Board of Directors is conducted through full meetings of the Board of Directors, as well as through meetings of its three standing committees: the Audit Committee, the Compensation Committee, and the Governance and Nominating Committee. The current composition of each board committee is set forth below:

Director	Audit Committee	Compensation Committee	Governance and Nominating Committee	Board of Directors
Gerald W. Deitchle				Chair
Gregory A. Trojan				X
Peter A. Bassi (1)	X	X	Chair	X
Larry D. Bouts	Chair	X		X
Bina Chaurasia		X		X
James A. Dal Pozzo			X	X
Noah A. Elbogen	X	X		X
Lea Anne S. Ottinger		Chair	X	X
Keith E. Pascal			X	X
Janet M. Sherlock	X		X	X
Patrick D. Walsh	X			X

(1) Mr. Bassi serves as the Lead Independent Director.

### Audit Committee

Our Board maintains an Audit Committee which reviews and reports to the Board on various auditing, internal control and accounting matters, including the quarterly reviews and annual audit report from our independent auditor. The Audit Committee currently consists of Mr. Bassi, Mr. Bouts, Mr. Elbogen, Ms. Sherlock and Mr. Walsh. Mr. Elbogen joined the Audit Committee in September 2020. All of the members of the Audit Committee who currently serve or who served in fiscal 2020 were independent directors under applicable NASDAQ and SEC rules. In addition, the Board has determined that each of Messrs. Bouts, Bassi, and Walsh qualify as an audit committee financial expert under applicable SEC rules. Mr. Bouts served as the Chairman of the Audit Committee in 2020. The Audit Committee held nine meetings during the last fiscal year. See “Report of the Audit Committee” for a further description of the functions performed by the Audit Committee. The charter for the Audit Committee is available under “Corporate Governance” in the “Investors” section of our website at <http://www.bjsrestaurants.com>.

### Compensation Committee

The Compensation Committee determines executive compensation policies, administers compensation plans, reviews compensation programs and policies, and monitors the performance and compensation of certain officers and other employees. The Compensation Committee also determines annual cash incentive bonuses under our short-term Performance Incentive Plan (“PIP”) as well as awards under our equity incentive plans, including our Equity Incentive Plan, as amended (the “Equity Incentive Plan”). The Compensation Committee currently consists of Mr. Bassi, Mr. Bouts, Ms. Chaurasia, Mr. Elbogen and Ms. Ottinger. Mr. Walsh served as a member of the Compensation Committee from January through August 2020, Mr. Bouts joined the Compensation Committee in September 2020 and Ms. Chaurasia joined the Compensation Committee in November 2020. Ms. Ottinger served as the Chair of the Compensation Committee during fiscal 2020. All of the members of the Compensation Committee who currently serve or who served in fiscal 2020 were independent directors. The Compensation Committee held seven meetings during the last fiscal year. See “Compensation Discussion and Analysis” for a further description of the functions performed by the Compensation Committee. The charter for the Compensation Committee is available under “Corporate Governance” in the “Investors” section of our website at <http://www.bjsrestaurants.com>.

### Governance and Nominating Committee

Our Board also maintains a Governance and Nominating Committee that is responsible for developing, implementing and monitoring policies and practices relating to our corporate governance. The Governance and Nominating Committee, in conjunction with management, implements our Code of Integrity, Ethics and Conduct which covers all of our directors, officers and employees and is designed to promote the honest and ethical conduct of our business. In addition, the Committee develops and implements our Corporate Governance Guidelines. The Committee also prepares and supervises the Board’s annual review of directors’ independence, the Board’s performance self-evaluation, peer feedback and Committee evaluations.

The Governance and Nominating Committee currently consists of Mr. Bassi, Mr. Dal Pozzo, Ms. Ottinger, Mr. Pascal, and Ms. Sherlock. Mr. Bouts and Mr. Elbogen served on the Governance and Nominating Committee from January through August 2020. Mr. Dal Pozzo, Ms. Ottinger and Ms. Sherlock joined the Governance and Nominating Committee in September 2020. All of the

members of the Governance and Nominating Committee who currently serve or who served in fiscal 2020 were independent directors. Mr. Bassi served as Chairman of the Committee. The Governance and Nominating Committee conducted its business within the context of regularly-scheduled quarterly Board meetings and also held ten separate meetings during the last fiscal year. The charter for the Governance and Nominating Committee is available under “Corporate Governance” in the “Investors” section of our website at <http://www.bjsrestaurants.com>.

### **Corporate Governance Materials Available on Company Website**

The following information relating to our corporate governance is available in the Corporate Governance section of our website at <http://www.bjsrestaurants.com>:

- Code of Integrity, Ethics and Conduct
- Corporate Governance Guidelines
- Audit Committee Charter
- Compensation Committee Charter
- Governance and Nominating Committee Charter

You may obtain copies of these materials, free of charge, by sending a written request to our Executive Vice President and General Counsel, BJ’s Restaurants, Inc., 7755 Center Avenue, Suite 300, Huntington Beach, California 92647. Please specify which documents you would like to receive.

If we make any substantive amendments to the Code of Integrity, Ethics and Conduct or grant any waiver, including any implicit waiver, from a provision of the Code of Integrity, Ethics and Conduct to our Chief Executive Officer, President and Chief Financial Officer, or Chief Accounting Officer, we will disclose the nature of such amendment or waiver on our website or in a report on Form 8-K.

### **Shareholder Communications**

Any shareholder who wishes to communicate directly with the Board of Directors, or one or more specific directors, may send a letter marked as “confidential” addressed to the Board of Directors, or to the specific director(s) intended to be addressed, to our Restaurant Support Center located at 7755 Center Avenue, Suite 300, Huntington Beach, California 92647. In turn, we will forward all such communications to the Board of Directors or to the specific director(s) identified by the shareholder. Our policy is to send every shareholder’s communication to the entire Board of Directors or to the identified director(s) if one or more specific director is identified.

### **Board Involvement in Risk Oversight**

Our management is principally responsible for defining the various risks facing us, formulating risk management policies and procedures, and managing our risk exposures on a day-to-day basis. The Board’s responsibility is to monitor our risk management processes by understanding our material risks and evaluating whether management has reasonable controls in place to address those risks. The involvement of the Board in reviewing our business strategy is an integral aspect of the Board’s assessment of management’s tolerance for risk and what constitutes an appropriate level of risk.

While the full Board has overall responsibility for risk oversight, the Board has delegated oversight responsibility related to certain risks to the Audit Committee. As such, the Audit Committee is responsible for reviewing our risk assessment and risk management policies. Accordingly, management regularly reported to the Audit Committee and to the full Board on risk management during fiscal 2020. The Audit Committee, in turn, reported on the matters discussed at the Committee level to the full Board. The Audit Committee and the full Board focus on the material risks facing us, including operational, technology and cybersecurity, reputational, market, credit, liquidity and legal risks, to assess whether management has reasonable controls in place to address these risks. In addition, the Compensation Committee is charged with reviewing and discussing with management whether our compensation arrangements are consistent with effective controls and sound risk management. The Board believes this division of responsibilities provides an effective and efficient approach for addressing risk management.



## **Board Leadership Structure and Lead Independent Director**

Our Board leadership structure includes active independent directors. The independent directors meet in executive session at each regularly-scheduled quarterly Board meeting, and each standing Board Committee is comprised solely of and led by independent directors.

Our governance documents, including our Corporate Governance Guidelines, provide the Board with flexibility to select the appropriate leadership structure. In determining the leadership structure, the Board considers the best interests of the shareholders, our Company and specific business needs. From June 2008 until his retirement as Chief Executive Officer in February 2013, Mr. Deitchle served in the combined roles of Chairman and Chief Executive Officer, and he currently serves as a consultant. The Board believes that Mr. Deitchle was and continues to be best situated to serve as Chairman in light of his many years of executive and financial management experience with high growth restaurant companies and his eight years of prior service to the Company as our Chief Executive Officer. We believe the oversight provided by the Board's independent directors, the work of the Board's Committees and the coordination between the Chief Executive Officer and the independent directors, as conducted by the Lead Independent Director, all provide effective oversight of our strategic plans and operations.

Mr. Trojan was appointed as a director in December 2012, and as our Chief Executive Officer in February 2013. He served as our President from December 2012 until January 2018. In light of the demands of his oversight of the day to day operations, the Board believes that the separation of the role of Chief Executive Officer and Chairman is appropriate at this time. In particular, it permits Mr. Trojan to focus his full time and attention on the business, the supervision of which has become increasingly complex as we have grown. In addition, the structure permits Mr. Deitchle to direct his attention to broader strategic issues considered by the Board. Moreover, Mr. Deitchle's extensive experience with us makes him particularly well-suited to help the Board perform its oversight functions. The Board may re-evaluate the effectiveness of this structure in the future.

Mr. Bassi currently serves as our Lead Independent Director to chair the Board's executive sessions of non-employee directors. The Lead Independent Director also reviews and approves the agenda for each full meeting of the Board and performs such other duties as the Board may, from time to time, assign to assist the Board and its various Committees in fulfilling their respective responsibilities. We believe that maintaining a Lead Independent Director is appropriate in light of the fact that, while Mr. Deitchle is no longer an employee, as a current consultant and former officer he may not be considered "independent" for all purposes under applicable NASDAQ and SEC rules and, as a result, the Board does not believe it is appropriate for him to lead executive sessions of the non-employee directors.

## **Director Compensation**

All directors who are elected to the Board and who are not employees of us or any of our subsidiaries receive compensation for their services. Directors who are also our employees do not receive any additional compensation for serving on the Board. Shares for equity awards to non-employee directors are issued from our Equity Incentive Plan, as amended, which was approved by our shareholders, pursuant to which we are authorized to grant shares of our Common Stock and share-based awards to directors. As discussed further under "Stock Ownership Guidelines" below, all non-employee directors are required to hold shares of our Common Stock with a value equal to \$300,000. We reimburse directors for travel to board meetings and related expenses and for any costs incurred in connection with attending director continuing education programs.

The Compensation Committee periodically reviews director compensation and consults with its compensation consultant in order to make sure that the compensation levels are appropriate and consistent with the director compensation programs at comparable companies. Other than our election to implement a 20% reduction in cash retainers for the second and third fiscal quarters of 2020, as part of our response to the COVID-19 pandemic, no changes were made to the director compensation during fiscal 2020. Such compensation is as follows:

- annual cash retainer of \$60,000, payable in quarterly installments;
- additional annual cash retainers to Board Committee members paid in the amount of \$9,000 for members of the Audit Committee, \$7,500 for members of the Compensation Committee, and \$5,000 for members of the Governance and Nominating Committee, payable in quarterly installments;
- additional annual cash retainers of \$15,000, \$12,000 and \$10,000, respectively, to the Chairs of the Audit Committee, Compensation Committee, and Governance and Nominating Committee, payable in quarterly installments;

- an additional annual cash retainer to our Lead Independent Director of \$20,000, payable in quarterly installments;
- an additional annual cash retainer to our non-employee Chairman of the Board of \$50,000, payable in quarterly installments;
- an annual equity award with grant-date fair market value of \$100,000 consisting of restricted stock units (“RSUs”), which vest one year from the date of grant; and
- upon joining the Board, new non-employee directors receive a prorated portion of the annual equity award (rather than a full \$100,000 annual equity award). As a result, directors appointed during the first quarter of the calendar year are entitled to the full \$100,000 annual RSU award, and directors appointed in subsequent quarters receive a pro rata portion of the annual grant based on the number of full quarters remaining in the fiscal year, including the quarter in which they were appointed (e.g., directors appointed in the fourth calendar quarter are entitled to 25% (\$25,000) of the annual equity award). This initial equity award is granted as of the 15th day of the month occurring following the date of the recipient’s election to the Board.

Delivery of equity compensation comprised of RSUs with a one-year vesting period is consistent with equity compensation practices of comparable public companies and is intended to effectively align non-employee directors’ interests with those of our shareholders. For both the initial and annual equity awards to non-employee directors, the underlying number of RSUs is determined based on the most recent closing market price of our Common Stock as of the date of grant. If a non-employee director dies or retires from the Board after at least six years of continuous service, any unvested RSUs, stock options or other awards held by the non-employee director shall become fully vested as of the date of death or retirement.

The following table sets forth information concerning the compensation of our non-employee directors during fiscal 2020, which reflects the 20% reduction in cash retainers for the second and third fiscal quarters of 2020 as part of our response to the COVID-19 pandemic:

<b>Name (1)</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Stock Awards (\$)(2)</b>	<b>Option Awards (\$)(2)</b>	<b>Total (\$)</b>
Peter A. Bassi (3)	95,850	100,012	—	195,862
Larry D. Bouts (4)	72,792	100,012	—	172,804
Bina Chaurasia (5)	16,875	25,028	—	41,903
James A. Dal Pozzo (6)	55,583	100,012	—	155,595
Gerald W. Deitchle (7)	99,000	100,012	—	199,012
Noah A. Elbogen (8)	66,517	100,012	—	166,529
Lea Anne S. Ottinger (9)	66,383	100,012	—	166,395
Keith E. Pascal (10)	42,250	75,015	—	117,265
Janet Sherlock (11)	63,683	100,012	—	163,695
Patrick D. Walsh (12)	66,475	100,012	—	166,487

- (1) Mr. Trojan is absent from this table because directors who are also our employees receive no additional compensation for serving on the Board of Directors. The compensation of Mr. Trojan, our Chief Executive Officer, is reflected in the Summary Compensation Table of this Proxy Statement.
- (2) The amounts in this column do not reflect amounts paid to or realized by the named individual for fiscal 2020. Instead, these amounts reflect the aggregate grant date fair value of awards computed in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“Codification”) Topic No. 718, *Compensation-Stock Compensation*. There is no guarantee that, if and when these awards are ultimately realized, they will have this or any other value. Pursuant to the SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. For additional information on the valuation assumptions with respect to 2020 grants, refer to Note 1 of our Consolidated Financial Statements in the Annual Report on Form 10-K for the year ended December 29, 2020, as filed with the SEC.
- (3) Aggregate number of option and stock awards outstanding held by Mr. Bassi on December 29, 2020 is 29,746.
- (4) Aggregate number of option and stock awards outstanding held by Mr. Bouts on December 29, 2020 is 26,778.

- (5) Aggregate number of option and stock awards outstanding held by Ms. Chaurasia on December 29, 2020 is 750.
- (6) Aggregate number of option and stock awards outstanding held by Mr. Dal Pozzo on December 29, 2020 is 26,274.
- (7) Aggregate number of option and stock awards outstanding held by Mr. Deitchle on December 29, 2020, in connection with his current service as a non-employee director, is 11,362. Mr. Deitchle is party to a Consulting Agreement with us, the terms of which are described under “Certain Relationships and Related Party Transactions” in this Proxy Statement.
- (8) Aggregate number of option and stock awards outstanding held by Mr. Elbogen on December 29, 2020 is 11,714.
- (9) Aggregate number of option and stock awards outstanding held by Ms. Ottinger on December 29, 2020 is 27,588.
- (10) Aggregate number of option and stock awards outstanding held by Mr. Pascal on December 29, 2020 is 3,214.
- (11) Aggregate number of option and stock awards outstanding held by Ms. Sherlock on December 29, 2020 is 2,571.
- (12) Aggregate number of option and stock awards outstanding held by Mr. Walsh on December 29, 2020 is 16,977.

### Stock Ownership Guidelines

We believe that our executives and non-employee directors should be required to acquire and maintain an appropriate level of equity ownership in order to align their interests with those of our shareholders. We encourage executive and director ownership of our stock by providing stock ownership opportunities through equity awards under our Equity Incentive Plan, as amended.

**Director Stock Ownership Guidelines.** All non-employee directors are required to hold shares of our Common Stock with a value equal to five times the annual base cash retainer payable to non-employee directors (but in no case less than \$300,000). All non-employee directors are required to achieve these guidelines within three years of joining the Board. Shares that count towards satisfaction of these stock ownership guidelines include (i) stock purchased on the open market, (ii) stock obtained through stock option exercises, (iii) with respect to any vested but unexercised stock options that are “in the money,” the number of shares having a value equal to the difference between the aggregate value of the common stock subject to the options and the aggregate exercise price of such options, (iv) vested or unvested shares of restricted stock (other than unvested stock that is the subject of performance share units (“PSUs”)), (v) stock owned outright by the director or his or her spouse or immediate family members residing in the same household, and (vi) stock beneficially owned in a trust for the benefit of the officer or his or her immediate family members, by spouse and/or minor children.

**Employee Stock Ownership Guidelines.** Our Stock Ownership Guidelines also establish requirements for senior officers (our chief executive officer, president and chief financial officer, executive vice presidents and any other officers designated from time to time by us) to maintain the following levels of stock ownership:

<b>Officer</b>	<b>Amount of Stock Required</b>
Chief Executive Officer	3 times base salary
President and Chief Financial Officer	1.5 times base salary
Executive Vice Presidents	1.5 times base salary

Officers who are subject to the guidelines have five years following the date that they become subject to the guidelines to comply with the applicable guideline ownership level. Shares that count towards satisfaction of these guidelines for officers are the same as those for directors described above.

Once a director or officer has satisfied the applicable guideline, as long as he or she continues to own the same or a greater number of shares as in effect on the original date of compliance, a subsequent decrease in the market price of our Common Stock shall not result in non-compliance. However, if there is a disposition of shares by an officer or director following initial compliance, then compliance will be re-measured following such disposition, using the closing price of our common stock on the trading day immediately preceding the disposition date.

**Compliance with the Stock Ownership Guidelines.** Compliance with the Stock Ownership Guidelines is measured on January 16 of each year. However, in the event of any sale or other disposition of shares by a director or officer, compliance is re-measured as of the date of such disposition. All of our directors who are subject to our director stock ownership guidelines are

currently in compliance with such guidelines, with the exception of our most recently appointed Board members – Ms. Chaurasia, Mr. Pascal, and Ms. Sherlock, each of whom has additional time to comply with our ownership guidelines. All of our officers who are subject to the Stock Ownership Guidelines are currently in compliance.

***Consequences of Non-Compliance with Stock Ownership Guidelines.*** If the applicable director or officer has not satisfied his or her applicable ownership guideline level by the applicable deadline, the director or officer is required to retain an amount equal to 100% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until in compliance. For these purposes “net shares” means the shares remaining after sale or withholding of shares to pay the applicable exercise price, if any, and to satisfy any tax obligations arising from such exercise or vesting.

## **Commitment to Social Responsibility**

***Diversity.*** We strive to be an inclusive company that reflects the diversity of our communities and provides equal opportunity and access to all of our employees to grow, develop and advance within our company. As of December 29, 2020, approximately 44% of our employee population is female, and approximately 56% of our employee population (who self-identified a race or ethnicity) is comprised of underrepresented racial and ethnic communities.

We have taken a variety of steps in order to emphasize and promote diversity:

- In 2011, we created our Women’s Career Advancement Network (WeCAN) which focuses on the development, mentoring and advancement of women within our organization.
- In 2020, we created our Inclusion, Diversity & Equity Alliance (IDEA), which is focused on celebrating and fostering inclusion and belonging among our employees and customers, appreciating and embracing diversity and related education, and ensuring that advancement opportunities are transparent and equitable.
- In 2020 and 2021, IDEA launched Listening Circles to give our employees the opportunity to share their personal stories and provide feedback on how we can drive intentional, meaningful change to improve our employee experience for all, recognizing that we all grow in understanding and empathy when we listen to voices and stories that are different than our own.
- IDEA is curating a resource center for employees that supports education and awareness, among other initiatives. In the coming years, we envision IDEA providing support to employee-driven communities of interest or resource groups focused on specific diverse communities and their allies.
- Our managerial leadership training includes coursework on creating a respectful, non-discriminatory and non-harassing workplace, identifying and eliminating bias, and promoting fair and equitable hiring.
- In 2020, we pledged to make annual contributions to organizations that support efforts to end systemic injustice for the next five years – starting with a donation from our Foundation of \$30,000 to the Equal Justice Initiative on behalf of our employees. Our Foundation has a history of providing financial and volunteer support to organizations with a focus on underrepresented and diverse communities, including Special Olympics, Girls Inc., Habitat for Humanity and many others.

***Employee Wellness Initiatives.*** We also are focused on providing health and financial wellbeing offerings that attract, retain, and engage our employees. Our Enlightened Living Wellbeing Program includes educational resources, health fairs and incentives that inspire participation in preventive care and wellbeing activities. Along with a variety of traditional benefit offerings, 401k and deferred compensation programs, and paid time off, we also provide a variety of complimentary benefits and resources to support employees’ physical and mental health, including Health Advocate and Life Assistance Programs to our employees to facilitate counseling services, advocacy and billing support, and referrals. Our Extra Toppings Discount Program provides discounted fitness memberships and other discount programs. We have an on-site fitness center at our Restaurant Support Center.

***Community.*** We founded and for over 15 years have supported the BJ’s Restaurant Foundation, a 501(c)(3) qualified non-profit charitable organization, which is principally dedicated to supporting charities benefiting children’s healthcare and education, with a primary focus on the Cystic Fibrosis Foundation (“CFF”), No Kid Hungry, and the Alzheimer’s Association. Our Chairman of the Board of Directors and four of our current executive officers currently serve on the Foundation’s seven-person Board of Directors.

We also focus on supporting our local communities by providing food and other resources for many worthwhile charitable causes and events through a program called Team Action to Support Communities (“TASC Force”) and we partner with local elementary schools through our Awesome Achievement program to help teachers recognize and reward student successes and positive behavior. The TASC Force program recognizes and supports the volunteer efforts of our restaurant employees across the country, as they donate their own free time to benefit charitable causes and community events that are important to them, while helping give back to the communities in which our restaurants do business. Additionally, in 2020, we helped our communities by donating food to medical personnel, first responders and other community organizations in a time of such great need.

In addition, our Give A Slice charitable organization was created to help our fellow co-workers and their families in their times of need. Give A Slice helps hundreds of our employees each year with financial support for hardships including funeral expenses for lost employees or their loved ones and grants to help in times of financial distress after a fire, natural disaster, theft or illness.

***Supplier Code of Conduct.*** We are committed to conducting our business in an ethical, legal and socially responsible manner that aligns with our organizational values. To ensure our suppliers and subcontractors do the same, we maintain a Supplier Code of Conduct which sets forth our expectations and minimum standards for all suppliers and subcontractors, including requirements relating to the humane treatment of animals. We require suppliers to conduct internal and third-party audits and inspections to verify compliance with the Supplier Code of Conduct.

## REPORT OF THE AUDIT COMMITTEE

The following Audit Committee report does not constitute soliciting material and shall not be deemed filed or incorporated by reference into any of our filings under the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended, except to the extent we specifically incorporate this Audit Committee report by reference therein.

In accordance with its written charter adopted by the Board of Directors, the Audit Committee assists the Board in overseeing and monitoring our financial reporting practices. The members of the Audit Committee are independent (as such term is defined in the applicable rules of the NASDAQ and the SEC). In addition, Mr. Bouts, Mr. Bassi, and Mr. Walsh have each been designated as “audit committee financial experts” (as such term is defined by Item 407(d)(5)(ii) of Regulation S-K).

As more fully described in its charter, the Audit Committee oversees our financial reporting and internal control processes on behalf of the Board of Directors, as well as the independent audit of our consolidated financial statements by our independent auditor. The Audit Committee appointed and the shareholders ratified Ernst & Young LLP (“E&Y”) as our independent auditor for fiscal 2020. Management has the primary responsibility for our consolidated financial statements and the financial reporting process, including our system of internal controls. E&Y, as our independent auditor, is responsible for expressing an opinion on the conformity of those audited consolidated financial statements with accounting principles generally accepted in the United States. The Committee meets with the independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of our internal controls, and the overall quality of our financial reporting. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed our audited consolidated financial statements for fiscal 2020 with management and E&Y. Management and E&Y have represented to the Audit Committee that our consolidated financial statements were prepared in accordance with generally accepted accounting principles in the United States.

In addition, during the most recent fiscal year, the Audit Committee:

- reviewed with E&Y their judgments as to the quality, not just the acceptability, of our consolidated financial statements for fiscal year 2020;
- discussed with E&Y the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as adopted by the Public Company Accounting Board in Rule 3200T;
- received from E&Y written disclosures regarding the auditors’ independence required by PCAOB Ethics and Independence Rule 3526, Communications with Audit Committees Concerning Independence, and discussed with E&Y the independent auditors’ independence; and
- discussed with E&Y the overall scope and plans for their respective audits.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors and the Board approved, that our audited consolidated financial statements be included in the Annual Report on Form 10-K for the year ended December 29, 2020, for filing with the SEC. The Committee and the Board also have appointed E&Y as our independent auditor for fiscal year 2021.

### THE AUDIT COMMITTEE

Larry D. Bouts, Chairman

Peter A. Bassi

Noah A. Elbogen

Janet M. Sherlock

Patrick D. Walsh

**RATIFICATION AND APPROVAL OF  
OUR AMENDED AND RESTATED EQUITY INCENTIVE PLAN**

**(PROPOSAL NO. 2 ON PROXY CARD)**

**General**

At the Annual Meeting, our shareholders will be asked to consider a proposal to ratify and approve an Amended and Restated BJ's Restaurants, Inc. Equity Incentive Plan (the "Amended Plan"). If the Amended Plan is not approved by our shareholders, the existing Equity Incentive Plan will continue in effect, and we may continue to grant awards under the Equity Incentive Plan, subject to its terms, conditions and limitations, using the limited number of shares available for issuance.

The Equity Incentive Plan is a broad-based plan in which all of our employees (including restaurant general managers and executive kitchen managers), officers, directors and consultants are eligible to participate, with all such participation determined by our Board's Compensation Committee. The Board has long believed that employee ownership in the Company serves the interests of all shareholders by promoting a focus on long-term increases in shareholder value. The purpose of the Equity Incentive Plan is to further the growth and success of our business and attract and retain the most talented employees, officers, directors and consultants by aligning the long-term interests of such persons with those of our shareholders through equity-based compensation and by providing rewards for exceptional performance and long-term incentives for future contributions to our success. The Equity Incentive Plan continues to support this purpose, by increasing the flexibility we have in awarding equity-based compensation that meets this ongoing objective while aligning compensation with shareholder value.

The Equity Incentive Plan provides us with flexibility to design stock and performance-based incentives for our restaurant and brewing managers, field supervision and key corporate employees who hold managerial positions for our Company. While there are many important resources required for us to execute our national expansion plan successfully, the most critical resource is the availability of highly qualified and experienced employees at all levels of our organization and, in particular, restaurant managers. The Board believes that the availability to grant equity awards under the Equity Incentive Plan is critical to our continued success.

The Equity Incentive Plan was originally adopted by our Board on May 19, 2005, and was ratified and approved by our shareholders at our 2005 Annual Meeting. At our 2010, 2015 and 2019 Annual Meetings, the shareholders approved amendments and restatements of the Equity Incentive Plan to increase the number of authorized shares by an additional 1,200,000 shares, 1,250,000 shares, and 1,250,00 shares, respectively. The Amended Plan was approved by our Board on April 16, 2021.

**Amendment of the Equity Incentive Plan**

The Amended Plan would implement the following material changes to the Equity Incentive Plan, subject to shareholder approval:

- increase the number of shares authorized for issuance by 1,840,000 shares,
- extend the term of the Equity Incentive Plan to June 30, 2030;
- establish a one-year minimum vesting period for awards with an exception for grants totaling no more than 5% of the shares authorized for issuance under the Amended Plan in the form of immediately-vested awards or awards with vesting periods of less than one year;
- incorporate certain changes to the share counting provisions to reflect that shares withheld to pay for tax obligations or tendered as payment upon award exercise will not be available for issuance under the Amended Plan;
- consistent with the current terms of our awards, require that dividends and dividend equivalents payable in connection with awards will only be paid to the extent that the vesting conditions with respect to such awards are satisfied; and
- provide the administrator with discretion to allow for automatic exercises of certain "in the money" stock options shortly prior to the expiration of their term.

## Reasons for Amendment of the Equity Incentive Plan

The Board of Directors believes broad-based equity compensation is an essential and long-standing element of our culture and success. It continues to be a critical element to attract and retain the most talented employees, officers and directors available to execute BJ's national growth strategy. We have granted equity-based compensation to management-level employees at select levels of our organization as well as RSU awards to restaurant general managers, executive kitchen managers, directors of restaurant operations, and directors of kitchen operations pursuant to our Gold Standard Stock Ownership Program.

The increase in the number of authorized shares under the Amended Plan is intended to ensure that we will have sufficient shares available to continue to grant awards consistent with our compensation philosophy. The Board believes that the current number of shares available under the current Equity Incentive Plan may be insufficient, depending on the price of our Common Stock, for us to grant awards beyond this year. The Board believes that amending the Equity Incentive Plan to increase the number of shares available thereunder by 1,840,000 should provide us with sufficient shares to continue to grant awards under the amended Plan for the next three to four years, again depending on the price of our Common Stock over that period. Although the increase in the number of shares available for grant under the Amended Plan, and the granting of additional equity awards as a result of this increase, will be dilutive to our existing shareholders, the Board believes that the dilutive effect of the Amended Plan is consistent with the dilutive effect of comparable plans adopted by other companies in our peer group.

We believe that the use of long-term equity incentives is critical to attracting, retaining, motivating and rewarding the most talented employees in our industry. We depend on the performance and commitment of our employees to succeed. Providing equity grants creates long-term participation in our company and aligns the interests of our employees with the interests of our shareholders. The use of equity awards as compensation also allows us to conserve cash resources for other important purposes. Shareholder approval of the request for 1,840,000 shares will allow us to continue to provide such incentives.

### *Amended Plan Benefits and Outstanding Awards Under Existing Plans*

Because awards under the Equity Incentive Plan are discretionary, it is not possible to determine the benefits or amounts that will be received in the future by individual employees or groups of employees under the Amended Plan. The table below presents information about the number of shares that were subject to various outstanding equity awards under the current Equity Incentive Plan, and the shares remaining available for issuance under the Equity Incentive Plan, as of the Record Date. There are no other awards outstanding nor are there any other plans with shares available for issuance.

Shares Subject to Outstanding Restricted Stock Awards	736,515
Shares Subject to Outstanding Stock Options	781,374
Weighted-Average Exercise Price of Options	\$41.48
Weighted-Average Remaining Term of Options	6.60
Shares Remaining Available for Issuance	512,406

### *Background for the Determination of the Increase to the Share Reserve Under the Equity Incentive Plan*

In its determination to approve the request for 1,840,000 additional shares, the Board of Directors considered a run rate and dilution analysis prepared for the Company by Willis Towers Watson, a leading compensation consulting firm, which included an analysis of certain burn rate, dilution and overhang metrics and the costs of the Equity Incentive Plan. Specifically, the Board of Directors considered that:

- The share request would authorize an increase of only 1,840,000 shares over the 512,406 current shares reserved for issuance and available for future grant as of the Record Date.
- In fiscal 2020, 2019, and 2018, we granted equity awards representing a total of approximately 473,000 shares, 317,000 shares and 369,000 shares, respectively, under the Equity Incentive Plan. This level of equity awards represents a three-year average burn rate of 1.9% of common shares outstanding. Equity burn rate is calculated by dividing the number of shares subject to equity awards granted (net of forfeitures) during the fiscal year by the number of weighted average basic shares outstanding at the end of the period. The aggregate number of shares of Common Stock that may be issued under the Equity Incentive Plan is reduced by one and one-half (1.5) shares for each share delivered in settlement of any award of restricted stock, restricted stock unit, performance shares or performance units, and one share for each share delivered in settlement of an option or stock appreciate rights.



- We expect the 1,840,000 requested shares (in addition to our current share reserve) to provide us with enough shares for awards for approximately three to four years, assuming we continue to grant awards consistent with our current practices and historical usage, as reflected in our historical burn rate, and further dependent on the price of our shares and hiring activity during the next few years, forfeitures of outstanding awards under the Equity Incentive Plan, and noting that future circumstances may require us to change our current equity grant practices. We cannot predict our future equity grant practices, the future price of our shares or future hiring activity with any degree of certainty at this time, and the share reserve under the Equity Incentive Plan could last for a shorter or longer time.
- In fiscal 2020, the end of year overhang rate was 10.4%. If the request for additional shares is approved, we expect our overhang at the end of 2021 will be approximately 18.6%. Overhang is calculated by dividing (1) the sum of the number of shares subject to equity awards outstanding at the end of the fiscal year plus shares remaining available for issuance for future awards at the end of the fiscal year by (2) the number of shares outstanding at the end of the fiscal year.
- The 1,840,000 shares to be added to the Equity Incentive Plan above plus the shares currently remaining available for issuance under the Equity Incentive Plan collectively represent 10.1% of our outstanding common stock as of the Record Date, calculated by dividing (1) 2,352,406 shares that will be available for grant, by (2) the number of shares of our common stock outstanding as of the Record Date.
- Willis Towers Watson's analysis, which is based on generally accepted evaluation methodologies used by proxy advisory firms, concluded that the number of shares under the Equity Incentive Plan is within generally accepted standards as measured by an analysis of the plan cost relative to industry standards.

In light of the factors described above, and the fact that the ability to continue to grant equity compensation is vital to our ability to continue to attract and retain employees in the competitive labor markets in which we compete, the Board of Directors has determined that the size of the proposed share request is reasonable and appropriate at this time.

### **Summary of the Amended and Restated Equity Incentive Plan**

The following description of the material terms of the Amended Plan is qualified in all respects by reference to the full text of the Amended and Restated Equity Incentive Plan attached to this Proxy Statement as Appendix A. For purposes of the description below, unless otherwise indicated, references to the Equity Incentive Plan refer to the Amended Plan.

#### *Administration*

The Compensation Committee administers the Equity Incentive Plan, with certain actions subject to the review and approval of the full Board or a panel consisting of all of the independent directors. The Committee has full power and authority to determine when and to whom awards will be granted, including the type, amount, form of payment and other terms and conditions of each award, consistent with the provisions of the Equity Incentive Plan. In addition, the Committee has the authority to interpret the Equity Incentive Plan and the awards granted under the Equity Incentive Plan, and to establish rules and regulations for the administration of the Equity Incentive Plan. The Committee may delegate the administration of the Equity Incentive Plan to the Company's officers, including the maintenance of records of the awards and the interpretation of the terms of the awards.

#### *Eligible Participants*

Any employee, officer, consultant or director providing services to us or to any of our subsidiaries, who is selected by the Committee, is eligible to receive awards under the Equity Incentive Plan. As of April 13, 2021, we had approximately 550 employees who were eligible to participate in the Equity Incentive Plan.

#### *Shares Available for Awards*

The aggregate number of shares of the Common Stock that may be issued as awards under the existing Equity Incentive Plan consists of 7,533,428 shares of Common Stock. If the Amended Plan described is approved by our shareholders, then the aggregate number of shares of Common Stock which may be issued as awards under the Equity Incentive Plan shall increase by 1,840,000 newly-authorized shares. The maximum aggregate number of shares of Common Stock which may be granted to any one participant in any one year under the Equity Incentive Plan is 500,000. The Committee may adjust the aggregate number of shares reserved for issuance under the Equity Incentive Plan in the case of a stock dividend or other distribution, including a stock split, merger, extraordinary dividend, or other similar corporate transaction or event, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be provided under the Equity Incentive Plan.

If any shares of Common Stock subject to any award are forfeited, become unexercisable, or if any award terminates without the delivery of any shares, the shares of Common Stock previously set aside for such awards will be available for future awards under the Equity Incentive Plan. However, any shares withheld to pay for tax obligations or tendered as payment upon award exercise will not be available for issuance under the Amended Plan.

The aggregate number of shares of Common Stock that may be issued under the Equity Incentive Plan is reduced by one and one-half (1.5) shares for each share delivered in settlement of any award of restricted stock, restricted stock unit, performance shares or performance units, and one share for each share delivered in settlement of an option or stock appreciate rights.

#### *Types of Awards*

The Equity Incentive Plan permits the grant of the following awards:

- non-qualified stock options;
- incentive stock option;
- restricted stock;
- restricted stock units;
- stock appreciation rights;
- performance shares; and
- performance units.

Awards may be granted alone, in addition to, or in combination with any other award granted under the Equity Incentive Plan.

*Stock Options.* Options granted under the Equity Incentive Plan may be either incentive stock options or non-qualified stock options. Incentive stock options are options which are designated as such by us and which meet certain requirements under Section 422 of the Internal Revenue Code (the “Code”) and the regulations thereunder. Any option which does not satisfy these requirements will be treated as a non-qualified stock option.

The holder of an option will be entitled to purchase a number of shares of Common Stock at a specified exercise price during a specified time period, all as determined by the Committee. The option exercise price may be payable either in cash or, at the discretion of the Committee, in shares of Common Stock having a fair market value on the exercise date equal to the exercise price.

*Restricted Stock and Restricted Stock Units.* The holder of restricted stock will own shares of Common Stock subject to restrictions imposed by the Committee (including for example, restrictions on the right to vote the restricted shares or to receive payment of any accrued dividends while the shares remain unvested) and subject to forfeiture to us if the holder does not satisfy certain requirements (including, for example, continued employment with us) for a specified period of time. The holder of restricted stock units will have the right, subject to any restrictions imposed by the Committee, to receive shares of Common Stock, or a cash payment equal to the fair market value of those shares, at some future date determined by the Committee, provided that the holder has satisfied certain requirements (including, for example, continued employment with us until such future date).

*Stock Appreciation Rights (“SARs”).* Participants may be granted stand-alone SARs. The holder of a stand-alone SAR is entitled to a distribution from us equal to the excess of the fair market value of the shares that are the subject of the SAR on the surrender date over the aggregate exercise price payable for such shares. The holder of stand-alone SARs may receive, at the discretion of the Committee, the excess of the fair market value (on the exercise date) of the subject shares over the exercise price for such shares in the form of a cash payment or shares of Common Stock. The maximum term of SARs under the Amended Plan is 10 years.

*Performance Compensation Awards.* Participants may be granted performance-based compensation awards. Such awards may take the form of performance shares or performance units and will be subject to the attainment of performance goals selected by the Committee. Performance goals may be based on business criteria approved by the Committee, which may include: (i) cash flow; (ii) earnings per share, including earnings per share as adjusted (a) to exclude the impact of any (1) significant acquisitions or dispositions of businesses by the Company, (2) one-time, non-operating charges and (3) accounting changes (including but not limited to any accounting changes we adopt); and (b) for any stock split, stock dividend or other recapitalization; (iii) earnings before interest, taxes, and amortization; (iv) return on equity; (v) total shareholder return; (vi) share price performance; (vii) return on capital; (viii) return on assets or net assets; (ix) revenue; (x) income; (xi) operating income; (xii) operating profit; (xiii) profit margin; (xiv) return on operating revenue; (xv) return on invested capital; (xvi) market price; (xvii) brand recognition/acceptance; (xviii) customer satisfaction; (xix) productivity; or (xx) sales growth and volume.

Performance shares are performance compensation awards that are denominated in terms of a specified number of shares of Common Stock, which shares or their future cash equivalent (or a combination of both) may be paid to the Participant upon achievement of applicable performance goals during a specified performance period established by the Committee. Performance units are performance compensation awards that are denominated in terms of a specified dollar value that is set by the Committee (or that is determined by reference to a performance formula) which value may be paid in cash, in shares of Common Stock or in such combination as the Committee may determine, upon achievement of applicable performance goals during a specified performance period established by the Committee.

#### *Certain Terms and Conditions of Awards*

*Minimum Vesting Period.* The Amended Plan provides that in no case shall vesting of awards occur prior to the expiration of one year following the applicable grant date. However, the Amended Plan provides an exception for grants totaling no more than 5% of the shares authorized for issuance under the Amended Plan in the form of immediately vested awards or awards with vesting periods of less than one year.

*Dividends.* Awards of SARs, restricted stock or restricted stock units and performance compensation awards may, in the Committee's discretion, include the right to receive accrued dividends with respect to the underlying shares so long as payment of any such accrued dividends is subject to the same vesting requirements as the underlying award.

*Automatic Exercise of In-The-Money Options and SARs.* In order to protect employees and other active participants in the Amended Plan against the inadvertent expiration of unexercised options or SARs at the end of their respective terms, the Committee may provide for automatic exercise of Options or SARs having an exercise price per share that is lower than the current fair market value of the underlying shares.

*Change of Control.* In the event of a Change of Control (as defined in the Equity Incentive Plan), subject to certain limitations and restrictions as more fully described in the Equity Incentive Plan,

- options and SARs may become fully vested and immediately exercisable for the greater of the time period specified in the original option or SAR award (but subject to termination upon termination of service with us) or one year following the date of the Change of Control;
- restriction periods and restrictions imposed on restricted stock or restricted stock units and performance-based awards may lapse; and
- restrictions, limitations and other conditions applicable to other awards may lapse, and the awards may become free of restrictions, limitations or conditions and become fully vested and transferable.

Generally, accelerated vesting or lapse of restrictions on awards held by an employee will occur only if an employee's employment is terminated without cause or by the employee for good reason within a year after a Change in Control, the acquiring company does not assume outstanding awards or substitute equivalent awards, or other conditions in the Equity Incentive Plan are satisfied.

*Termination of Employment.* Vested but unexercised options or SARs granted under the Equity Incentive Plan will expire, terminate, or otherwise be forfeited as follows:

- three (3) months after the effective date of termination of a participant other than a non-employee director (in which case the date will be six months following the date such non-employee director ceases to be a director), including voluntary termination by the participant, other than in the circumstances described below;
- upon termination of a participant for misconduct (as defined in the Equity Incentive Plan);
- twelve (12) months after the date on which a participant, other than a non-employee director, suffers total or permanent disability (as defined in the Equity Incentive Plan); or
- twelve (12) months after the death of a participant.

*Duration, Termination and Amendment.* The Equity Incentive Plan will terminate on June 30, 2030, unless terminated by the Board or the Committee earlier, or extended by an amendment approved by our shareholders. No awards may be made after the

termination date. However, unless otherwise expressly provided in an applicable award agreement, any award granted under the Equity Incentive Plan prior to the expiration of the Equity Incentive Plan may extend beyond the end of such period through the award's normal expiration date.

The Board, and the Compensation Committee, may generally amend or terminate the Equity Incentive Plan as determined to be advisable. Shareholder approval may also be required for certain amendments by the Internal Revenue Code, the rules of NASDAQ, or rules of the Securities and Exchange Commission. The Board or the Committee has specific authority to amend the Equity Incentive Plan without shareholder approval to comply with legal, regulatory and listing requirements and to avoid unanticipated consequences determined to be inconsistent with the purpose of the Equity Incentive Plan or any award agreement.

*Prohibition on Repricing Awards.* Without the approval of the Company's shareholders, (i) no option or SAR may be amended or otherwise modified to reduce its exercise price or grant price and no option or SAR may be canceled and replaced with an option or SAR having a lower exercise price, and (ii) the Company shall not repurchase any outstanding option for cash at a time when the exercise price of the repurchased option is above the fair market value of the underlying common stock.

*Transferability of Awards.* Unless otherwise provided by the Committee, awards under the Equity Incentive Plan may only be transferred by will or the laws of descent and distribution. The Committee may permit further transferability pursuant to conditions and limitations that it may impose, except that no transfers for consideration will be permitted.

#### *Limitation on Grants for Non-Employee Directors*

Each non-employee director may receive award grants under the Equity Incentive Plan at the discretion of the Board and Compensation Committee; provided, however, that non-employee directors are not eligible to receive incentive stock options and in no case will any Eligible Director be granted one or more equity awards in any calendar year, solely with respect to service as a Director, that result in the aggregate value of cash-based and equity based awards exceeding \$500,000. Awards granted in prior fiscal years will not count against the foregoing limitation in subsequent years even if the awards from the prior years are earned or otherwise settled in years following the year of grant.

Subject to such limitations, the Board, the Committee or the Governance and Nominating Committee reserves the right to periodically evaluate and change the amount or type of grants made to Eligible Directors.

As described in "Director Compensation" above, eligible Directors currently receive the following automatic equity grants: (i) an annual equity award of \$100,000, in fair market value on the date of grant consisting of RSUs, which vest one year from the date of grant, and (ii) an initial equity grant at time of joining the Board of up to \$100,000, the exact amount of which will be determined based on the portion of the calendar year that the new director will have served during their first year on the Board. If a non-employee director dies or retires from the Board after at least six years of continuous service, any unvested options or other awards held by the non-employee director shall become fully vested as of the date of death or retirement.

#### *Federal Income Tax Consequences*

The federal income tax consequences of awards under the Equity Incentive Plan to us and our employees, officers, directors and consultants are complex and subject to change. The following discussion is only a summary of the general rules applicable to the Equity Incentive Plan. Recipients of awards under the Equity Incentive Plan should consult their own tax advisors since a taxpayer's particular situation may be such that some variation of the rules described below will apply.

*Non-qualified Options.* Under current federal income tax law, the grant of a non-qualified option under the Equity Incentive Plan has no federal income tax consequences to us or the optionee (unless the options are publicly traded). Generally, upon exercise of a non-qualified stock option granted under the Equity Incentive Plan, the excess of the fair market value of the stock at the date of exercise over the option price (the "Spread") is taxable to the optionee as ordinary income and is subject to withholding. All such amounts taxable to an employee are deductible by us as compensation expense. The deduction is allowed for our taxable year which includes the end of the taxable year in which the optionee includes an amount in income.

Generally, the shares received on exercise of an option under the Equity Incentive Plan are not subject to restrictions on transfer or risks of forfeiture and, therefore, the optionee recognizes income on the date of exercise of a non-qualified stock option. However, if the optionee is subject to Section 16(b) of the Exchange Act, the Section 16(b) restriction will be considered a substantial risk of forfeiture for tax purposes. Under current law, employees who are either our directors or officers are subject to restrictions under Section 16(b) of the Exchange Act during their term of service and for up to six months after termination of such service. SEC Rule 16b-3 provides an exemption from the restrictions of Section 16(b) for the grant of derivative securities, such as stock options,

under qualifying plans. Because the Equity Incentive Plan satisfies the requirements for exemption under SEC Rule 16b-3, the grant of options is not considered a purchase and the exercise of the options to acquire the underlying shares of Common Stock is not considered a purchase or a sale. Thus, ordinary income is recognized and the Spread is measured on the date of exercise.

The taxable income resulting from the exercise of a non-qualified stock option constitutes wages for employees and is generally subject to withholding. We are required to make whatever arrangements are necessary to ensure that funds equaling the amount of tax required to be withheld, if any, are available for payment, including the deduction of required withholding amounts from the optionee's other compensation and requiring payment of withholding amounts as part of the exercise price. The tax basis for the Common Stock acquired is the option price plus the taxable income recognized. An optionee recognizes gain or loss on the subsequent sale of shares acquired upon exercise of a non-qualified stock option in an amount equal to the difference between the amount realized and the tax basis of such shares. Such gain or loss is a long-term or short-term capital gain or loss, depending upon whether the shares have been held for more than one year.

*Incentive Stock Options.* There are no federal income tax consequences to us or the employee as a result of the grant of an incentive stock option. The optionee also does not recognize income when the incentive stock option is exercised (subject to the alternative minimum tax rules discussed below). Generally, we receive no deduction at the time of exercise.

In the event of a disposition of shares acquired upon exercise of an incentive stock option, the tax consequences depend upon how long the employee has held the shares. If the employee does not dispose of the shares within two years after the incentive stock option was granted, or within one year after the incentive stock option was exercised and shares were purchased, then the employee recognizes only a long-term capital gain or loss. We are not entitled to any deduction under these circumstances.

If the optionee fails to satisfy either of the foregoing holding periods, then he or she recognizes ordinary income in the year of disposition (referred to as a "disqualifying disposition"). The amount of such ordinary income generally is determined under the rules applicable to non-qualified options (see above) based on the Spread at the date of exercise. However, such ordinary income in no event exceeds the amount of the gain realized on the sale, provided that the disposition involves an arm's-length sale or exchange with an unrelated party. Any gain in excess of the amount taxed as ordinary income is treated as capital gain. In the year of the disqualifying disposition, we are entitled to a deduction equal to the amount of ordinary income recognized by the optionee.

The Spread under an incentive stock option is treated as an adjustment in computing alternative minimum taxable income ("AMTI") for the year of exercise. As a result, the Spread on an incentive stock option is included in income for purposes of the alternative minimum tax even though it is not included in taxable income for purposes of determining the regular tax liability of an optionee. A subsequent disqualifying disposition of shares acquired upon exercise of an incentive stock option eliminates the AMTI adjustment if the disposition occurs in the same taxable year as the exercise. A disqualifying disposition in a subsequent taxable year does not affect the alternative minimum tax computation in the earlier year.

*Payment of Option Exercise Price in Shares.* To the extent an optionee pays all or part of the option exercise price of a non-qualified stock option by tendering shares of Common Stock owned by the optionee, the tax consequences described above apply except that the number of shares of Common Stock received upon such exercise which is equal to the number of shares surrendered in payment of the option price have the same tax basis and holding periods as the shares surrendered. The additional shares of Common Stock received upon such exercise have a tax basis equal to the amount of ordinary income recognized on such exercise and a holding period which commences on the day following the date of recognition of such income. Under Treasury regulations, if an optionee exercises an incentive stock option by tendering shares of Common Stock previously acquired by the exercise of an incentive stock option that have not satisfied statutory holding period requirements, a disqualifying disposition occurs and the optionee recognizes income and is subject to other basis allocation and holding period requirements.

*Restricted Stock Awards.* Stock granted under the Equity Incentive Plan may, in the determination of the Committee, be subject to rights of repurchase and other transfer restrictions. The tax consequences of stock granted under the Equity Incentive Plan depend on whether the stock is subject to restrictions and if so, whether the restrictions are deemed to create a "substantial risk of forfeiture" under Code Section 83 (for example, stock granted under the Equity Incentive Plan which is subject to our right to repurchase the stock at a price that is less than fair market value which right lapses over a period of continued employment is considered a "substantial risk of forfeiture" under Code Section 83).

If stock is not subject to a "substantial risk of forfeiture," the recipient normally recognizes taxable ordinary income equal to the value of the stock in the year in which the stock is granted less the amount paid for that stock. If the stock is subject to a "substantial risk of forfeiture," the recipient normally recognizes taxable ordinary income as and when the "substantial risk of forfeiture" lapses in the amount of the fair market value of the shares no longer subject to the "substantial risk of forfeiture" less the amount paid for the stock. Upon disposition of the stock, the recipient recognizes a capital gain or loss equal to the difference between

the selling price and the sum of the amount paid for the stock plus any amount recognized as ordinary income upon grant or vesting of the stock. The gain or loss is long or short-term depending on how long the recipient held the stock. In general, the holding period for the stock commences when the stock is no longer subject to a substantial risk of forfeiture.

A recipient of stock subject to a “substantial risk of forfeiture” may make an election under Code Section 83(b) to recognize ordinary income in the year the recipient purchases the restricted stock, rather than waiting until the “substantial risk of forfeiture” lapses. If the stock recipient makes a Section 83(b) election, the recipient is required to recognize as ordinary income in the year the recipient purchases the stock the difference, if any, between the fair market value of the stock on the purchase date and the purchase price paid. If the stock recipient makes a Section 83(b) election, the recipient is not required to recognize any income when the “substantial risk of forfeiture lapses.”

Generally, with respect to employees, we are required to withhold from regular wages or supplemental wage payments an amount based on the ordinary income recognized. Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code and the satisfaction of a tax reporting obligation, we generally are entitled to a business expense deduction equal to the taxable ordinary income realized by the stock recipient.

*Stock Appreciation Rights.* Generally, the recipient of a SAR does not recognize any taxable income at the time the SAR is granted. With respect to stand-alone SARs, if the holder receives the appreciation inherent in the SARs in cash, the cash is taxable as ordinary compensation income to the employee at the time that it is received. If the holder receives the appreciation inherent in the stand-alone SARs in stock, the holder recognizes ordinary compensation income equal to the excess of the fair market value of the stock on the day it is received over any amounts paid by the holder for the stock.

The income recognized by the holder of a stand-alone SAR generally is subject to U.S. income tax withholding and employment taxes.

In general, we are not entitled to a federal income tax deduction upon the grant or termination of stand-alone SARs. However, upon the exercise of a stand-alone SAR, we are entitled to a deduction for federal income tax purposes equal to the amount of ordinary income that the holder is required to recognize as a result of the exercise, provided that the deduction is not otherwise disallowed under the Code.

*Performance Compensation Awards.* Generally, the recipient of a performance compensation award does not recognize any taxable income at the time the award is made and instead generally recognizes taxable income at the time the award is paid. If the performance compensation award is payable in cash, the cash is taxable as ordinary compensation income to the participant at the time that it is received. If the holder receives the performance compensation award in stock, the participant recognizes ordinary compensation income equal to the excess of the fair market value of the stock on the day it is received over any amounts paid by the holder for the stock.

The income recognized by the holder of a performance compensation award generally is subject to U.S. income tax withholding and employment taxes.

In general, we are not entitled to a federal income tax deduction upon the grant or termination of performance compensation awards. However, upon payment of a performance compensation award, we are entitled to a deduction for federal income tax purposes equal to the amount of ordinary income that the participant is required to recognize as a result of such payment, provided that the deduction is not otherwise disallowed under the Code.

*Limitations on Deductions.* Section 162(m) of the Code denies a deduction to any publicly held corporation for compensation paid to certain “covered employees” in a taxable year to the extent that compensation to each covered employee exceeds \$1 million.

*Compliance with Section 409A of the Code.* Code Section 409A imposes requirements on non-qualified deferred compensation plans. The requirements include the timing of elections to defer, the timing of distributions and prohibitions on the acceleration of distributions. Failure to satisfy these requirements may result in the immediate taxation of the arrangement, the imposition of an additional 20% income tax on the participant and the possible imposition of interest and penalties on the unpaid tax. Proposed regulations generally provide that the type of equity incentives provided under the Equity Incentive Plan are not considered non-qualified deferred compensation. However, some awards could be covered by Section 409A of the Code. For example, the grant or modification of a stock option or stock appreciation right with an exercise price less than fair market value of the underlying Common Stock could constitute non-qualified deferred compensation. In such event, the administrator normally would expect to design and administer any such award in a manner that ordinarily should avoid adverse federal income tax consequences under Section 409A of the Code to any affected participant. In the event that a grant or award under the Equity Incentive Plan is determined

to constitute “non-qualified deferred compensation” subject to additional tax under Section 409A of the Code, the Compensation Committee has the authority to impose such additional conditions as it deems necessary to avoid the imposition of the additional tax.

**Vote Required**

Ratification and approval of the Amended Plan requires the affirmative vote of the holders of a majority of the shares of our Common Stock present, or represented, and entitled to vote at the Annual Meeting.

**Board Recommendation**

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF THE BJ’S RESTAURANTS, INC. AMENDED AND RESTATED EQUITY INCENTIVE PLAN.**

## ADVISORY RESOLUTION ON COMPENSATION OF NAMED EXECUTIVE OFFICERS

### (PROPOSAL NO. 3 ON PROXY CARD)

In accordance with SEC rules, the Board asks shareholders for approval of the compensation of our Named Executive Officers on an advisory and non-binding basis. Pursuant to an advisory vote at our 2017 Annual Meeting, our shareholders elected to hold such votes on an annual basis. We intend to include an advisory shareholder vote on the compensation of our Named Executive Officers in our proxy materials every year. Accordingly, we are asking our shareholders to provide an advisory, non-binding vote to approve the compensation awarded to our Named Executive Officers, as we have described it in the “Executive Compensation” section of this Proxy Statement.

#### Highlights of Executive Compensation Philosophy

As discussed in the Compensation Discussion and Analysis section of this Proxy Statement, we have designed our executive compensation program to attract, retain and motivate the highest quality executive officers, directly link their pay to performance, and align executive compensation with our long-term performance and shareholder value.

Objective	How Our Compensation Program for Named Executive Officers Achieves This Objective
<b>Pay For Performance</b>	<ul style="list-style-type: none"> <li>• Aligning our Named Executive Officers’ compensation with short- and long-term Company and individual performance, including use of PSUs with vesting requirements based on time and objective long-term performance criteria</li> <li>• Tying a significant portion of each Named Executive Officer’s targeted total direct compensation in the form of variable compensation and “at-risk” performance-based compensation to our overall performance</li> </ul>
<b>Attract And Retain Top Talent</b>	<ul style="list-style-type: none"> <li>• Targeting total direct compensation in the 50th percentile range among companies with which we compete for executive talent</li> <li>• Competing effectively for the highest quality people who will determine our long-term success</li> </ul>
<b>Align Executive Compensation With Shareholders</b>	<ul style="list-style-type: none"> <li>• Providing equity compensation in alignment with long-term performance</li> <li>• Establishing a significant portion of each named executive officer’s indirect compensation to be based on achieving long-term shareholder value</li> <li>• Require our executives and directors to satisfy stock ownership guidelines</li> </ul>

#### What We Do

- Set a significant portion of each named executive officer’s targeted total direct compensation in the form of “at-risk” performance-based compensation
- Provide equity compensation in alignment with long-term performance, including use of PSUs with vesting requirements based on time and objective long-term performance criteria
- Target total direct compensation in the 50th percentile range among companies with which we compete for executive talent
- Consult with independent compensation consultants in order to assess our compensation policies relative to comparable public companies and design our pay program to support our Company’s purpose, strategic imperatives and executive talent-management objectives
- Maintain a clawback policy with respect to performance-based cash bonuses



- Prohibit members of our management team from engaging in hedging transactions or pledging stock
- Conduct annual “say-on-pay” advisory votes

#### **What We Don’t Do**

- Have single-trigger change-in-control equity acceleration provisions
- Provide significant perquisites
- Provide excise tax gross-ups
- Provide matching contributions into our deferred compensation plan for which officers are eligible
- Maintain a supplemental executive retirement plan or other significant retirement benefits for executives

We urge shareholders to read the Compensation Discussion and Analysis section of this Proxy Statement, which describes in further detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives. Additionally, the Summary Compensation Table and other related compensation tables and narrative provide detailed information on the compensation of our Named Executive Officers. The Compensation Committee and our Board of Directors believe that the policies and procedures articulated in the Compensation Discussion and Analysis are effective in achieving our goals and that the compensation of our Named Executive Officers reported in this Proxy Statement has contributed to our long-term success. In summary, our compensation is designed to reward our executives when we achieve strong financial and operational results and, likewise, to provide reduced pay when financial and operating results are not as strong. We believe the compensation of our Named Executive Officers for fiscal 2020 is reflective of and consistent with that intent.

This “say-on-pay” proposal gives our shareholders the opportunity to express their views on our Named Executive Officers’ compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our Named Executive Officers and the philosophy, policies and practices described in this Proxy Statement.

Accordingly, the Board invites you to review carefully the Compensation Discussion and Analysis and the tabular and other disclosures on compensation under “Executive Compensation” and cast a vote to approve, on an advisory and non-binding basis, the compensation of our Named Executive Officers through the following resolution:

RESOLVED, that the shareholders of BJ’s Restaurants, Inc. (the “Company”) approve, on an advisory and non-binding basis, the compensation of the Company’s Named Executive Officers as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables, notes and narrative in the Proxy Statement for our 2021 Annual Meeting of Shareholders.

This “say-on-pay” vote is advisory and, therefore, not binding on us, the Compensation Committee or the Board of Directors. The shareholders’ advisory vote will not overrule any decision made by the Board or the Committee or create or imply any additional fiduciary duty by our directors. Our Board and Compensation Committee value the opinions of our shareholders and, to the extent there is any significant vote against the named executive officer compensation as disclosed in this Proxy Statement, we will consider our shareholders’ concerns, and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF THE ADVISORY RESOLUTION ON COMPENSATION OF NAMED EXECUTIVE OFFICERS.**

## RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITOR

### (PROPOSAL NO. 4 ON PROXY CARD)

The Audit Committee appointed Ernst & Young LLP as our independent auditor for the fiscal year ending December 28, 2021 (fiscal 2021), and the Board is recommending shareholders ratify the appointment at the Annual Meeting. Ernst & Young LLP does not have, and has not had at any time, any direct or indirect financial interest in us or any of our subsidiaries and does not have, and has not had at any time, any relationship with us or any of our subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer, or employee. Neither BJ's Restaurants, Inc. nor any of our officers or directors has or has had any interest in Ernst & Young LLP.

As a matter of good corporate governance, the Board has determined to submit the appointment of Ernst & Young LLP to the shareholders for ratification. In the event that this appointment of Ernst & Young LLP is not ratified by a majority of the shares of Common Stock present or represented at the Annual Meeting and entitled to vote on the matter, the Audit Committee will reconsider its appointment of Ernst & Young LLP for future periods.

We expect that representatives of Ernst & Young LLP will be present at the Annual Meeting, will have an opportunity to make statements if they so desire, and will be available to respond to appropriate questions.

Notwithstanding the ratification by shareholders of the appointment of Ernst & Young LLP, the Board of Directors or the Audit Committee may, if the circumstances dictate, appoint other independent auditors.

#### Fees Billed by Ernst & Young LLP

The following table sets forth the aggregate fees billed to us for the fiscal years ended December 29, 2020 and December 31, 2019, by our independent auditor, Ernst & Young LLP:

<b>Fiscal Year</b>	<b>2020</b>	<b>2019</b>
Audit Fees (1)	\$633,800	\$624,474
Tax Fees	\$—	\$—
All Other Fees (2)	\$75,000	\$—

- (1) These amounts represent fees for the audit of our consolidated financial statements, the review of consolidated financial statements included in our quarterly Form 10-Q reports, the audit of our management's assessment of internal controls over financial accounting and reporting as required by the Sarbanes-Oxley Act of 2002, and the services that an independent auditor would customarily provide in connection with audits, regulatory filings and similar engagements for the fiscal year.
- (2) This amount represents fees related to review procedures performed in conjunction with our \$70 million private placement of common stock completed in May 2020.

#### Pre-Approval Policies and Procedures

The Audit Committee has established policies and procedures for the approval and pre-approval of audit services and permitted non-audit services. The Audit Committee has the responsibility to appoint and terminate our independent auditors, to pre-approve their performance of audit services and permitted non-audit services, to approve all audit and non-audit fees, and to set guidelines for permitted non-audit services and fees. All the services rendered by Ernst & Young LLP during fiscal 2020 and 2019 were pre-approved by the Audit Committee or were within pre-approved guidelines for permitted non-audit services and fees established by the Audit Committee, and there were no waivers of approval requirements or guidelines during the same periods.

#### Vote Required

Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2021 requires the affirmative vote of the holders of a majority of the shares of our Common Stock present, or represented, and entitled to vote at the Annual Meeting.

#### Board Recommendation

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2021.**

**STOCK OWNERSHIP OF CERTAIN  
BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information regarding the beneficial ownership of our Common Stock as of the Record Date: (a) each of our directors, (b) each executive officer identified in the Summary Compensation Table, (c) all of our executive officers and directors as a group, and (d) each person known by us to be the beneficial owner of 5% or more of the issued and outstanding shares of our Common Stock. Ownership of less than 1% is indicated by an asterisk.

<b>Name and Address (2)</b>	<b>Shares Beneficially Owned (1)</b>	
	<b>Number of Shares (3)</b>	<b>Percentage of Class (3)</b>
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	3,822,420 <sup>(4)</sup>	16.5%
BlackRock, Inc. 55 East 52 <sup>nd</sup> Street New York, NY 10022	3,434,123 <sup>(5)</sup>	14.8%
The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19335	2,199,902 <sup>(6)</sup>	9.5%
Russell Investments Group, Ltd. 1301 Second Ave, Suite 1800 Seattle, WA 98101	1,537,859 <sup>(7)</sup>	6.6%
BJ's Act III, LLC 125 Broad Street New York, NY 10004	1,251,949 <sup>(8)</sup>	5.4%
Gerald W. Deitchle	39,338 <sup>(9)</sup>	*
Peter A. Bassi	75,237 <sup>(10)</sup>	*
Larry D. Bouts	33,184 <sup>(11)</sup>	*
Bina Chaurasia	_ <sup>(12)</sup>	*
James A. Dal Pozzo	36,718 <sup>(13)</sup>	*
Noah A. Elbogen	67,642 <sup>(14)</sup>	*
Lea Anne S. Ottinger	37,395 <sup>(15)</sup>	*
Keith E. Pascal	4,214 <sup>(16)</sup>	*
Janet M. Sherlock	4,450 <sup>(17)</sup>	*
Patrick D. Walsh	33,684 <sup>(18)</sup>	*
Gregory A. Trojan	209,066 <sup>(19)</sup>	*
Gregory S. Levin	96,436 <sup>(20)</sup>	*
Kevin E. Mayer	22,438 <sup>(21)</sup>	*
Gregory S. Lynds	77,656 <sup>(22)</sup>	*
Lon F. Ledwith	38,055 <sup>(23)</sup>	*
Kendra D. Miller	24,383 <sup>(24)</sup>	*
All current directors and executive officers as a group (19 persons)	844,295 <sup>(25)</sup>	3.6%

\* Less than 1%

- (1) The persons named in the table, to our knowledge, have sole voting and sole investment power with respect to all shares of Common Stock shown as beneficially owned by them, subject to community property laws where applicable and the information contained in the footnotes hereunder.
- (2) The address of our officers and directors is at our principal executive offices at 7755 Center Avenue, Suite 300, Huntington Beach, California 92647.
- (3) Percent of class is based on the number of shares issued and outstanding (23,218,766) on the Record Date (April 13, 2021). In addition, shares of Common Stock which a person had the right to acquire within 60 days of the Record Date are deemed outstanding in calculating the percentage ownership of the person, but not deemed outstanding as to any other person. This does not include shares issuable upon exercise of any options issued by us which are not exercisable within 60 days from the Record Date.
- (4) Based solely on a Schedule 13G filed by T. Rowe Price Associates, Inc. on February 16, 2021, as of such date, it is our belief that T. Rowe Price Associates, Inc. has sole voting power with respect to 1,008,562 shares and sole dispositive power with respect to 3,822,420 shares. T. Rowe Price Small-Cap Stock Fund, Inc. has sole voting power with respect to 1,114,744 shares.
- (5) Based solely on a Schedule 13G filed by Blackrock, Inc. on January 25, 2021, as of such date, it is our belief that BlackRock, Inc. held the number of shares indicated as of December 31, 2020.
- (6) Based solely on a Schedule 13G filed by The Vanguard Group on February 10, 2021, as of such date, it is our belief that The Vanguard Group held the number of shares indicated as of December 31, 2020.
- (7) Based solely on a Schedule 13G filed by Russell Investments Group, Ltd. on February 11, 2021, as of such date, it is our belief that Neuberger Berman Group LLC held the number of shares indicated as of December 31, 2020.
- (8) Based on a Schedule 13D filed by BJ's Act III, LLC on November 30, 2020 and certain adjustments made pursuant to the terms of a warrant held by BJ's Act III, LLC to purchase shares of the Company in connection with the Company's "at the market offering" completed on January 22, 2021, it is our belief that BJ's Act III, LLC held the number of shares indicated, which number includes shares issuable upon exercise of the warrant, as adjusted, to purchase 876,949 shares of the Company at an exercise price of \$26.94 per share (which warrant expires on May 4, 2025). The number of shares indicated excludes 150,280 shares of the Company owned by SC Trust 2018, LLC, an affiliate of BJ's Act III, LLC, with respect to which shares BJ's Act III, LLC disclaims beneficial ownership.
- (9) Consists of 7,989 shares of Common Stock of which Mr. Deitchle is the beneficial owner, 23,000 shares of Common Stock held of record by the Deitchle Family Trust, and 8,349 shares of Common Stock purchasable upon exercise of options.
- (10) Consists of 51,472 shares of Common Stock of which Mr. Bassi is the beneficial owner and 23,765 shares of Common Stock purchasable upon exercise of options.
- (11) Consists of 19,123 shares of Common Stock of which Mr. Bouts is the beneficial owner and 14,061 shares of Common Stock purchasable upon exercise of options.
- (12) Ms. Chaurasia joined the Board in November 2020 and is not the beneficial owner of Common Stock.
- (13) Consists of 16,425 shares of Common Stock of which Mr. Dal Pozzo is the beneficial owner and 20,293 shares of Common Stock purchasable upon exercise of options.
- (14) Consists of 58,941 shares of Common Stock of which Mr. Elbogen is the beneficial owner and 8,701 shares of Common Stock purchasable upon exercise of options. Mr. Elbogen disclaims any beneficial ownership of shares held by BJ's Act III, LLC, where he is a partner.
- (15) Consists of 15,788 shares of Common Stock of which Ms. Ottinger is the beneficial owner and 21,607 shares of Common Stock purchasable upon exercise of options.

- (16) Consists of 4,214 shares of Common Stock of which Mr. Pascal is the beneficial owner.
- (17) Consists of 4,450 shares of Common Stock of which Ms. Sherlock is the beneficial owner.
- (18) Consists of 19,720 shares of Common Stock of which Mr. Walsh is the beneficial owner and 13,964 shares of Common Stock purchasable upon exercise of options.
- (19) Consists of 67,875 shares of Common Stock of which Mr. Trojan is the beneficial owner and 141,191 shares of Common Stock purchasable upon exercise of options.
- (20) Consists of 33,238 shares of Common Stock of which Mr. Levin is the beneficial owner and options exercisable for up to 63,198 shares of Common Stock.
- (21) Consists of 2,117 shares of Common Stock of which Mr. Mayer is the beneficial owner and options exercisable for up to 20,321 shares of Common Stock.
- (22) Consists of 26,534 shares of Common Stock of which Mr. Lynds is the beneficial owner and options exercisable for up to 51,122 shares of Common Stock.
- (23) Consists of 11,310 shares of Common Stock of which Mr. Ledwith is the beneficial owner and options exercisable for up to 26,745 shares of Common Stock.
- (24) Consists of 8,155 shares of Common Stock of which Ms. Miller is the beneficial owner and options exercisable for up to 16,228 shares of Common Stock.
- (25) Includes 459,309 shares of Common Stock issuable upon exercise of options.

## COMPENSATION DISCUSSION AND ANALYSIS

The purpose of this Compensation Discussion and Analysis is to provide key information and details on how we pay our executive officers. In this discussion, we focus on the executive compensation programs for our Chief Executive Officer and the other Named Executive Officers included in the Summary Compensation Table of this Proxy Statement. As a group, these executive officers are referred to as our “Named Executive Officers.” Our Named Executive Officers for fiscal 2020 were:

<b>Name</b>	<b>Position</b>
Gregory A. Trojan	Director, Chief Executive Officer
Gregory S. Levin	President, Chief Financial Officer and Secretary
Kevin E. Mayer	Executive Vice President and Chief Marketing Officer
Gregory S. Lynds	Executive Vice President and Chief Development Officer
Lon F. Ledwith	Executive Vice President, Operations
Kendra D. Miller	Executive Vice President, General Counsel and Assistant Secretary

### Overview of Our Response to COVID-19

2020, which began with positive trends in our business, quickly became an extraordinarily challenging year as the COVID-19 pandemic had a significant and severe impact on our Company, our people, our stakeholders, and the restaurant industry. The COVID-19 outbreak resulted in unprecedented restrictions on our business, including the sudden closure of our dining rooms throughout the country, the virtually overnight conversion of our operations to off-premise only (which accounted for only ten percent of our business prior to the pandemic), followed by ongoing capacity constraints and continually evolving regulations and restrictions that significantly reduced sales and cash flow from operations throughout the year and into 2021.

Faced with the most difficult challenges our Company has ever encountered, in early 2020, leadership quickly pivoted our focus first towards insuring the safety of our people and our customers and then towards adapting our operations to the challenges presented by the pandemic. We believe our management team and employees demonstrated unparalleled effort, commitment, resilience and creativity in responding to the crisis. Some of the actions taken by our management and the Board to quickly respond to the challenges presented by the COVID-19 pandemic included, but were not limited to the following:

- To support the health and well-being of our employees, we paid out accrued sick and vacation benefits, along with emergency COVID-19 pay, at the time of temporary layoffs; provided a resource center to our temporarily laid-off employees that included other temporary employment opportunities and information about unemployment insurance benefits; reinforced telemedicine coverage and Health Advocate services available to benefits-eligible employees; implemented work from home provisions for our Restaurant Support Center; and provided personal protective equipment and safety protocols to foster a safe workplace.
- We instituted a series of cost-saving measures including, among other things, temporarily laying off certain hourly employees, furloughing certain restaurant management and Restaurant Support Center employees, electing to implement a reduction in the salaries of our senior management team and certain other Restaurant Support Center employees, and implementing a reduction in the cash compensation payable to our non-employee Board members.
- We quickly modified our business operations in response to the pandemic, including initially transitioning all restaurants to take-out only; simplifying menu offerings in response to reduced customer traffic; maximizing existing outdoor seating and, where possible, creating new outdoor seating as restrictions eased to allow outdoor dining; and implementing health and safety protocols and design changes, including glass partitions, to allow for phased reopening of dining rooms where permitted under local laws.
- We created new menu offerings for our customers, including family bundles, single-serve catering options to address the need to provide individually-wrapped meals to larger groups, and individual to-go meals. We also leveraged our technology infrastructure including using our self-developed mobile application, our website and other platforms to ensure our customers can more easily enjoy BJ’s menu off-premise, including contactless curbside pickup with short message service (“SMS”) text and email technology keeping our customers informed of the status of their menu order and allowing them to notify the restaurant when they arrive. These efforts more than doubled our off-premise sales as compared to pre-COVID levels.

- In order to preserve cash and strengthen our short and long-term financial position, we amended our credit facility, negotiated rent deferrals with landlords, suspended new restaurant development, and completed an equity offering resulting in gross proceeds of \$70 million in May 2020.

### **Impact of COVID-19 on 2020 Results**

- Revenue for 2020 was \$778.5 million, a decrease of 33.0% compared to 2019
  - Quarterly revenue for 2020, compared to 2019, decreased:
    - 12.4% in the first quarter
    - 57.5% in the second quarter
    - 28.6% in the third quarter
    - 32.3% in the fourth quarter
- Comparable restaurant sales for 2020 declined 34.0%, compared to 2019
  - Quarterly comparable restaurant sales for 2020, compared to 2019, declined:
    - 15.5% in the first quarter, and an 81.7% decline at our lowest point
    - 57.2% in the second quarter
    - 30.2% in the third quarter
    - 32.3% in the fourth quarter
- Average weekly sales per restaurant was \$71,700 for 2020, compared to \$109,300 for 2019, a decrease of \$37,600
  - Quarterly average weekly sales for 2020, compared to 2019 were approximately:
    - \$93,600 in the first quarter, compared to \$111,100, and declined down to approximately \$21,300 at our lowest point
    - \$48,100 in the second quarter, compared to \$114,000
    - \$72,300 in the third quarter, compared to \$104,200
    - \$72,800 in the fourth quarter, compared to \$107,900
- Return on invested capital for 2020 was -14.6%, a decrease of 23.2% compared to 2019

### **Overview of Compensation for Fiscal 2020 and 2021**

The Compensation Committee and the full Board met numerous times during 2020 and early 2021 regarding the impact of the COVID-19 pandemic on our business and on our compensation programs. The Compensation Committee frequently consulted with its compensation consultants at Willis Towers Watson and considered a variety of possible adjustments to our compensation programs for 2020 and 2021 given the impact of the pandemic on our 2020 performance and the uncertainty as to its effects on 2021 performance.

Recognizing the extraordinary efforts of our management and other employees, the Compensation Committee and the Board's decisions regarding the 2020 incentive plans and overall 2021 compensation structure, were designed to maintain the focus and commitment of our executives and their teams, further insure retention and mitigate attrition at this disproportionately challenging time in our particular industry, and incentivize continued strategic focus, innovation, and growth as we re-open dining rooms and position our operations for post-COVID success.

#### *2020 Compensation Payout Decisions*

As a result of the foregoing considerations, we made the following determinations with respect to 2020 compensation:

- In April, we elected to institute 20% base salary reductions for the Company's Named Executive Officers and other senior management, and 10 to 20% base salary reductions for certain other Restaurant Support Center employees whose base salaries were at least \$100,000, increasing on a sliding scale as their salaries increased. Based on improved performance, which began in May and June as dining rooms began to reopen, and factoring in positive cash flow, we ended these salary reductions in early September. Additionally, at that time and in order to conserve cash, we granted these employees special fully-vested stock awards in amounts designed to approximate the value of the foregone cash compensation;

- In April, we similarly chose to institute a 20% reduction in the cash compensation paid to our non-employee Board members, which remained in effect through the end of our third fiscal quarter;
- We made no payouts on our 2020 PIP to our Named Executive Officers and other senior management since the Company was unable to achieve the goals for income from operations established prior to the COVID-19 pandemic;
- Recognizing the importance of bonus compensation as part of overall compensation and to support retention efforts at the non-executive level, we approved a 30% discretionary payout in fully-vested stock awards, in lieu of cash compensation, to certain employees at the Vice President and Director levels in recognition of their contributions to meeting the operational challenges resulting from the pandemic. As explained above, our Named Executive Officers and other senior management did not receive any such payout for 2020.
- With respect to the PSUs granted in 2018 (with a three-year cliff vesting period), the Compensation Committee elected to employ structured discretion to adjust the final payouts for the 2018-2020 award. While the impact of COVID-19 on 2020 operations, without discretion, would have resulted in no payout for the three year period, in making its determination regarding payout of the 2018-2020 award, the Compensation Committee took into account management's leadership through the pandemic crisis and the fact that the Company was on track to earn 129.1% of target payout after two complete years (2018 & 2019). In light of the unexpected effect of the pandemic on operations, the Compensation Committee recommended that, in lieu of pre-determined return on invested capital and comparable sales metrics, fiscal 2020 performance for the 2018-2020 PSU grants be measured instead against discretionary objectives. These objectives included changing strategic priorities, management's response to the COVID-19 pandemic, efforts and achievements to maintain and ensure business continuity, strengthen financial position, protect employees, serve customers, and invest in new strategic sales building initiatives. As a result, the Compensation Committee approved a 30% discretionary achievement factor for 2020. This resulted in a blended approach, measuring two years of the payout (or 2/3 of the payout) at 129.1%, and one year of the payout (1/3 of the payout) at 30%, resulting in an overall payout of 96.1% of target (i.e.,  $2/3 \times 129.1\% + 1/3 \times 30\% = 96.1\%$ ). The Compensation Committee and the Board believe this approach aligns with the best interests of our shareholders and other stakeholders in recognizing the unique challenges associated with the COVID-19 pandemic and appropriately rewarding management performance and commitment for the three-year period.
- We made no changes to performance metrics or goals for 2019 or 2020 PSU in cycle grants. However, given the uncertainty as to whether comparable sales will remain a viable or relevant metric for 2020 and 2021 restaurant operations (given the impacts of the pandemic and structural differences in our business relative to others in the industry), the Compensation Committee has determined to maintain the flexibility to exercise positive or negative discretion at the time of maturity to modify metrics and payouts.

The compensation outcomes described above were carefully designed to balance and align management compensation with short- and long-term performance as well as with the retention objectives of our compensation programs, while recognizing the unforeseeable impact the COVID-19 pandemic had on our financial performance in 2020 and the extraordinary efforts of our executives and employees in navigating our business through these unprecedented circumstances.

### *2021 Compensation Key Elements*

With respect to fiscal 2021, given the continued uncertainty as to the duration of the COVID-19 pandemic, the duration and extent of any restrictions, and the impact of the gradual reopening on customer traffic and sales, the Compensation Committee made the following decisions:

- We granted no merit-based raises to our Named Executive Officers or other senior management at the beginning of 2021, electing to defer decisions on base salaries until the second half of 2021. We provided 3% raises, on average, for restaurant managers, field operations supervision team, and Restaurant Support Center personnel at the manager-level and below. In making this determination, the Compensation Committee, with the input of our Compensation Consultants, considered retention goals and competitive benchmarking from 2019, and adjusted the benchmarking to January 1, 2021 utilizing a rate of increase of 3% per year.
- For our 2021 PIP, we retained the same targeted short-term bonus payout opportunity percentages for all levels as 2020. Due to the difficulty of setting goals for income from operations (which has been our key short-term incentive metric) or other key financial indicators as a result of the continued volatility in operations and uncertainty surrounding the pandemic recovery, the 2021 PIP will include a combination of non-financial and financial goals, which will be



established throughout the year. Thresholds for determining payout will be based on a combination of: (i) actions taken to ensure recovery of the business including fortifying the balance sheet, maintaining off-premise sales at increased levels, and managing liquidity, (ii) financial metrics when the Company has increased visibility into more stable operating conditions, (iii) actions taken to advance future strategic growth opportunities, and (iv) advancement of Environmental, Social and Governance (“ESG”) factors, with a focus on inclusion, diversity and equity related initiatives. The Compensation Committee has implemented a qualitative bonus design for the first half of 2021, with the intention to implement a formal set of financial and/or strategic goals for the second half of 2021 once we have sufficient visibility to allow for meaningful financial goals to be established. Given the foregoing, we have eliminated the financial metric threshold for achieving the non-financial portion of the PIP. This allows for recognition of achievement of non-financial objectives during a period of continued uncertainty where financial goal-setting is extremely difficult.

- In January 2021, as in previous years, we granted long-term equity awards in the form of stock options, RSUs and PSUs in the same ratio (one-third each) and with the same vesting schedule as in 2020 and previous years. For the 2021 PSU grants, which cliff vest after three years in an amount based on achievement of specified goals, we eliminated comparable sales as the applicable metric due to the volatility of that metric resulting from COVID-19 related dining room closures, capacity restrictions and other relative structural differences. Instead, in light of the uncertainty surrounding recovery from the effects of the pandemic, we elected to set goals based on weekly sales average with a minimum EBITDA governor that has the potential to reduced payouts if threshold EBITDA targets are not achieved for 2022 and 2023. Given the continued lack of visibility as to a broad set of financial metrics, and our strategic focus on restaurant level sales recovery and future sales building initiatives, we believe that these metrics best align management incentives with long-term results that will deliver shareholder value.
- Additionally, when granting the 2021 long-term incentive award, the Committee approved enhancements to the value of the NEO and other senior executive grants. The Committee’s decision was motivated by a desire to provide appropriate incentives to our team to overcome the challenges and significant uncertainties in the year ahead, to capitalize on new opportunities in the business and to retain the team. We believe these long-term incentive awards motivate continued commitment to rebuild our business and increase the value of our Company, and help mitigate attrition and drive retention of these highly valued senior leaders.

### **Compensation Philosophy and Program**

The Compensation Committee’s philosophy is that executive compensation should be closely aligned with our strategy and performance on both a short- and a long-term basis, to ensure that the interests of executive officers continue to be properly aligned with long-term shareholder interests and stakeholder equity. In addition, compensation should be designed to assist us in attracting and retaining management personnel who are critical to our long-term success. To that end, the Compensation Committee’s philosophy is that executive compensation should be comprised of three principal components:

- annual base salary;
- performance-based annual cash incentive payments, which are dependent on our annual consolidated financial performance and, for officer-level executives other than the Chief Executive Officer, specific individual performance goals; and
- long-term incentive compensation in the form of stock options, RSUs, PSUs or other equity-based awards that are designed to align executive officers’ interests with those of shareholders by rewarding outstanding performance and long-term value creation.

The Compensation Committee considers a variety of factors when making compensation decisions and establishing the total compensation that it targets and pays for executive officers each year. Among these factors are:

- overall corporate performance;
- individual performance and contribution of the executive to the overall corporate performance, primarily based on the input of the Chief Executive Officer;
- equity-based compensation awarded in prior years;

- appropriate blend of short-term and long-term cash and equity compensation;
- competitive factors in the market including total compensation paid to our executives compared to amounts paid to executives in similar positions at similarly-sized companies and relative to peers within the company, both for the prior year and over a multi-year period;
- broad trends in executive compensation within the restaurant industry;
- recommendations of independent compensation consultants retained by the Compensation Committee; and
- the recommendations of our Chief Executive Officer (for Named Executive Officers and other executives other than himself).

### **Role of the Compensation Committee**

The Compensation Committee of the Board has the responsibility for establishing, implementing and continually monitoring adherence to our compensation philosophy. The goal of the Compensation Committee is to ensure that the total compensation paid to our executive officers is fair, reasonable, competitive, and properly structured to attract and retain talent and align management’s interests with those of our shareholders. The Compensation Committee reviews the performance of our officers and other key employees and reports to the Board of Directors. In such capacity, the Compensation Committee administers our executive compensation plans, reviews our general compensation and benefit programs and policies, and monitors the performance and compensation of executive officers and other key employees. The Compensation Committee also makes recommendations regarding annual cash incentives under our PIP and equity awards to executive officers and other employees pursuant to our equity compensation plans, including our Equity Incentive Plan, as amended, and determines achievement of pre-established metrics under our PIP and for PSUs under our Equity Incentive Plan.

The Compensation Committee’s charter establishes the various responsibilities of the Compensation Committee including those described above. The Compensation Committee periodically reviews and revises the charter. In addition, the Compensation Committee has the authority to hire, retain and terminate independent compensation consultants, to obtain advice and assistance from internal and external legal, accounting and other advisors, and to review study findings independent of management. The Chair of the Compensation Committee reports the Compensation Committee’s actions and recommendations to the Board of Directors following each Compensation Committee meeting.

Five independent directors, Peter A. Bassi, Larry D. Bouts, Bina Chaurasia, Noah A. Elbogen, and Lea Anne S. Ottinger, currently serve on the Compensation Committee. Ms. Ottinger serves as the Chair of the Compensation Committee. The Board has determined that each current member of the Compensation Committee and each member who served in 2020 is an independent director under applicable NASDAQ rules, a non-employee director as defined in Rule 16b-3 under the Securities Exchange Act of 1934, and an outside director as defined under Section 162(m) of the Internal Revenue Code (“Code”).

### **Role of Executive Officers in Compensation Decisions**

Subject to Board approval, the Compensation Committee makes determinations regarding the compensation of all executive officers, including base salaries and cash-based and equity-based incentive compensation programs. The Compensation Committee and the Chief Executive Officer annually review the performance of all executive officers, other than the Chief Executive Officer, including individual performance objectives for each executive officer as well as the Chief Executive Officer’s evaluation of the overall leadership and effectiveness of each executive officer. All recommendations and conclusions made by the Chief Executive Officer based on his annual reviews, including proposed base salary adjustments, annual cash incentive awards and opportunities under our PIP and annual equity awards, are presented to the Compensation Committee which, in turn, exercises its independent discretion to approve, disapprove or modify any recommended compensation adjustments or awards. The Compensation Committee annually reviews the performance and compensation of the Chief Executive Officer.

### **Consideration of Say-on-Pay Advisory Vote**

We provide our shareholders with the opportunity to cast an annual non-binding advisory vote on executive compensation (commonly referred to as “say-on-pay”). At our Annual Meeting of Shareholders held in September 2020, 97% of the votes cast on the “say-on-pay” proposal at that meeting were in favor of the proposal. The Compensation Committee believes this advisory vote affirmed shareholder support of its approach to executive compensation and, therefore, did not fundamentally change its approach in

fiscal 2020 or in establishing executive compensation for 2021. However, even with this high level of support, the Compensation Committee continues to consider and, where appropriate, implement additional changes in our executive compensation plans in an effort to further enhance the effectiveness of such plans and the competitiveness of our pay relative to our peers, and to continue to align compensation with the interests of our shareholders. The Compensation Committee will continue to consider the outcome of our annual shareholder non-binding advisory “say-on-pay” votes when making future compensation decisions for Named Executive Officers.

## **Compensation Practices and Risk**

The Compensation Committee carefully reviews our executive compensation policies and practices to ensure that they do not encourage our executives to take, or reward our executives for taking, inappropriate or excessive risks or create risks that are reasonably likely to have a material adverse effect on us. We believe the following principles and practices of our executive compensation programs support our overall compensation philosophy and work to reduce the possibility of our executive officers, either individually or as a group, making excessively risky business decisions that could maximize short-term results at the expense of long-term value:

- a significant portion of the annual cash incentive bonuses is based on broad operational business results rather than individual performance criteria or narrow financial metrics that may not correspond to overall Company results;
- the ultimate economic value provided by our long-term incentive plan is based primarily on the performance of our stock and, with respect to a portion of the equity-based awards, on our performance against established operational financial results over a three-year period;
- our cash and long-term equity incentive programs are capped, which limits any disproportionate increases in payouts in order to minimize excessive short-term risk-taking by our executive officers;
- recommendations for changes to our executive compensation programs are made only after a collaborative process involving our finance, tax, legal and human resources employees and advisors, and compensation consultants, in order to ensure diversity of thought and overall consensus;
- we maintain the competitiveness of our compensation by comparing our compensation plans with those of comparable peer companies and by annually monitoring and, with the assistance of compensation consultants, evaluating our plans against broader executive compensation trends and survey data;
- executive officers are provided only limited perquisites and are not provided with tax gross-ups with respect to such perquisites;
- we cannot, without shareholder approval, “reprice” stock options by reducing the exercise price of such stock options, exchanging such stock options for a new award with a lower exercise price, or exchanging such stock options for cash;
- we do not provide “single trigger” change in control benefits, except with respect to equity awards which are not retained or replaced with substitute awards following a change in control;
- we have stock ownership guidelines that require our Chief Executive Officer to own shares of our common stock (as determined under the guidelines) with a market value equal to three times base salary and other executive officers to own shares of our common stock with a market value equal to 1.5 times annual base salary;
- equity grants are made on a consistent schedule and are not made in anticipation of significant developments that may impact the price of our common shares; and
- none of our Named Executive Officers are entitled to guaranteed annual bonuses.

## **Compensation Consultants**

In accordance with the authority granted to the Compensation Committee under its charter, the Committee has engaged Willis Towers Watson, a leading global advisory company with significant expertise in compensation analysis and evaluation. We utilize them as our independent outside compensation consultants to advise the Compensation Committee regarding matters related to

executive compensation benchmarking, design of certain aspects of the executive compensation program, and trends and regulations pertaining to executive compensation.

Willis Towers Watson assisted the Compensation Committee in identifying relevant segments of the U.S. executive talent market and evaluating overall and specific executive officer compensation levels, mix of compensation components and competitive stock granting practices. However, the consultants did not make specific monetary recommendations with respect to individual executive officers.

All of the fees paid to Willis Towers Watson during fiscal 2020 were in connection with their work on executive and non-employee director compensation matters on behalf of the Compensation Committee. They were retained pursuant to an engagement letter, and the Compensation Committee has determined that their services do not give rise to any conflict of interest and considers the firm to have sufficient independence from us and our executive officers to allow its consultants to offer objective advice.

## **Determining Executive Compensation**

We have structured our annual and long-term incentive-based cash and non-cash executive compensation programs to motivate our executives to achieve our business goals and reward them for achieving these goals. The Compensation Committee reviews relevant market data when making compensation decisions regarding the executive officers. The Compensation Committee generally makes its annual executive compensation decisions at its meeting held in the fourth quarter of each year. Additionally, the Compensation Committee meets after our annual financial results have been audited by our independent auditor to finalize the most recently completed fiscal year's annual incentive calculations for executives and other applicable employees.

In determining executive compensation, the Compensation Committee reviews base pay, annual cash incentive opportunities and payments and equity awards and vesting for the current year and on a cumulative basis. The Compensation Committee also receives information regarding the performance of each executive based upon predetermined individual objectives and other attributes. Additionally, the Compensation Committee periodically obtains input from its advisors and compares executive compensation levels and practices for executives holding comparable positions at similarly-sized companies to aid the Compensation Committee in setting compensation at competitive levels.

Generally, the Compensation Committee's philosophy is to target base pay, target total cash compensation and target total direct compensation (base pay, annual cash incentive bonus opportunity and equity incentive awards) at approximately the 50<sup>th</sup> percentile of the relevant market. The Compensation Committee believes that targeting total direct compensation at approximately the 50<sup>th</sup> percentile enables us to remain competitive in attracting and retaining executive talent. However, the Compensation Committee does not use formulas or specifically set the compensation for our executives based solely on this industry data or based on a specific percentile of this industry data. Instead, the Compensation Committee uses this information and the executive's level of responsibility and experience, as well as the executive's success in achieving business objectives and overall leadership qualities, in determining the executive's compensation. The Compensation Committee believes that this approach allows it to take into consideration the executive's overall contribution to our growth and profitability in determining executive compensation rather than relying solely on specific peer group targets.

For purposes of benchmarking annual cash- and stock-based compensation levels to help evaluate the competitiveness of executive compensation levels in connection with establishing our 2020 executive compensation, Willis Towers Watson gathered market compensation information reflecting our Company's markets for executive talent, in order of relevance as follows:

- *Chain restaurant industry:* primary market data source was the Aon Hewitt 2019 Chain Restaurant Total Rewards Association (CRTRA) Compensation Survey;
- *Retail industry:* market data source was the Willis Towers Watson 2019 Retail/Wholesale Executive Compensation Survey Report – U.S.; and
- *General industry:* market data source was the Willis Towers Watson 2019 General Industry Executive Compensation Survey Report – U.S.

As a secondary source of market data for the Chief Executive Officer and President and Chief Financial Officer, publicly-disclosed compensation information of the following then-publicly held chain restaurant industry peer companies was referenced:

Bloomin' Brands, Inc.	Brinker International, Inc.
The Cheesecake Factory Incorporated	Dave & Buster's Entertainment, Inc.
Del Frisco's Restaurant Group, Inc. (1)	Del Taco Restaurants, Inc.
Denny's Corporation	Dine Brands Global, Inc.
Domino's Pizza, Inc.	El Pollo Loco Holdings, Inc.
Fiesta Restaurant Group, Inc.	The Habit Restaurant, Inc.
Jack in the Box, Inc.	Papa John's International, Inc.
Red Robin Gourmet Burgers, Inc.	Ruth's Hospitality Group, Inc.
Texas Roadhouse, Inc.	

(1) Del Frisco's Restaurant Group, Inc. was taken private on September 25, 2019.

The Compensation Committee believes that the above peer group of comparable companies represented an appropriate cross-section of companies, with which we compete for talent or which are similar to us in size, market capitalization, growth rate and industry, for fiscal 2020. Since our management team and the institutional investment community generally assess our performance by reference to other companies in our industry, the Compensation Committee believes that setting compensation by reference to that group allows for proper consideration relating to management retention, as well as meaningful comparisons of our actual performance against our peers and, therefore, enables the Compensation Committee to appropriately structure compensation programs for our executive officers in a manner that recognizes and rewards excellent operating performance as well as the creation of shareholder value. A significant percentage of total compensation is allocated to incentive compensation as a result of the philosophy discussed above. There is no pre-established policy or target for the allocation between either cash and non-cash or short-term and long-term incentive compensation. The Compensation Committee gathers and reviews data from its independent compensation consultants, as well as relevant information from industry sources, SEC filings and other publicly-available sources, to determine the appropriate level and mix of incentive compensation. Income from such incentive compensation is realized as a result of our performance or the individual's performance, depending on the type of award, compared to established goals.

Based on the compensation study prepared by Willis Towers Watson in the fourth quarter of 2019, the Compensation Committee approved 2020 target annual cash compensation (base salary and target annual incentive compensation) and target total direct compensation (target annual cash compensation and long-term incentive compensation) for the Named Executive Officers to be at or around the 50<sup>th</sup> percentile range of the market.

### Elements of Executive Compensation

**Base Salary.** Base salaries for executive officers are generally reviewed on an annual basis and at the time of promotion or other change in responsibilities. Increases in base salary are determined using both objective and subjective factors, such as the level of responsibility, individual performance, level of pay, both of the executive and other similarly situated executives, and the other similar companies' base salary levels. In order to assure that our base salaries remained in line with comparable industry and market base salaries and based on input from our compensation consultants, in January 2020 we granted base salary increases averaging 3.5% to our Named Executive Officers other than our CEO (who received a 2.9% base salary increase) for 2020, prior to the onset of the COVID-19 pandemic. We believe that the increases in base salaries were appropriate in light of comparable base salaries in the industry and were consistent with our desire to provide compensation in line with our competitors while still emphasizing other elements of compensation that are directly related to our performance and changes in shareholder value. As noted above, in response to the COVID-19 pandemic, we elected to implement a 20% reduction in base compensation for our Named Executive Officers and other senior management personnel. Based upon improved financial performance, base salaries were reinstated in September 2020, at which time we also granted immediately vested equity awards (in lieu of cash), in an approximate value equal to the amount of the foregone salaries, to those who experienced a salary reduction.

**Annual Cash Incentive.** Each executive officer participates in our annual PIP. Under the PIP, the annual incentive opportunity is determined based on a percentage of each officer's base salary. The Compensation Committee approves and recommends to the Board of Directors the objective performance measure or measures, bonus target percentages and all other terms and conditions of awards for each performance period (generally each fiscal year) under the PIP. For fiscal 2020, the principal objective performance measure established by the Compensation Committee at the outset of the year for the purposes of the PIP was our Consolidated Income from Operations for the fiscal year, as reflected on our Consolidated Statements of Income. The Compensation Committee believed that this metric encouraged focus on the profitability of our Company's operations, was a key driver of shareholder value creation, and was also largely within management's ability to influence and control.

Under the fiscal 2020 PIP, 70% of the executives' incentive opportunity (other than for the Chief Executive Officer) was based on the degree of achievement of our Consolidated Income from Operations target. The remaining 30% of the incentive opportunity was based on each executive's achievement of certain agreed-upon individual performance objectives, except for Mr. Trojan, whose entire bonus remained based on achievement of targeted Consolidated Income from Operations. However, in fiscal 2020, the payout percentage was reduced to 30% from 60% if the minimum targets were achieved and to 175% from 200% if the maximum targets were achieved, while continuing to require that 80% of the Consolidated Income from Operations target be satisfied in order for any payout to be made with respect to the portion of the award tied to that metric. For example, if the executive's base salary were \$350,000 and his/her total incentive opportunity were 60% of base salary (or \$210,000), then 70% of the \$210,000 total incentive opportunity (or \$147,000) would be driven by the degree of achievement of the Consolidated Income from Operations target, and 30% of the \$210,000 total incentive opportunity (or \$63,000) would be driven by the degree of achievement of individual performance objectives. The specific incentives awarded for the individual performance objectives established for each executive officer were intended to take into account the degree that each officer completed his or her agreed-upon key initiatives for the year, as well as each officer's overall leadership and effectiveness in doing so.

For the 70% of our fiscal 2020 PIP that was tied to Consolidated Income from Operations, the PIP provided for a sliding scale of the targeted Consolidated Income from Operations necessary to achieve some portion of the annual incentive opportunity:

- the 2020 PIP required a minimum threshold level of 80% of target on Consolidated Income from Operations for a payout of 30%, and
- the 2020 PIP provided for a maximum Consolidated Income from Operations percentage at 120% of target for a payout of 175%, to incentivize and reward outstanding performance while discouraging any actions or decisions that might benefit short-term performance to the detriment of our longer-term competitiveness.

For the remaining 30% of our Fiscal 2020 PIP incentive opportunity to be earned, the Company needed to meet the minimum threshold level of 80% of Consolidated Income from Operations.

**Fiscal 2020 Consolidated Income From Operations Target vs. Actual Achievement/Payout  
(Dollars in thousands)**

	<b>Threshold</b>	<b>Target</b>	<b>Maximum</b>	<b>Actual</b>
Consolidated Income from Operations (1)	\$49,210	\$61,512	\$73,814	\$(68,225)
Percentage Achieved	80%	100%	120%	(111)%
Payout Percentage Per Plan Formula	30%	100%	175%	0%

(1) Adjusted for bonuses and non-recurring expenses.

Individual goals for certain executives primarily drive performance against key corporate initiatives. These corporate initiatives are determined annually in conjunction with our business plan and are presented to the Compensation Committee and Board of Directors at our annual strategic planning meeting. For fiscal 2020, we had five categories of key objectives in which individual performance goals were established. These five key initiatives were as follows:

- People First;
- Building Sales and Awareness;
- Food & Beer Quality and Differentiation;
- Improving our Margins and Operating Cost Structure; and
- Improving our Development Strategy and Return on New Restaurant Investment.

The impact from COVID-19 on our business required us, and the restaurant industry overall, to close dining rooms at different times throughout the year and limit dine-in capacity during periods when dining rooms re-opened. As a result, Consolidated Income from Operations was below threshold for fiscal 2020. Consolidated Income from Operations, as adjusted for bonuses and non-recurring expenses that were deemed excludable under the PIP, reflected a loss of approximately \$68.2 million. This resulted in no incentive award payouts for our Named Executive Officers under the 2020 PIP. The table below shows the fiscal 2020 target annual incentive bonus for each Named Executive Officer under the PIP as compared to the actual fiscal 2020 bonus payout.

## Fiscal 2020 Annual Incentive Bonus Plan: Actual Payout vs. Target Bonus

Name	Target Bonus (as a % of Base Pay)	Actual Bonus (as a % of Base Pay)	Actual Bonus (as a % of Target Bonus)
Gregory A. Trojan	100%	0%	0%
Gregory S. Levin	65%	0%	0%
Kevin E. Mayer	60%	0%	0%
Gregory S. Lynds	60%	0%	0%
Lon F. Ledwith	60%	0%	0%
Kendra D. Miller	60%	0%	0%

**Long-Term Equity Compensation: Stock Options, RSUs and PSUs.** We design our long-term incentive compensation to drive long-term performance, to align the interests of our executives with those of our shareholders, and to retain executives through long-term vesting and wealth accumulation. In fiscal 2020, long-term incentive compensation took the form of awards of stock options, RSUs and PSUs. Award amounts for executive officers were based on external market and internal pay and performance considerations and based on a targeted economic value as determined by the Compensation Committee.

The Company's long-term equity awards generally have been allocated one-third to each of stock options, RSUs and PSUs and were allocated in this manner in 2020. The current allocation may change in the future or may change for specific circumstances involving a given executive.

The amount of annual equity awards granted to executive officers is based on a target economic value, which is generally set at approximately the 50<sup>th</sup> percentile of market data for comparable positions (where such information is available). However, as discussed above, in specific cases we set the target economic value of the equity award higher or lower than the median where appropriate, based on factors such as our prior year performance, individual executive performance and retention considerations.

Additionally, all of our restaurant general managers, executive kitchen managers, directors of kitchen operations, directors of operations, area vice presidents and certain brewing operations positions and selected high-performing Restaurant Support Center employees are eligible to receive equity awards in accordance with our Equity Incentive Plan. The grant of equity awards to our restaurant and brewing field operations teams is designed to increase employee retention and to promote long-term wealth building based on ownership of our equity.

**Stock Options.** Stock options provide the opportunity for participants to purchase shares of our Company's Common Stock at a price that is equal to our Company's stock price on the date of grant. Accordingly, we believe stock options are shareholder-aligned and performance-based, because executives realize increasing value only as the Company's stock price increases, and executives realize zero value if our Company's stock price does not increase above the grant-date stock price. In determining the size of annual stock option grants to executive officers, the Compensation Committee bases its determinations on such considerations as the value of total direct compensation for comparable positions in the market data; company and individual performance against the strategic plan for the prior fiscal year; the number and value of stock options previously granted to the executive officer; the allocation of overall share awards attributed to executive officers; and the relative proportion of long-term incentives within the total compensation mix.

All stock options granted by us during fiscal 2020 were granted as non-qualified stock options with an exercise price equal to the most recent closing price of our Common Stock as of the date of grant. Accordingly, stock options will have value only if the market price of our Common Stock increases after that date. Stock options granted to our executive officers in 2020 vest in three equal annual installments. Because employees will only realize value from their options if our stock price increases over the exercise price, the vesting schedule is designed to provide our employees with an incentive to work toward increasing the long-term value of our Common Stock.

**RSUs.** RSUs differ from stock options in that the primary purpose of RSUs is to provide a component of equity-based compensation that has a measurable value to recipients immediately upon their vesting, which we believe helps with overall retention. Such awards, when vested, are generally paid in shares and thereby have little or no out-of-pocket cost to the recipients, other than related income tax obligations which can be significant based on the number of vesting RSUs and the fair market value of our share price at the time of vesting. RSUs granted to our executive officers for 2020 vest in three equal annual installments.

The Compensation Committee believes that RSU awards are effective in attracting, motivating and retaining high-quality management talent for all levels of our organization. All of our restaurant managing directors, general managers, executive kitchen market managers, executive kitchen managers, directors of kitchen operations and directors of operations are eligible for the Gold

Standard Stock Ownership Program under our Equity Incentive Plan, and equity awards under this program are 100% in the form of RSUs. This program is a long-term wealth building program that is dependent on the participants' extended service with us in their respective positions and their achievement of certain agreed-upon performance objectives during that service period. The service period has generally been between three and five years.

**PSUs.** As with RSUs, PSUs are a component of equity-based compensation that has a measurable value to recipients immediately upon their vesting. Also like stock options and RSUs, PSUs are shareholder-aligned because their underlying value is tied to the price of our Company's Common Stock. However, PSUs differ from stock options and RSUs in that (i) predetermined performance goals must be achieved in order for the awards to vest, and (ii) the number of PSUs that vest may be higher than, lower than or equal to the target number of PSUs, based on whether performance is above, below or at those predetermined goals. Such awards, when vested, are generally paid in shares and thereby have little or no out-of-pocket cost to the recipients, other than related income tax obligations which can be significant based on the number of vesting PSUs and the fair market value of our share price at the time of vesting. PSUs granted to our executive officers for 2020 cliff vest after three years if the Company has met specific performance threshold goals. If such threshold goals are not achieved, zero PSUs are settled. The Company has awarded PSUs every year since 2014, except in 2015.

**2018 PSU Grant Outcome.** In February 2021, the Compensation Committee reviewed the performance of the Company relative to the performance targets established for PSUs granted in 2018. Prior to the impact of the COVID-19 pandemic on operations, the overall performance of the 2018 PSUs was tracking at 129.1% of target for the first two years as of the end of 2019. The performance for return on invested capital was tracking at a two-year average of 9.35%, or 108.2%, of target PSUs, and the performance for comparable restaurant sales growth over Black Box was tracking at 2.6%, or 150%, of target PSUs. In light of the unexpected effect of the pandemic on operations, the Compensation Committee recommended that, in lieu of pre-determined return on invested capital and comparable sales metrics, fiscal 2020 performance for the 2018-2020 PSU grants be measured instead against discretionary objectives. These objectives included changing strategic priorities, management's response to the COVID-19 pandemic, efforts and achievements to maintain and ensure business continuity, strengthen financial position, protect employees, serve customers, and invest in new strategic sales building initiatives. As a result, the Compensation Committee approved a 30% discretionary achievement factor for 2020. This resulted in a blended approach, measuring two years of the payout (or 2/3 of the payout) at 129.1%, and one year of the payout (1/3 of the payout) at 30%, resulting in an overall payout of 96.1% of target (i.e.,  $2/3 \times 129.1\% + 1/3 \times 30\% = 96.1\%$ ). Actual and adjusted achievements are set forth in the tables below.

<b>2018 PSU Grant Matrix – Return on Invested Capital</b>						
3 Year Average Return on Invested Capital	< 8.0%	8.0%	8.5%	9.0%	10.0%	> 11.0%
% of Target PSUs that Vest	0%	50%	75%	100%	125%	150%

<b>2018 PSU Grant Return on Invested Capital Results</b>					
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2 Yr. Average (2018 - 2019)</b>	<b>3 Yr. Average (2018 - 2020)</b>
Return on Invested Capital (1)	10.1%	8.6%	-14.6%	9.35%	1.7%
Achievement				108.2%	0.0%

<b>2018 PSU Grant Same Restaurant Comparable Sales Growth Over Black Box Index (2)</b>						
3 Year Average Comparable Sales Growth Over Black Box	< 0.0%	0.0%	0.5%	1.0%	1.5%	> 2.0%
% of Target PSUs that Vest	0%	50%	75%	100%	125%	150%

<b>2018 Same Restaurant Comparable Sales Results</b>					
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2 Yr. Average (2018 - 2019)</b>	<b>3 Yr. Average (2018 - 2020)</b>
BJ's Restaurants, Inc. (3)	5.1%	1.1%	-33.6%	3.1%	-9.1%
Black Box	1.1%	-0.1%	-21.5%	0.5%	-6.9%
Difference (4)	4.1%	1.3%	-14.3%	2.7%	-2.3%
Achievement				150.0%	0.0%

Total 3 Year Achievement (2018 - 2020)	0.0%
Total 2 Year Cumulative Achievement (2018 - 2019)	129.1%
Discretionary 2020 Achievement	30.0%
Total Adjusted Achievement	96.1%



- (1) Return on Invested Capital was adjusted in fiscal year 2018 and 2019 to reflect the adoption of Accounting Standards Update (“ASU”) 2016-10, an amendment to ASU 2014-09, Revenue from Contracts with Customers (“Topic 606”), which provided a comprehensive new revenue recognition model.
- (2) The original PSU metric provided for use of the Knapp Index as the industry comparator index; however, due to the restaurant industry’s increasing use of the Black Box Index as an industry comparable sale metric, in 2018 the Compensation Committee approved the retroactive use of the Black Box Index.
- (3) Comparable restaurant sales are based on calendar years versus BJ’s Restaurants, Inc.’s fiscal calendar.
- (4) Percentages may not reconcile due to rounding.

**2020 PSU Metrics.** For the 2020 PSU grants, as set forth in the below table, the performance criteria associated with Same Restaurant Comparable Sales Growth remained the same as 2019. Our same restaurant comparable sales metric will continue to be measured against the Black Box Index with respect to 2020 PSU grants.

<b>2020 PSU Matrix – Same Restaurant Comparable Sales Growth Over Black Box Index</b>						
3 Year Average Comparable Sales Over Black Box Index	< 0.0%	0.0%	0.5%	1.0%	1.5%	> 2.0%
% of Target Shares that Vest	0%	50%	75%	100%	125%	150%

Given the uncertainty as to whether comparable sales will remain a viable or relevant metric for 2020 restaurant operations in light of the impacts of the pandemic and structural differences in our business relative to others in the industry, the Compensation Committee maintains the flexibility to exercise positive or negative discretion at the time of grant maturity.

**Limited Executive Benefits and Perquisites.** In addition to their eligibility to participate in our Company’s customary employee benefit plans, our executive officers are entitled to receive automobile allowances as their sole executive perquisite. Except for certain additional benefits provided to Mr. Trojan in connection with the amended and restated employment agreement (as discussed under “*Compensation of Chief Executive Officer*” below), our executive officers receive no other form of executive benefit or perquisite.

## Changes for 2021

**Compensation Structure for 2021.** In designing our compensation program for fiscal 2021 and beyond, we continue to attempt to provide opportunities to our Named Executive Officers to realize significant increases in their overall compensation if their efforts prove successful in generating growth and shareholder value while, at the same time, de-emphasizing those elements of compensation that are not directly related to our performance. While this philosophy is a component of our compensation decisions for fiscal 2021, the uncertainty regarding the longer-term effects of the COVID-19 pandemic resulted in modifications to certain elements of 2021 compensation

**No Merit-Based Changes to Base Salary.** In 2021, given the on-going impact of the Covid-19 pandemic on our business and continued pressure to conserve cash, we did not grant any merit-based raises to our Named Executive Officers or other senior management but, instead, deferred any decision regarding base salaries until the second half of fiscal 2021, when we may have greater visibility to the recovery. We did provide for 3% raises on average for lower-level management and certain Restaurant Support Center personnel. Our decision making with respect to 2021 base salaries will remain consistent with our desire to provide compensation in line with our competitors while still emphasizing other elements of compensation that are directly related to our performance and changes in shareholder value.

**Modification of PIP in Response to COVID-19 Pandemic.** In March 2021, the Compensation Committee approved the fiscal 2021 PIP. While we retained the same short-term bonus payout opportunity percentage for each Named Executive Officer in 2021, given the difficulties in setting appropriate financial metrics caused by continued uncertainty surrounding the pandemic recovery and volatility in restaurant operating restrictions, the 2021 PIP will include a combination of non-financial and financial goals focused on pay-for-performance, which will be established throughout the year. Thresholds for determining payout will be based on a combination of: i) actions taken to ensure recovery of the business including fortifying the balance sheet, maintaining off-premise sales at increased levels, and managing liquidity, ii) financial metrics when the Company has increased visibility into more stable operating conditions, iii) actions taken to advance future strategic growth opportunities, and 4) advancement of ESG factors, with a focus on inclusion, diversity and equity related initiatives. We eliminated the financial metric threshold for achieving the non-financial portion of the PIP to allow for achievement of non-financial objectives during a period of continued uncertainty where financial goal-setting is extremely difficult.

**Continued Balanced Mix of Long-Term Equity Compensation in 2021.** After evaluating historical performance, prior PSU payouts, and the competitive positioning relative to market of executive officers' long-term incentive compensation and target total direct compensation, the Compensation Committee approved an enhancement to the grant date fair value of annual long-term equity compensation for the 2021 grant. Consistent with past practice, the 2021 equity awards to executive officers comprise stock options, RSUs and PSUs – each weighted one-third – as we continue to use a portfolio of equity vehicles to support our long-term compensation philosophy as well as emphasize performance and alignment of executives with our shareholders.

**Vesting Criteria for 2021 PSUs.** Consistent with past practice, the 2021 PSU grant will cliff vest after the end of the third year. The Compensation Committee modified the PSU plan design for 2021 given continuing challenges facing the restaurant industry, related uncertainty surrounding restaurant reopening, other significant challenges stemming from the COVID-19 pandemic, and our Company's need to focus on the recovery of our business. To be settled after the three-year period ending December 31, 2023, payouts of 2021 PSUs will be determined by weekly sales average (WSA) performance in relation to predetermined targets which have been established. The Committee views WSA as an important metric for evaluating performance through 2023 as the Company seeks to optimize dine-in capacity while growing our off-premise business. In addition, predetermined goals for earnings before interest, taxes, depreciation and amortization will serve as a secondary modifier (EBITDA governor) by which WSA-based payouts may be reduced but not increased. WSA and EBITDA performance will be measured after completion of fiscal 2022 and fiscal 2023 and PSU payouts will be determined after completion of the full three-year period (i.e., after completion of 2023) based on the average of 2022 and 2023 performance results. In addition, the maximum payout opportunity for 2021 PSUs will be increased to 200% of target, to further motivate and reward for strategic and operational performance and recovery upside.

**Potential COVID-19 Adjustments.** In light of the uncertainty resulting from the COVID-19 pandemic and the timing and extent of any recovery, the Compensation Committee and the Board expect to continue to evaluate the Company's performance and maintain the flexibility to exercise positive or negative discretion.

## **Equity Grant Timing Practices**

The Compensation Committee and the Board have adopted guidelines for equity grant timing practices. The guidelines approved by the Board are as follows:

**Regular Annual Equity Grant Dates.** Annual equity grants are presented and approved at the meeting of the Compensation Committee typically held in December of each year, before fiscal year-end earnings are released. The regular annual equity grant date for executive officers and Restaurant Support Center employees is the 15<sup>th</sup> of January and, for stock options, the exercise price is the most recent closing price of our Common Stock as of the date of grant. Exceptions to the annual grant date may be made in certain circumstances for administrative convenience.

For annual grants of RSUs, the Compensation Committee approves a specific dollar amount to be granted to each recipient and the number of shares has thereafter been determined by dividing the dollar amount approved by the Compensation Committee by the most recent closing market price of our Common Stock as of the date of grant.

**New Hire Grant Dates.** All equity award grants to certain newly-hired employees are made following their first day of employment and based on a matrix that has been pre-approved by the Compensation Committee. Newly-hired employees receive a grant that is one-half RSUs and one-half stock options, unless they make an election at least two weeks prior to the grant date to receive all RSUs. These grants occur on the 15<sup>th</sup> calendar day of the first month of the subsequent quarter following approval. For stock options, the exercise price is the closing price of our Common Stock on the date of grant. The number of RSUs granted to our new employees is determined by dividing the approved dollar amount by the closing market price of our Common Stock on the date of grant.

**Participants in Our Gold Standard Stock Ownership Program ("GSSOP").** All of our restaurant managing directors, general managers, executive kitchen market managers, executive kitchen managers, directors of kitchen operations, and directors of operations are eligible to participate in the Gold Standard Stock Ownership Program under our Equity Incentive Plan, as amended. The grant date for new GSSOP participants is generally the 15<sup>th</sup> day of the first month of the subsequent quarter following approval of their acceptance into the program for ease of administration. The amount of the GSSOP awards granted to a participant in the GSSOP is determined by their position and calculated as the dollar amount of their grant, as determined in the GSSOP document, divided by the most recent closing market price of our Common Stock as of the date of grant. All RSUs under the GSSOP "cliff vest" after five years from the date of grant. Additionally, participants who have completed the first five years of service under the original Gold Standard Stock Ownership Program may be eligible to participate in future GSSOP programs ("Supplemental GSSOP") depending on their current position. Each participant eligible for the Supplemental GSSOP receives the fair market value of the award in RSUs. All awards under the Supplemental GSSOP vest 33% on the third anniversary from the date of grant and 67% after five years from the

date of grant. New participants in the Supplemental GSSOP receive their grants on the 15<sup>th</sup> day of the quarter subsequent to their acceptance into the program.

**All Other Grants.** Our general practice is to issue equity grants annually or upon new employment or promotion to a qualifying management position as described above. In those instances when equity awards occur during the year due to employee promotions or other factors, the equity awards are approved in advance by the Compensation Committee, and a future grant date is selected by the Compensation Committee. The exercise price for such awards is always based on the most recent closing price of our Common Stock as of the date of grant.

### **Compensation of Chief Executive Officer**

On August 8, 2017, we entered into an amended and restated employment agreement with Gregory A. Trojan pursuant to which he was retained as our Chief Executive Officer. The terms of Mr. Trojan's employment agreement were approved by the Compensation Committee as well as the entire Board after a period of negotiation with Mr. Trojan and his advisors. The Compensation Committee evaluated compensation packages for chief executive officers at comparable restaurant companies and believed and continues to believe the employment agreement reflects appropriate and competitive compensation for services of an executive of Mr. Trojan's experience and skill set. The terms and conditions of Mr. Trojan's compensation under the employment agreement are presented below:

**Term.** Effective as of August 8, 2017, and terminating December 31, 2020 (unless earlier terminated in accordance with the terms of the employment agreement). Automatic renewals for additional one year terms unless either party gives notice of its intention not to extend at least six months prior to the scheduled termination date. Neither the Company nor Mr. Trojan gave such notice and, as a result, the termination date of Mr. Trojan's employment agreement was automatically extended to December 31, 2021.

**Base Salary.** No less than \$850,000 subject to increase at the discretion of the Company. We increased Mr. Trojan's base salary for 2020 by \$25,000 to \$875,000. As described above, Mr. Trojan's base salary was decreased for a portion of 2020 as part of a base salary reduction due to the COVID-19 pandemic. His base salary was resumed in September 2020, and he received an immediately-vesting equity grant of 1,968 shares, which was intended to approximate the value of the lost wages. We did not increase his base salary for 2021.

**Bonus Opportunity.** Annual bonus opportunity targeted at no less than 80% of Mr. Trojan's base salary. Mr. Trojan's target bonus opportunity was established under the terms of our 2020 PIP and was set at 100% of his base salary. In light of the Company's performance in 2020, Mr. Trojan did not receive a bonus.

**Life Insurance.** In lieu of any severance payments upon his death, we agreed to provide or reimburse Mr. Trojan for the after-tax cost of \$2,000,000 of life insurance (inclusive of the \$750,000 currently provided under our group life insurance plan), with a maximum annual payment of \$15,000.

**Additional Benefits.** Certain fringe benefits including up to \$3,000 per year for unreimbursed out-of-pocket costs associated with an annual physical examination, the use of a company automobile or automobile allowance of up to \$1,800 per month, and the right to participate in family group health insurance and in the other benefit plans made available to our executive officers.

**Equity Grants.** Mr. Trojan receives annual equity awards at the discretion of the Compensation Committee. If Mr. Trojan is terminated without cause, resigns for good reason, dies or suffers a disability during the term of the employment agreement, Mr. Trojan or his estate will have 12 months following termination to exercise any stock option awards. For 2020, based on the recommendation of our compensation consultants and consistent with industry practices, Mr. Trojan received a long-term equity grant valued at \$1,500,000 comprised of one-third each of stock options, RSUs and PSUs. The vesting conditions and performance criteria for PSUs are the same as those that apply to other executive officers as described above and, as noted above, may be adjusted by the Board in light of the business disruptions caused by the COVID-19 pandemic.

**Termination; Severance.** We may terminate Mr. Trojan's employment at any time. If Mr. Trojan is terminated for any reason (other than for good reason) or if Mr. Trojan dies or becomes disabled, he (or his estate) will be entitled to receive the following (the "Base Termination Payments"): (i) any accrued but unpaid base salary and accrued vacation pay, (ii) unpaid reimbursements for expenses incurred prior to termination, (iii) accrued but unpaid car allowance, and (iv) any benefits required to be paid or provided under applicable law, our plans, contracts or arrangements.

In the event of termination without cause or by Mr. Trojan for good reason, in addition to the Base Termination Payments, Mr. Trojan shall be entitled to receive the following: (i) any earned but unpaid bonus and performance-based equity for the fiscal year ending immediately before the year of termination of employment, (ii) cash payments equal to 150% of his then current base salary

(payable over 18 months), (iii) a lump sum cash payment equal to the lesser of his prior year cash bonus or 100% of the target cash bonus for the fiscal year of termination (prorated in either case based on the number of days elapsed in the year of termination), (iv) immediate vesting of unvested equity awards to the extent they would have become vested in the 90 days after termination, and (v) continuation of health insurance coverage for the lesser of 18 months, the maximum COBRA period, or until he is covered under another group health insurance plan.

Severance in Connection with Change of Control. If Mr. Trojan is terminated without cause (for reasons other than death or disability) or resigns for good reason during the 90 days prior to, or the 12 months following, a Change of Control (as such term is defined in the Equity Incentive Plan), he will be entitled to receive the following: (i) any earned but unpaid bonus and performance-based equity for the fiscal year ending immediately before the year of termination of employment, (ii) a lump sum cash payment equal to 200% of his then current base salary, (iii) a lump sum cash payment equal to the lesser of his prior fiscal year cash bonus or 100% of the target cash bonus for the fiscal year of termination, (iv) to the extent vesting is not automatically accelerated, immediate 100% vesting of any equity, including vesting of any performance-based equity as if 100% of the target performance goals for the fiscal year of termination of employment had been achieved, and (v) continuation of health insurance coverage for the lesser of 18 months, the maximum COBRA period, or until he is covered under another group health insurance plan.

### **Compensation Committee Interlocks and Insider Participation**

During all of fiscal 2020, Ms. Ottinger, Mr. Bassi, and Mr. Elbogen served on the Compensation Committee. Mr. Bouts joined the Compensation Committee in September 2020, and Ms. Chaurasia joined the Compensation Committee in November 2020. No member of the Compensation Committee who served during fiscal 2020 or who is currently serving has ever been an officer or employee of ours, a former officer of ours or any of our subsidiaries, or has ever had a relationship requiring disclosure by us under Item 404 of Regulation S-K. None of our executive officers has served on the board of directors or compensation committee of any other entity that has or has had one or more executive officers who served as a member of our Board of Directors or the Compensation Committee during fiscal 2020.

Certain of the members of our Board of Directors or their affiliates have entered into transactions or arrangements with us during the past fiscal year which transactions and arrangements are described in “Certain Relationships and Related Transactions” below.

### **Review of All Components of Executive Compensation**

The Compensation Committee and the Board of Directors have reviewed information about all components of the compensation provided to our executive officers, including base salary, annual bonus, equity compensation (including realized gains and accumulated unrealized values on stock options), perquisites and other personal benefits and the effect of retirement and change in control on stock option vesting. A summary of our compensation programs, practices and internal controls, and tables quantifying the estimated values of these components for each executive were presented to and reviewed by the Compensation Committee.

### **Clawback Policy**

The Compensation Committee may require that a PIP participant repay to us certain previously-paid compensation in accordance with the Clawback Policy. The PIP contains a “clawback” provision that applies in certain circumstances including fraud, theft, violations of laws, and intentional misconduct. Pursuant to the Clawback Policy, the Compensation Committee may (i) cause the cancellation of any actual award, (ii) require reimbursement of any actual award by a PIP participant, and (iii) effect any other right of recoupment of equity or other compensation provided under the PIP or otherwise in accordance with our policies and/or applicable law (each, a “Clawback Policy”), in each case with respect to the Clawback Policy that was in effect as of the date of grant for a particular target award. In addition, to the extent required by applicable law or as otherwise determined by the Compensation Committee, equity awards under the Equity Incentive Plan, as amended, will include clawback provisions.

### **Tax and Accounting Implications**

In designing our compensation programs, the Compensation Committee considers the effect of Section 162(m) together with other factors relevant to our business needs. We have historically taken, and intend to continue taking, appropriate actions, to the extent we believe desirable, to preserve to the greatest extent possible the deductibility of annual incentive and long-term performance awards.

Section 162(m) of the Code generally disallows a tax deduction to public corporations for compensation greater than \$1 million paid for any fiscal year to certain executive officers including the chief executive officer, chief financial officer and the three other most highly compensated executive officers (as of the end of any fiscal year). Any executive officer whose compensation is subject to Section 162(m) of the Code in taxable years beginning after December 31, 2016 will have compensation subject to Section 162(m) of the Code for all future years, including years after the executive terminates employment or dies.

The Compensation Committee has considered the impact of Section 162(m) when designing our executive compensation programs. We believe it is important to preserve flexibility in administering compensation programs as corporate objectives may not always be consistent with the requirements for full deductibility. The Compensation Committee may grant awards and provide for compensation that will not be deductible under Section 162(m) when it determines that such non-deductible arrangements are otherwise in the best interests of the Company and its shareholders. The Compensation Committee also expects to continue to provide performance-based compensation.

### **COMPENSATION COMMITTEE REPORT**

The Compensation Committee of the Board of Directors has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

### **COMPENSATION COMMITTEE**

Lea Anne S. Ottinger, Chair

Peter A. Bassi

Larry D. Bouts

Bina Chaurasia

Noah A. Elbogen

## Summary Compensation Table

The following table sets forth information concerning compensation for the fiscal year ended December 29, 2020, of our Chief Executive Officer, President and Chief Financial Officer, and each of our four other most highly compensated executive officers who were serving as of December 31, 2019, and whose salary and bonus compensation for the year ended December 29, 2020, was at least \$100,000.

### Summary Compensation Table

Name and Principal Position	Year	Salary (\$)(1)	Non-Equity Incentive Plan Compensation (\$)(2)	Stock Awards (\$)(3)(4)	Option Awards (\$)(4)	All Other Compensation (\$)	Total (\$)
Gregory A. Trojan	2020	805,136	—	1,069,905	500,260	45,503 <sup>(5)</sup>	2,420,804
Chief Executive Officer	2019	850,000	—	1,000,004	499,828	47,314 <sup>(5)</sup>	2,397,146
	2018	850,000	1,275,000	1,000,030	499,797	29,709 <sup>(5)</sup>	3,654,536
Gregory S. Levin	2020	437,051	—	437,997	200,106	12,792 <sup>(6)</sup>	1,087,946
President, Chief Financial Officer and Secretary	2019	450,000	54,000	366,686	183,279	12,792 <sup>(6)</sup>	1,066,757
	2018	425,000	342,720	333,343	166,606	12,792 <sup>(6)</sup>	1,280,461
Kevin E. Mayer	2020	356,080	—	180,997	75,041	12,792 <sup>(7)</sup>	624,910
Executive Vice President and Chief Marketing Officer	2019	375,000	45,000	150,080	74,981	12,792 <sup>(7)</sup>	657,853
	2018	358,750	288,005	133,383	66,640	12,792 <sup>(7)</sup>	859,570
Gregory S. Lynds	2020	349,648	—	180,429	75,041	9,192 <sup>(8)</sup>	614,310
Executive Vice President and Chief Development Officer	2019	375,000	45,000	150,080	74,981	9,192 <sup>(8)</sup>	654,253
	2018	370,000	295,704	133,383	66,640	9,192 <sup>(8)</sup>	874,919
Lon F. Ledwith	2020	312,843	—	177,234	75,041	12,792 <sup>(9)</sup>	577,910
Executive Vice President of Operations	2019	330,000	39,600	150,080	74,981	12,792 <sup>(9)</sup>	607,453
	2018	307,500	246,861	133,383	66,640	12,792 <sup>(9)</sup>	767,176
Kendra D. Miller	2020	312,843	—	177,234	75,041	12,792 <sup>(10)</sup>	577,910
Executive Vice President, General and Assistant Secretary	2019	330,000	39,600	150,080	74,981	12,792 <sup>(10)</sup>	607,453
	2018	307,500	202,489	100,056	49,983	12,792 <sup>(10)</sup>	672,820

- (1) The 2020 amounts reflect temporary salary reductions due to the COVID-19 pandemic.
- (2) May include amounts earned in a given fiscal year but not paid until the subsequent fiscal year.
- (3) The fair value of the RSUs is based on the most recent closing stock price of our Common Stock as of the date of grant.
- (4) The amounts in this column do not reflect amounts paid to or realized by the named individual for the respective fiscal years. Instead, these amounts reflect the aggregate grant date fair value of awards computed in accordance with FASB Codification Topic No. 718, *Compensation-Stock Compensation*. There is no guarantee that, if and when these awards are ultimately realized, they will have this or any other value. Pursuant to the SEC rules, the amounts shown have not been reduced for estimated forfeitures related to service-based vesting conditions. For additional information on the valuation assumptions with respect to 2020 grants, refer to Note 1 of our Consolidated Financial Statements in the Annual Report on Form 10-K for the year ended December 29, 2020, as filed with the SEC. Additionally, the 2020 amounts include the special fully-vested RSU grants to reimburse each named executive officer for the approximate value of the foregone cash compensation resulting from the salary reductions due to the COVID-19 pandemic.

- (5) The amount shown is the estimated value of perquisites and other personal benefits in fiscal 2020, 2019, and 2018, respectively, including group term life insurance (\$792, \$792, and \$792), auto allowance (\$27,883, \$30,025, and \$27,505), annual physical exam (\$1,828, \$1,497, and \$1,412) and life insurance premium reimbursement (\$15,000, \$15,000, and \$0).
- (6) The amount shown is the estimated value of perquisites and other personal benefits in fiscal 2020, 2019, and 2018, respectively, including group term life insurance (\$792, \$792, and \$792) and auto allowance (\$12,000, \$12,000 and \$12,000).
- (7) The amount shown is the estimated value of perquisites and other personal benefits in fiscal 2020, 2019, and 2018, respectively, including group term life insurance (\$792, \$792 and \$792) and auto allowance (\$12,000, \$12,000 and \$12,000).
- (8) The amount shown is the estimated value of perquisites and other personal benefits in fiscal 2020, 2019, and 2018, respectively, including group term life insurance (\$792, \$792 and \$792) and auto allowance (\$8,400, \$8,400 and \$8,400).
- (9) The amount shown is the estimated value of perquisites and other personal benefits in fiscal 2020, 2019, and 2018, respectively, including group term life insurance (\$792, \$792, and \$792) and auto allowance (\$12,000, \$12,000, and \$12,000).
- (10) The amount shown is the estimated value of perquisites and other personal benefits in fiscal 2020, 2019, and 2018, respectively, including group term life insurance (\$792, \$792, and \$792) and auto allowance (\$12,000, \$12,000, and \$12,000).

#### Grants of Plan-Based Awards

The following table provides certain information concerning grants of options to purchase our Common Stock and other plan-based awards made during the fiscal year ended December 29, 2020, to the persons named in the Summary Compensation Table.

#### Grants of Plan-Based Awards

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Stock Awards					Option Awards		
		Threshold (\$)(1)	Target (\$)(2)	Maximum (\$)(3)	Estimated Future Payouts Under Equity Incentive Plan Awards (4)			Number of Securities Underlying All Other Stock Awards (#)(5)	Grant Date Fair Value of Stock Awards (\$)(6)(7)	Number of Securities Underlying Option Awards (#)(8)	Exercise or Base Price of Option Awards (\$/Share)(9)	Grant Date Fair Value of Option Awards (\$)(7)(10)
					Threshold (\$)	Target (\$)	Maximum (\$)					
Gregory A. Trojan	1/15/2020	262,500	875,000	1,531,250	6,427	12,854	19,281	14,822	1,069,905	47,752	38.90	500,260
Gregory S. Levin	1/15/2020	64,838	308,750	470,844	2,571	5,142	7,713	6,211	437,997	19,101	38.90	200,106
Kevin E. Mayer	1/15/2020	48,762	232,200	354,105	965	1,929	2,894	2,800	180,997	7,163	38.90	75,041
Gregory S. Lynds	1/15/2020	47,880	228,000	347,700	965	1,929	2,894	2,784	180,429	7,163	38.90	75,041
Lon F. Ledwith	1/15/2020	42,840	204,000	311,100	965	1,929	2,894	2,694	177,234	7,163	38.90	75,041
Kendra D. Miller	1/15/2020	42,840	204,000	311,100	965	1,929	2,894	2,694	177,234	7,163	38.90	75,041

- (1) Threshold bonus amounts assume achievement of 80% of the Company's Consolidated Income from Operations target (or a 30% payout for this component), and none of the individual performance objectives for Executive Vice Presidents.
- (2) Target Bonus amounts assume achievement of 100% of the Company's Consolidated Income from Operations target and 100% of the individual performance objectives. Target awards are a percentage of base salary for fiscal 2020, as follows: 100% for Mr. Trojan, 65% for the President and Chief Financial Officer, and 60% for each of the other Named Executive Officers.
- (3) Maximum Bonus amounts assume achievement of 120% or more of the Company's Consolidated Income from Operations target (resulting in payment of 175% of this 70% component of the bonus opportunity) and 100% of

individual performance objectives (or a 100% payout for this 30% component of the bonus opportunity), except for Mr. Trojan whose bonus is solely based on the Company’s performance. For actual amounts paid under the PIP for fiscal 2020, see the column entitled “Non-Equity Incentive Plan Compensation” in the “Summary Compensation Table” included in this Proxy Statement.

- (4) These columns show the number of performance-based stock (“PSUs”) awards, subject to performance achievements, granted in fiscal 2020 to the Named Executive Officers. The criteria is based on the Company’s three year average same restaurant comparable sales growth performance compared to an industry benchmark for fiscal years 2020, 2021 and 2022. Executives are eligible to earn from 50% to 150% of the award target based on performance against benchmark, and the award is forfeited if the Company does not achieve its threshold goal.
- (5) This column shows the number of RSUs awards granted in fiscal 2020 to the Named Executive Officers and includes the special fully-vested RSU grants to reimburse each Named Executive Officer for the approximate value of the foregone cash compensation resulting from the salary reductions due to the COVID-19 pandemic. All other such RSUs vest in three equal annual installments.
- (6) The fair value of the PSUs and RSUs is based on the most recent closing stock price of our Common Stock as of the date of grant.
- (7) The amounts in this column do not reflect amounts paid to or realized by the named individual for fiscal 2020. Instead, these amounts reflect the aggregate grant date fair value of awards computed in accordance with FASB Codification Topic No. 718, *Compensation-Stock Compensation*. There is no guarantee that, if and when these awards are realized, they will have this or any other value.
- (8) This column shows the number of stock options granted in fiscal 2020 to the Named Executive Officers. All of such options vest in three equal annual installments and expire ten years from the date of grant.
- (9) This column reflects stock option grants which have an exercise price per share equal to the most recent closing stock price of our Common Stock as of the date of grant.
- (10) The fair value of options granted was estimated at the date of grant using a Black-Scholes option pricing model.

### Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information concerning equity awards for each Named Executive Officer that remained outstanding as of December 29, 2020.

#### Outstanding Equity Awards on December 29, 2020

Name	Stock Awards					Option Awards				
	Grant Date	RSU		PSU		Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date
		Number of Shares or Awards of Stock That Have Not Vested (#)(1)	Market Value of Shares or Awards of Stock That Have Not Vested (\$)(2)	Number of Shares or Awards of Stock That Have Not Vested (#)(3)	Market Value of Shares or Awards of Stock That Have Not Vested (\$)(4)					
Gregory A. Trojan	01/15/18	4,421	167,954	13,263	503,861	01/15/14	3,281	—	29.88	01/15/24
	01/15/19	6,263	237,931	9,395	355,916	01/15/15	12,408	—	47.04	01/15/25
	01/15/20	12,854	488,323	12,854	488,323	03/02/15	2,576	—	52.98	03/02/25
	—	—	—	—	—	01/15/16	11,616	—	42.41	01/15/26
	—	—	—	—	—	01/15/17	27,686	—	35.95	01/15/27
	—	—	—	—	—	01/15/18	31,002	15,505 <sup>(4)</sup>	37.70	01/15/28
	—	—	—	—	—	01/15/19	10,601	21,203 <sup>(5)</sup>	53.22	01/15/29
	—	—	—	—	—	01/15/20	—	47,752 <sup>(6)</sup>	38.90	01/15/30



Name	Stock Awards					Option Awards				
	Grant Date	RSU		PSU		Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date
		Number of Shares or Awards of Stock That Have Not Vested (#)	Market Value of Shares or Awards of Stock That Have Not Vested (\$)(1)	Number of Shares or Awards of Stock That Have Not Vested (#)(2)	Market Value of Shares or Awards of Stock That Have Not Vested (\$)(3)					
Gregory S. Levin	01/15/18	1,473	55,959	4,421	167,954	01/15/14	2,343	—	29.88	01/15/24
	01/15/19	2,296	87,225	3,445	130,876	01/15/15	16,543	—	47.04	01/15/25
	01/15/20	5,142	195,345	5,142	195,345	03/02/15	4,168	—	52.98	03/02/25
	—	—	—	—	—	01/15/16	9,292	—	42.41	01/15/26
	—	—	—	—	—	01/15/17	13,843	—	35.95	01/15/27
	—	—	—	—	—	01/15/18	10,335	5,168 <sup>(4)</sup>	37.70	01/15/28
	—	—	—	—	—	01/15/19	3,887	7,775 <sup>(5)</sup>	53.22	01/15/29
Kevin E. Mayer	01/15/18	589	22,376	1,769	67,204	07/30/14	2,538	—	34.24	07/30/24
	01/15/19	940	35,711	1,410	53,566	01/15/16	2,322	—	42.41	01/15/26
	01/15/20	1,929	73,283	1,929	73,283	01/15/17	3,691	—	35.95	01/15/27
	—	—	—	—	—	01/15/18	4,134	2,067 <sup>(4)</sup>	37.70	01/15/28
	—	—	—	—	—	01/15/19	1,591	3,180 <sup>(5)</sup>	53.22	01/15/29
	—	—	—	—	—	01/15/20	—	7,163 <sup>(6)</sup>	38.90	01/15/30
Gregory S. Lynds	01/15/18	589	22,376	1,769	67,204	01/02/13	7,695	—	33.65	01/02/23
	01/15/19	940	35,711	1,410	53,566	01/15/14	11,715	—	29.88	01/15/24
	01/15/20	1,929	73,283	1,929	73,283	01/15/15	10,340	—	47.04	01/15/25
	—	—	—	—	—	01/15/16	4,065	—	42.41	01/15/26
	—	—	—	—	—	01/15/17	5,537	—	35.95	01/15/27
	—	—	—	—	—	01/15/18	4,134	2,067 <sup>(4)</sup>	37.70	01/15/28
	—	—	—	—	—	01/15/19	1,591	3,180 <sup>(5)</sup>	53.22	01/15/29
Lon F. Ledwith	01/15/18	589	22,376	1,769	67,204	01/15/14	656	—	29.88	01/15/24
	01/15/19	940	35,711	1,410	53,566	01/15/15	4,136	—	47.04	01/15/25
	01/15/20	1,929	73,283	1,929	73,283	01/15/16	4,646	—	42.41	01/15/26
	—	—	—	—	—	01/15/17	5,537	—	35.95	01/15/27
	—	—	—	—	—	01/15/18	4,134	2,067 <sup>(4)</sup>	37.70	01/15/28
	—	—	—	—	—	01/15/19	1,591	3,180 <sup>(5)</sup>	53.22	01/15/29
	—	—	—	—	—	01/15/20	—	7,163 <sup>(6)</sup>	38.90	01/15/30
Kendra D. Miller	01/15/18	442	16,792	1,327	50,413	01/15/14	656	—	29.88	01/15/24
	01/15/19	940	35,711	1,410	53,566	01/15/15	1,655	—	47.04	01/15/25
	01/15/20	1,929	73,283	1,929	73,283	01/15/16	929	—	42.41	01/15/26
	—	—	—	—	—	01/15/17	2,768	—	35.95	01/15/27
	—	—	—	—	—	01/15/18	3,101	1,550 <sup>(4)</sup>	37.70	01/15/28
	—	—	—	—	—	01/15/19	1,591	3,180 <sup>(5)</sup>	53.22	01/15/29
—	—	—	—	—	01/15/20	—	7,163 <sup>(6)</sup>	38.90	01/15/30	

- (1) The fair value of the RSUs is based on the closing stock price of our Common Stock on December 29, 2020.
- (2) PSUs cliff vest at the end of three years if all criteria have been met, in an amount consistent with the achievement of the performance criteria; otherwise, they are cancelled in whole or part, depending on the achievement of the performance or criteria.
- (3) The fair value of the PSUs is based on the closing stock price of our Common Stock on December 29, 2020.
- (4) The unexercisable options vest in three annual installments commencing January 15, 2019.
- (5) The unexercisable options vest in three annual installments commencing January 15, 2020.
- (6) The unexercisable options vest in three annual installments commencing January 15, 2021.

### Option Exercises and Stock Vested During Last Fiscal Year

The following table sets forth information concerning each exercise of stock options and vesting of stock awards during fiscal 2020 for each of the Named Executive Officers on an aggregated basis:

Name	Stock Awards		Option Awards	
	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)(1)	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)
Gregory A. Trojan	25,532	1,027,869	—	—
Gregory S. Levin	9,218	368,244	—	—
Kevin E. Mayer	3,939	156,104	—	—
Gregory S. Lynds	4,238	166,973	—	—
Lon F. Ledwith	3,959	156,916	—	—
Kendra D. Miller	3,309	130,173	—	—

- (1) Value includes accrued dividends released and realized.

### Potential Payments upon Termination or Change in Control

Effective January 1, 2018, the Board (at the recommendation of the Compensation Committee) approved the following severance arrangements for its current executive officers:

#### Summary of Severance for Executive Officers

Title	Severance	Benefits
President, CFO and Executive Vice Presidents	12 months annual base salary	12 months of COBRA benefit payments (if not covered by another plan)
Senior Vice Presidents	6 months annual base salary plus an additional month of base salary for each full year of service (up to a maximum of 6 additional months)	COBRA benefit payments for the severance period (if not covered by another plan)

Receipt of the above severance payments is contingent upon the executive executing a release of claims. No severance payments or benefits described above shall be payable in the event of a resignation or voluntary separation from employment for any reason or in the event of termination with cause.

The severance payable to Gregory A. Trojan, the Company's Chief Executive Officer, is governed by the terms of Mr. Trojan's existing employment agreement with the Company described elsewhere in this Proxy Statement.

The following table describes the potential payments upon termination without cause or, after a change in control, termination without cause or termination for good reason for each named executive officer:

**Termination Without Cause or Termination for Good Reason  
(including Termination following a Change in Control)**

<b>Name</b>	<b>Cash Payment \$(1)</b>	<b>Acceleration of Vesting of Awards \$(3)</b>	<b>Benefits and Perquisites \$(4)</b>
Gregory A. Trojan	2,424,091(2)	2,247,806	17,841
Gregory S. Levin	475,000	834,202	13,622
Kevin E. Mayer	387,000	326,022	13,622
Gregory S. Lynds	380,000	326,022	13,622
Lon F. Ledwith	340,000	326,022	9,676
Kendra D. Miller	340,000	303,496	11,894

- (1) Assumes termination payments as of December 29, 2020, for each executive for termination without cause or for good reason.
- (2) Mr. Trojan will receive \$3,080,341 if termination follows a change of control.
- (3) Calculated based on a termination date of December 29, 2020, and the fair market value of our Common Stock as of the close on the last trading day of our fiscal year. Acceleration of vesting occurs only if termination without cause or by the Named Executive Officer for good reason occurs within one year following a change of control (as such terms are defined in our Equity Incentive Plan).
- (4) Reflects the continuation of health benefits following the termination of employment for the period specified above.

**Non-Qualified Deferred Compensation**

Selected key executives and certain other highly compensated employees, including our Named Executive Officers, are eligible to participate in a deferred compensation plan. Under this plan, a participant may elect to defer annually the receipt of up to 50% of base salary and up to 100% of other approved compensation and thereby delay taxation of these deferred amounts until actual payment of the deferred amount in future years. At the participant's election, payments can be deferred until a specific date at least one year after the year of deferral or until termination of employment (subject to earlier payment in the event of a change of control) and can be paid in a lump sum or in up to ten annual installments. Separate deferral elections can be made for each year, and in limited circumstances, existing payment elections may be changed. The amounts deferred are credited to accounts that mirror the gains and/or losses of several different publicly-available investment funds, based on the participant's election. The rate of return for each participant varies depending on the specific investment elections made by the participant. In 2020, the investment funds available to participants provided rates of return ranging from 0.3% to 52.1%.

We are not required to make any contributions to this plan and have unrestricted use of any amounts deferred by participants. Although we have established a "Rabbi Trust" to invest funds equal in amount to compensation that has been deferred, the deferred compensation plan is an unfunded, nonqualified plan, for which the benefits are to be paid out of our general assets and subject to forfeiture in the event of bankruptcy or liquidation. The plan is subject to the requirements of Section 409A of the Internal Revenue Code, and if a participant is considered a "specified employee" on his or her separation date, Section 409A requires the delay of payments for six months after such date.

The following table shows contributions and earnings during fiscal 2020 and the account balances as of December 29, 2020 (the last business day of 2020), for our Named Executive Officers under the deferred compensation plan.

### Non-Qualified Deferred Compensation Table

Name	Executive Contributions (\$)(1)	Company Contributions (\$)	Aggregate Earnings/ (Loss) (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Year-End (\$)
Gregory A. Trojan	403,365	—	8,731	(814,528)	2,920,708
Gregory S. Levin	44,125	—	74,725	(31,518)	619,716
Kevin E. Mayer	40,177	—	36,172	—	265,711
Gregory S. Lynds	—	—	—	—	—
Lon F. Ledwith	57,415	—	136,186	—	1,033,379
Kendra D. Miller	15,673	—	39,872	—	315,665

(1) These amounts represent the executive’s contributions during fiscal 2020, and are included in the “Salary” column in the Summary Compensation Table for fiscal 2020.

#### Pay Ratio Disclosure

Under Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K, the Company is required to disclose the ratio of the annual total compensation of Mr. Trojan, who served as our Chief Executive Officer for all of fiscal 2020, to the annual total compensation of our median employee. This pay ratio is a reasonable estimate calculated in accordance with applicable SEC rules based on our payroll and employment records and the methodology described below.

The overwhelming majority of our employee population consists of hourly part-time restaurant employees. To identify the median employee, we used 2020 gross wages for full-time and part-time individuals who were employed by us on December 29, 2020, other than Mr. Trojan. We did not make any assumptions, adjustments, or estimates with respect to total cash compensation. We did, however, annualize the compensation for employees who were not employed by us for all of fiscal 2020 by taking an employee’s compensation for the number of days they were employed and annualizing such amount for the full year. Our median employee for 2020 was identified as a host.

Our median employee worked an average of 24 hours per week in 2020. We calculated annual total compensation for such employee using the same methodology we use for our Named Executive Officers as set forth in the Summary Compensation Table for fiscal 2020.

Based on the foregoing, our estimated ratio of Mr. Trojan’s annual total compensation to our median employee’s annual total compensation for fiscal 2020 is as follows:

Median employee annual total compensation	\$9,044
Mr. Trojan annual total compensation	\$2,420,804
Ratio	268:1

As reflected in the “Overview of Our Response to COVID-19,” we temporarily laid off a number of employees, and our restaurants were limited to off-premise only operations for extended periods of time during the year. This resulted in significantly lower sales and as a result less hourly labor hours. Consequently, Mr. Trojan’s annual total compensation for 2020 reflects a full year of pay, whereas our median restaurant employee is an hourly employee who had significantly reduced hours. The methodologies used by public companies to determine an estimate of their pay ratio will vary and, because of the large number of part-time hourly personnel employed by restaurant companies, the pay ratios in the restaurant industry are generally higher than is the case with other industries that do not rely on part-time or hourly employees. As a result, the estimated ratio reported above should not be used as a basis for comparison between companies across industries.

**Consulting Agreement with Gerald (“Jerry”) W. Deitchle.** Effective February 1, 2013, we entered into a Consulting Agreement with Mr. Deitchle. Pursuant to the terms of the Consulting Agreement, during the period from July 1, 2013, until the earlier of (i) termination of Mr. Deitchle’s service as a member of our Board of Directors, (ii) thirty (30) days following delivery of notice of termination by us or Mr. Deitchle, or (iii) immediately upon Mr. Deitchle’s death or disability, Mr. Deitchle will receive a fee of \$1,000 per month for consulting services relating to new restaurant site selection and such other services as may be mutually agreed. In the event that such services are expected to exceed more than four hours per month, an appropriate daily fee will be negotiated.

*Investment by BJ's Act III, LLC.* See “Relationship with BJ's Act III, LLC” on page 5 above.

## **Procedures for Approval of Related Party Transactions**

To the extent that any “related-person transaction” is proposed, it is our policy that the Board or a committee designated by the Board (in each case without the participation of the related person in question) will review the material facts of the related-person transaction and either approve, ratify, reject, rescind or take other appropriate action with respect to the transaction. In considering related-person transactions, the Board takes into account the relevant available facts and circumstances including, but not limited to (i) the risks, costs and benefits to the Company, (ii) the impact on a director’s independence if the related person is a director, immediate family member of a director or an entity with which a director is affiliated, (iii) the terms of the transaction, (iv) the availability of other sources for comparable services or products, and (v) the terms available to or from, as the case may be, unrelated third parties or to or from employees generally. We do not currently have a written policy with respect to consideration of related-person transactions although certain aspects of such types of transactions are a subject of our Code of Integrity, Ethics and Conduct.

## **SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16 of the Securities Exchange Act of 1934, as amended, requires our directors and executive officers and persons who own more than 10% of a registered class of our equity securities to file various reports with the SEC concerning their holdings of, and transactions in, our securities. Copies of these filings must be furnished to us.

To our knowledge, based solely on a review of the copies of such forms furnished to us and written representations from our executive officers and directors, we believe all filings required to be made by our executive officers, directors and greater than 10% beneficial owners under Section 16 of the Securities Exchange Act of 1934 were made on a timely basis.

## **SHAREHOLDER PROPOSALS FOR 2021 ANNUAL MEETING**

*Requirements for Shareholder Proposals to be Considered for Inclusion in Our Proxy Materials.* In order for a shareholder proposal to be included in the Board of Directors’ Proxy Statement for the next Annual Meeting of Shareholders, such proposal must be received at 7755 Center Avenue, Suite 300, Huntington Beach, California 92647, Attention: Corporate Secretary, no later than the close of business on December 26, 2021.

*Requirements for Shareholder Proposals and Nominations to be Brought Before the Annual Meeting.* Our bylaws govern the submission of nominations for director or other business proposals that a shareholder wishes to have considered at a meeting of shareholders, but which are not included in our proxy statement for that meeting. Under our bylaws, nominations for director or other business proposals to be addressed at our 2022 Annual Meeting may be made by a shareholder entitled to vote who has delivered a notice to our Corporate Secretary at the address indicated above no later than the close of business on February 23, 2022, and no earlier than January 24, 2022. This notice must contain the information required by our bylaws. In the event that the 2022 Annual Meeting is called for a date that is not within 30 days of June 9, 2022, to be timely, notice by the shareholder must be so received not later than the close of business on the tenth day following the date on which announcement of the date of the 2022 Annual Meeting is first made.

These advance notice provisions are in addition to, and separate from, the requirements that a shareholder must meet in order to have a proposal included in the proxy statement under the rules of the SEC. Under SEC Rule 14a-8, in order to be eligible for inclusion in next year’s proxy statement and proxy card, shareholder proposals must be received by our Corporate Secretary at the address indicated above no later than the close of business on December 26, 2021.

The proxy solicited by the Board of Directors for the 2022 Annual Meeting of Shareholders will confer discretionary authority to vote on any proposal presented by a shareholder at that meeting for which we have not been provided with notice on or prior to March 10, 2022. If the shareholder does not comply with the requirements of Rule 14a-4(c)(2) under the Exchange Act, we may exercise discretionary voting authority under proxies that we solicit to vote in accordance with our best judgment on such shareholder proposal or nomination.

## **ANNUAL REPORT**

Accompanying this Proxy Statement is our Annual Report to Shareholders containing our Consolidated Financial Statements for the fiscal year ended December 29, 2020, which has been mailed concurrently herewith. The Annual Report to Shareholders is not incorporated in this Proxy Statement and is not deemed to be a part of the proxy solicitation material. Any shareholder who does not receive a copy of such Annual Report to Shareholders may obtain one by writing to us.

A copy of our Annual Report on Form 10-K, as filed with the SEC (exclusive of Exhibits), will be furnished by first class mail without charge to any person from whom the accompanying proxy is solicited upon written request to: BJ'S RESTAURANTS, INC., 7755 CENTER AVENUE, SUITE 300, HUNTINGTON BEACH, CALIFORNIA 92647, ATTENTION: CORPORATE SECRETARY. If exhibit copies are requested, a copying charge of \$.20 per page may be required.

#### **OTHER MATTERS**

As of the date of this Proxy Statement, the Board of Directors does not know of any other matter which will be brought before the Annual Meeting. However, if any other matter properly comes before the Annual Meeting, or any adjournment thereof, the person or persons voting the proxies will vote on such matters in accordance with their best judgment and discretion.

#### **IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 9, 2021**

The Proxy Statement related to our 2020 Annual Meeting of Shareholders, our Annual Report to Shareholders for the fiscal year ended December 29, 2020, our Annual Report on Form 10-K for the fiscal year ended December 29, 2020, and directions to attend our 2020 Annual Meeting of Shareholders are available under "Proxy Materials" in the "Investors" section of our website at <http://www.bjsrestaurants.com>. Our website address is not intended to function as a hyperlink, and the information on our website is not and should not be considered part of this Proxy Statement and is not incorporated by reference herein.

By Order of the Board of Directors,

Gerald W. Deitchle  
Chairman of the Board

Gregory A. Trojan  
Chief Executive Officer

April 23, 2021  
Huntington Beach, California

**BJ'S RESTAURANTS, INC.  
AMENDED AND RESTATED EQUITY INCENTIVE PLAN**

(As amended by the Board on April 16, 2021)

**PART I.**

**PURPOSE, ADMINISTRATION AND RESERVATION OF SHARES**

**SECTION 1. PURPOSE OF THE PLAN.** The purposes of this Plan are (a) to promote the growth and success of the Company's business, and (b) to attract and retain the most talented Employees, Officers, Directors and Consultants available, (i) by aligning the long-term interests of Employees, Officers, Directors and Consultants with those of the shareholders by providing an opportunity to acquire an equity interest in the Company and (ii) by providing both rewards for exceptional performance and long term incentives for future contributions to the success of the Company and its Subsidiaries.

The Plan permits the grant of Incentive Stock Options, Nonqualified Stock Options, Restricted Stock, Restricted Stock Units, SARs, and Performance Compensation Awards (Shares and Units) at the discretion of the Committee and as reflected in the terms of the Award Agreement. Each Award will be subject to conditions specified in the Plan, such as continued employment or satisfaction of performance criteria.

The Committee may elect to establish sub-plans or procedures governing the grants to Employees, Officers Directors and Consultants and this Plan will serve as the framework for any such sub-plans.

**SECTION 2. DEFINITIONS.** As used herein, the following definitions shall apply:

(a) "ACTIVE STATUS" shall mean (i) for Employees, the absence of any interruption or termination of service as an Employee; provided, that the Board or Committee, in its sole discretion, may determine that Active Status may continue if an Employee becomes a Consultant immediately following termination of or interruption of service as an Employee, in which case Active Status shall thereafter be determined in accordance with clause (iii) below, (ii) for Non-Employee Directors, the termination of his or her service as a member of the Board (other than in cases of removal from the Board following a Board determination of Misconduct by such Director where the Director is reelected by the shareholders at the immediately succeeding election of Directors), and (iii) for Consultants, the absence of any interruption, expiration, or termination of such person's consulting or advisory relationship with the Company or any Subsidiary or the occurrence of any termination event as set forth in such person's Award Agreement. Active Status shall not be considered interrupted (A) for an Employee in the case of sick leave, maternity leave, infant care leave, medical emergency leave, military leave, or any other leave of absence properly taken in accordance with the policies of the Company or any applicable Subsidiary as may be in effect from time to time, and (B) for a Consultant, in the case of any temporary interruption in such person's availability to provide services to the Company or any Subsidiary which has been granted in writing by an authorized Officer of the Company. Whenever a mandatory severance period applies under applicable law with respect to a termination of service as an Employee, Active Status shall be considered terminated upon such Employee's receipt of notice of termination in whatever form prescribed by applicable law.

(b) "AUTOMATIC EXERCISE DATE" shall mean, with respect to an Option or SAR, the last business day of the term of an Option or SAR that was initially established by the Administrator for such Option or SAR.

(c) "AWARD" shall mean any award or benefits granted under the Plan, including Options, Restricted Stock, Restricted Stock Units, SARs, Performance Shares and Performance Units.

(d) "AWARD AGREEMENT" shall mean a written or electronic agreement between the Company and the Participant setting forth the terms of the Award.

(e) "BENEFICIAL OWNERSHIP" shall have the meaning set forth in Rule 13d-3 promulgated under the Exchange Act.

(f) "BOARD" shall mean the Board of Directors of the Company.

(g) "CHANGE OF CONTROL" shall mean the first day that any one or more of the following conditions shall have been satisfied:

(i) the sale, liquidation or other disposition of all or substantially all of the Company's assets in one or a series of related transactions;

(ii) an acquisition (other than directly from the Company) of any outstanding voting securities by any person, after which such person (as the term is used for purposes of Section 13(d) or 14(d) of the Exchange Act) has Beneficial Ownership of fifty percent (50%) or more of the then outstanding voting securities of the Company, other than a Board-approved transaction;

(iii) during any 36-consecutive month period, the individuals who, at the beginning of such period, constitute the Board ("Incumbent Directors") cease for any reason other than death to constitute at least a majority of the members of the Board; provided however that except as set forth in this Section 2(g)(iii), an individual who becomes a member of the Board subsequent to the beginning of the 36-month period, shall be deemed to have satisfied such 36-month requirement and shall be deemed an Incumbent Director if such Director was elected by or on the recommendation of or with the approval of at least two-thirds of the Directors who then qualified as Incumbent Directors either actually (because they were Directors at the beginning of such period) or by operation of the provisions of this section; if any such individual initially assumes office as a result of or in connection with either an actual or threatened solicitation with respect to the election of Directors (as such terms are used in Rule 14a-12(c) of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitations of proxies or consents by or on behalf of a person other than the Board, then such individual shall not be considered an Incumbent Director; or

(iv) a merger, consolidation or reorganization of the Company, as a result of which the shareholders of the Company immediately prior to such merger, consolidation or reorganization own directly or indirectly immediately following such merger, consolidation or reorganization less than fifty percent (50%) of the combined voting power of the outstanding voting securities of the entity resulting from such merger, consolidation or reorganization.

(h) "CODE" shall mean the Internal Revenue Code of 1986, as amended.

(i) "COMMITTEE" shall mean the Compensation Committee appointed by the Board.

(j) "COMMON STOCK" shall mean the common stock of the Company, no par value per share.

(k) "COMPANY" shall mean BJ's Restaurants, Inc., a California corporation, and any successor thereto.

(l) "CONSULTANT" shall mean any person, except an Employee, engaged by the Company or any Subsidiary of the Company, to render personal services to such entity, including as an advisor, pursuant to the terms of a written agreement.

(m) "DIRECTOR" shall mean a member of the Board.

(n) "DISABILITY" shall mean (i) in the case of a Participant whose employment with the Company or a Subsidiary is subject to the terms of an employment or consulting agreement that includes a definition of "Disability" as used in this Plan shall have the meaning set forth in such employment or consulting agreement during the period that such employment or consulting agreement remains in effect; and (ii) in all other cases, the term "Disability" as used in this Plan shall have the same meaning as set forth under the Company's long-term disability plan applicable to the Participant as may be amended from time to time, and in the event the Company does not maintain any such plan with respect to a Participant, a physical or mental condition resulting from bodily injury, disease or mental disorder which renders the Participant incapable of continuing his or her usual and customary employment with the Company or a Subsidiary, as the case may be, for a period of not less than 120 days or such other period as may be required by applicable law.

(o) "EMPLOYEE" shall mean any person, including an Executive Officer or Officer, who is a common law employee of, receives remuneration for personal services to, is reflected on the official human resources database as an employee of, and is on the payroll of the Company or any Subsidiary of the Company. A person is on the payroll if he or she is paid from or at the direction of the payroll department of the Company, or any Subsidiary of the Company. Persons providing services to the Company, or to any Subsidiary of the Company, pursuant to an agreement with a staff leasing organization, temporary workers engaged through or employed by temporary or leasing agencies, and workers who hold themselves out to the Company, or a Subsidiary to which they are providing services as being independent contractors, or as being employed by or engaged through another company while providing the services, and persons covered by a collective bargaining agreement (unless the collective bargaining agreement applicable to the person specifically provides for participation in this Plan) are not Employees for purposes of this Plan and do not and cannot participate in this Plan, whether or not such persons are, or may be reclassified by the courts, the Internal Revenue Service, the U.S. Department of Labor, or other person or entity as, common law employees of the Company, or any Subsidiary, either solely or jointly with another person or entity.



(p) “EXCHANGE ACT” shall mean the Securities Exchange Act of 1934, as amended.

(q) “EXECUTIVE OFFICERS” shall mean the officers of the Company as such term is defined in Rule 16a-1 under the Exchange Act.

(r) “FAIR MARKET VALUE” shall mean the closing price per share of the Common Stock on Nasdaq as to the date specified (or the previous trading day if the date specified is a day on which no trading occurred), or if Nasdaq shall cease to be the principal exchange or quotation system upon which the shares of Common Stock are listed or quoted, then such exchange or quotation system as the Company elects to list or quote its shares of Common Stock and that the Committee designates as the Company’s principal exchange or quotation system, or at the discretion of the Committee in the case that the Company ceases to be publicly traded.

(s) “INCENTIVE STOCK OPTION” shall mean any Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(t) “INDEPENDENT DIRECTOR” shall mean a Director who: (1) meets the independence requirements of Nasdaq, or if Nasdaq shall cease to be the principal exchange or quotation system upon which the shares of Common Stock are listed or quoted, then such exchange or quotation system as the Company elects to list or quote its shares of Common Stock and that the Committee designates as the Company’s principal exchange or quotation system; (2) qualifies as a “non-employee director” under Rule 16b-3 promulgated under the Exchange Act; and (3) satisfies independence criteria under any other applicable laws or regulations relating to the issuance of Shares to Employees.

(u) “MAXIMUM ANNUAL PARTICIPANT AWARD” shall have the meaning set forth in Section 6(b).

(v) “MISCONDUCT” shall mean any of the following; provided, however, that with respect to Non-Employee Directors “Misconduct” shall mean subsection (viii) only:

(i) any material breach of an agreement between the Participant and the Company or any Subsidiary;

(ii) willful unauthorized use or disclosure of confidential information or trade secrets of the Company or any Subsidiary by the Participant;

(iii) the Participant’s continued willful and intentional failure to satisfactorily perform Participant’s essential responsibilities;

(iv) material failure of the Participant to comply with rules, policies or procedures of the Company or any Subsidiary as they may be amended from time to time, including, without limitation, failure to comply with (1) the Company's Code of Ethics and Code of Conduct, (2) policies and procedures of the Company relating to use and maintenance of facilities and equipment, or (3) policies and procedures of the Company relating to the occurrence, reporting or investigation of any harassment or discrimination allegations or complaints;

(v) Participant’s dishonesty, fraud or gross negligence related to the business or property of the Company or any Subsidiary;

(vi) personal conduct that is materially detrimental to the business of the Company or any Subsidiary;

(vii) conviction of or plea of nolo contendere to a felony;

(viii) in the case of Non-Employee Directors, (1) the removal from the Board for cause in accordance with the provisions of Section 302 of the California Corporations Code, (2) the removal from the Board as a result of a shareholder suit in accordance with the provisions of Section 304 of the California Corporations Code, (3) the determination by at least a majority of the disinterested members of the Board that such Non-Employee Director has materially breached his or her fiduciary duties or duties of loyalty to the Company or has grossly abused such Non-Employee Director's authority with respect to the Company, (4) the determination by at least a majority of the disinterested members of the Board that such Non-Employee Director has committed fraudulent or dishonest acts which have or could reasonably be expected to have a material adverse effect on the Company, or (5) the determination by at least a majority of the disinterested members of the Board that such Non-Employee Director has materially failed to comply with rules, policies or procedures of the Company applicable to Non-Employee Directors, as they may be amended from time to time;

- (ix) intentional or negligent acts or omissions that cause the Company or any Subsidiary to be subject to a fine, citation, shut down, or other disciplinary action by any federal, state or local governmental agency, including, without limitation, any agency regulating health, occupational safety, alcoholic beverage control or immigration;
- Subsidiary;
- (x) Participant's inducing any customer or supplier to break or terminate any contract with the Company or any Subsidiary;
- (xi) Participant's inducing any principal for whom the Company or any Subsidiary acts as an agent to terminate such agency relationship;
- (xii) causes a fire, explosion or other catastrophic event involving the facilities or equipment of the Company or any Subsidiary that could have been reasonably avoided by following the established policies of the Company or any Subsidiary;
- (xiii) Participant's solicitation of any of the Company's agents or employees to provide services to any other business or entity; or
- (xiv) with respect to any Participant whose employment with the Company or a Subsidiary is subject to the terms of an effective employment or consulting agreement that includes a definition of "Cause," conduct by Participant that constitutes "Cause."
- (w) "NASDAQ" shall mean the Nasdaq Global Select Market.
- (x) "NON-EMPLOYEE DIRECTOR" shall mean a Director who is not an Employee.
- (y) "NONQUALIFIED STOCK OPTION" shall mean an Option that does not qualify or is not intended to qualify as an Incentive Stock Option.
- (z) "OFFICER" shall mean any Executive Officer of the Company as well as any president, vice president, secretary or treasurer duly appointed by the Board, or any other person designated as an officer by the Board or by the Bylaws of the Company.
- (aa) "OPTION" shall mean a stock option granted pursuant to Section 10 of the Plan, including a Nonqualified Stock Option and an Incentive Stock Option.
- (bb) "OPTIONEE" shall mean a Participant who has been granted an Option.
- (cc) "PARENT" shall mean a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.
- (dd) "PARTICIPANT" shall mean an Employee, Officer, Director or Consultant granted an Award.
- (ee) "PERFORMANCE COMPENSATION AWARD" means any Awards designated by the Committee as a Performance Compensation Award pursuant to Section 13 of the Plan, including Performance Shares and Performance Units.
- (ff) "PERFORMANCE CRITERIA" shall mean one or more of the following (as selected by the Committee) criterion or criteria that the Committee shall select for purposes of establishing the Performance Goal(s) for a Performance Period with respect to any Award under the Plan: (i) cash flow; (ii) earnings per share, including as adjusted (A) to exclude the impact of any (1) significant acquisitions or dispositions of businesses by the Company, (2) one-time, non-operating charges, or (3) accounting changes (including the early adoption of any accounting change mandated by any governing body, organization or authority); and (B) for any stock split, stock dividend or other recapitalization; (iii) earnings before interest, taxes, and amortization; (iv) return on equity; (v) total shareholder return; (vi) share price performance; (vii) return on capital; (viii) return on assets or net assets; (ix) revenue; (x) income; (xi) operating income; (xii) operating profit; (xiii) profit margin; (xiv) return on operating revenue; (xv) return on invested capital; (xvi) market price; (xvii) brand recognition/acceptance; (xviii) customer satisfaction; (xix) productivity; or (xx) sales growth and volume. With respect to Performance Compensation Awards initially granted following December 31, 2017, the Performance Criteria may consist of such other Company-wide, divisional, or individual goals, or any other basis determined by the Committee in its discretion.

(gg) "PERFORMANCE FORMULA" means, for a Performance Period, one or more objective formulas or standards established by the Committee for purposes of determining whether or the extent to which a Performance Compensation Award has

been earned based on the level of performance attained or to be attained with respect to one or more Performance Goals. Performance Formulae may vary from Performance Period to Performance Period and from Participant to Participant and may be established on a stand-alone basis, in tandem or in the alternative.

(hh) "PERFORMANCE GOAL" means, for a Performance Period, the one or more goals established by the Committee for the Performance Period based on the Performance Criteria. Performance Goals may be established based on Performance Criteria with respect to the Company or any of its Subsidiaries, divisions or operational units, or any composition thereof.

(ii) "PERFORMANCE PERIOD" means one or more periods of time as the Committee may designate, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's rights in respect of a Performance Compensation Award.

(jj) "PERFORMANCE SHARE" means a Performance Compensation Award granted pursuant to Section 13 of the Plan that is denominated in a specified number of Shares, which Shares or their future cash equivalent (or a combination of both) may be paid to the Participant upon achievement of applicable Performance Goals during the relevant Performance Period as the Committee shall establish.

(kk) "PERFORMANCE UNIT" means a Performance Compensation Award granted pursuant to Section 13 of the Plan that has a dollar value set by the Committee (or that is determined by reference to a Performance Formula), which value may be paid to the Participant in cash, in Shares, or such combination of cash and Shares as the Committee may determine in its sole discretion, upon achievement of applicable Performance Goals during the relevant Performance Period as the Committee shall establish.

(ll) "PLAN" shall mean this Amended and Restated BJ's Restaurants, Inc. Equity Incentive Plan, including any amendments thereto.

(mm) "REPRICE" shall mean (i) the adjustment or amendment of the exercise price of Options or SARs previously awarded whether through amendment, cancellation, replacement of grants or any other means, or (ii) the repurchase of outstanding Options for cash at a time when the exercise price of the repurchased Options is above the Fair Market Value of the underlying Common Stock.

(nn) "RESIGNATION (OR RESIGN) FOR GOOD REASON" shall mean (i) in the case of a Participant whose employment with the Company or a Subsidiary is subject to the terms of an employment or consulting agreement that includes a definition of "Resignation for Good Reason" (or similar terms) as used in this Plan shall have the meaning set forth in such employment or consulting agreement during the period that such employment or consulting agreement remains in effect, or (ii) in all other cases, any voluntary termination by written resignation of the Active Status of any Officer or Employee of the Company after a Change of Control because of: (1) a material reduction in the Officer's or Employee's authority, responsibilities or scope of employment; (2) an assignment of duties to the Officer or Employee inconsistent with the Officer's or Employee's role at the Company (including its Subsidiaries) prior to the Change of Control, (3) a reduction in the Officer's base salary; (4) solely with respect to an Officer, a material adverse change in such Officer's reporting relationship, (5) a material reduction in the Officer's or Employee's benefits unless such reduction applies to all Officers or Employees of comparable rank; or (6) the relocation of the Officer's or Employee's primary work location more than fifty (50) miles from the Officer's primary work location prior to the Change of Control; provided that the Officer's or Employee's written notice of voluntary resignation must be tendered within one (1) year after the Change of Control, and shall specify which of the events described in (1) through (6) resulted in the resignation.

(oo) "RESTRICTED STOCK" shall mean a grant of Shares pursuant to Section 11 of the Plan.

(pp) "RESTRICTED STOCK UNITS" shall mean a grant of the right to receive Shares in the future or their cash equivalent (or both) pursuant to Section 11 of the Plan.

(tt) "RETIREMENT" shall mean, with respect to any Non-Employee Director, ceasing to be a Director pursuant to election by the Company's shareholders or by voluntary resignation with the approval of the Board's Chairman (or a majority of the disinterested members of the Board) after having served continuously on the Board for at least six years.

(qq) "SAR" shall mean a stock appreciation right awarded pursuant to Section 12 of the Plan.

(rr) "SEC" shall mean the Securities and Exchange Commission.

(ss) "SHARE" shall mean one share of Common Stock, as adjusted in accordance with Section 5 of the Plan.

(tt) “STAND-ALONE SARs” shall have the meaning set forth in Section 12(b) of the Plan.

(uu) “SUBCOMMITTEE” shall have the meaning set forth in Section 3(d).

(vv) “SUBSIDIARY” shall mean (1) in the case of an Incentive Stock Option a “subsidiary corporation,” whether now or hereafter existing, as defined in Section 424(f) of the Code, and (2) in the case of a Nonqualified Stock Option, Restricted Stock, a Restricted Stock Unit, SAR, Performance Shares, or Performance Units, in addition to a subsidiary corporation as defined in (1), (A) a limited liability company, partnership or other entity in which the Company controls fifty percent (50%) or more of the voting power or equity interests, or (B) an entity with respect to which the Company possesses the power, directly or indirectly, to direct or cause the direction of the management and policies of that entity, whether through the Company’s ownership of voting securities, by contract or otherwise.

SECTION 3. ADMINISTRATION OF THE PLAN. AUTHORITY. The Plan shall be administered by the Committee. The Committee shall have full and exclusive power to administer the Plan on behalf of the Board, subject to such terms and conditions as the Committee may prescribe. Notwithstanding anything herein to the contrary, the Committee’s power to administer the Plan, and actions the Committee takes under the Plan, shall be limited by the provisions set forth in the Committee’s charter, as such charter may be amended from time to time, and the further limitation that certain actions may be subject to review and approval by either the full Board or a panel consisting of all of the Independent Directors of the Company.

(b) POWERS OF THE COMMITTEE. Subject to the other provisions of this Plan, the Committee shall have the authority, in its discretion:

(i) to grant Incentive Stock Options, Nonqualified Stock Options, Restricted Stock, Restricted Stock Units, SARs, Performance Shares, Performance Units and any other Awards authorized under this Plan to Participants and to determine the terms and conditions of such Awards, including the determination of the Fair Market Value of the Shares and the exercise price and unit price, and to modify or amend each Award, with the consent of the Participant when required;

(ii) to determine the Participants, to whom Awards, if any, will be granted hereunder, the timing, vesting and exercisability of such Awards, and the number of Shares to be represented by each Award;

(iii) to construe and interpret the Plan and the Awards granted hereunder;

(iv) to prescribe, amend, and rescind rules and regulations relating to the Plan, including the form of Award Agreement, and manner of acceptance of an Award, such as correcting a defect or supplying any omission, or reconciling any inconsistency so that the Plan or any Award Agreement complies with applicable law, regulations and listing requirements and to avoid unanticipated consequences deemed by the Committee to be inconsistent with the purposes of the Plan or any Award Agreement;

(v) to establish performance criteria for Awards made pursuant to the Plan in accordance with a methodology established by the Committee, and to determine whether performance goals have been attained;

(vi) to accelerate or defer (with the consent of the Participant) the exercise or vested date of any Award;

(vii) to authorize any person to execute on behalf of the Company any instrument required to effectuate the grant of an Award previously granted by the Committee;

(viii) to establish sub-plans, procedures or guidelines for the grant of Awards to Employees, Executive Officers, Officers, Directors, Non-Employee Directors and Consultants; and

(ix) to make all other determinations deemed necessary or advisable for the administration of the Plan;

Provided that, no consent of a Participant is necessary under clauses (i) or (vi) if a modification, amendment, acceleration, or deferral, in the reasonable judgment of the Committee confers a benefit on the Participant or is made pursuant to an adjustment in accordance with Section 5.

(c) EFFECT OF COMMITTEE’S DECISION. All decisions, determinations, and interpretations of the Committee shall be final and binding on all Participants, the Company (including its Subsidiaries), any shareholder and all other persons.

(d) DELEGATION. Consistent with the Committee's charter, as such charter may be amended from time to time, the Committee may delegate (i) to one or more separate committees consisting of members of the Committee or other Directors who are Independent Directors (any such committee a "Subcommittee"), or (ii) to an Executive Officer of the Company, the ability to grant Awards and take the other actions described in Section 3(b) with respect to Participants who are not Executive Officers, and such actions shall be treated for all purposes as if taken by the Committee; provided that the grant of Awards shall be made in accordance with parameters established by the Committee. Any action by any such Subcommittee or Executive Officer within the scope of such delegation shall be deemed for all purposes to have been taken by the Committee.

(e) ADMINISTRATION. The Committee may delegate the administration of the Plan to an Officer or Officers of the Company, and such administrator(s) may have the authority to directly, or under their supervision, execute and distribute agreements or other documents evidencing or relating to Awards granted by the Committee under this Plan, to maintain records relating to the grant, vesting, exercise, forfeiture or expiration of Awards, to process or oversee the issuance of Shares upon the exercise, vesting and/or settlement of an Award, to interpret the terms of Awards and to take such other actions as the Committee may specify. Any action by any such administrator within the scope of its delegation shall be deemed for all purposes to have been taken by the Committee and references in this Plan to the Committee shall include any such administrator, provided that the actions and interpretations of any such administrator shall be subject to review and approval, disapproval or modification by the Committee.

(f) INDEMNIFICATION. In addition to such other rights of indemnification as they may have as Directors or members of the Committee, and to the extent allowed by applicable law, any person(s) acting as administrator(s) and each of the administrator's consultants shall be indemnified by the Company against the reasonable expenses, including attorney's fees, actually incurred in connection with any action, suit or proceeding or in connection with any appeal therein, to which the administrator(s) or any of such administrator's consultants may be party by reason of any action taken or failure to act under or in connection with the Plan or any Award granted under the Plan, and against all amounts paid by the administrator(s) or any of such administrator's consultants in settlement thereof (provided that the settlement has been approved by the Company, which approval shall not be unreasonably withheld) or paid by the administrator(s) or any of such administrator's consultants in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such administrator(s) or any of such administrator's consultants did not act in good faith and in a manner which such person reasonably believed to be in the best interests of the Company, and in the case of a criminal proceeding, had no reason to believe that the conduct complained of was unlawful; provided, however, that within sixty (60) days after institution of any such action, suit or proceeding, such administrator(s) or any of such administrator's consultants shall, in writing, offer the Company the opportunity at its own expense to handle and defend such action, suit or proceeding.

#### SECTION 4. SHARES SUBJECT TO THE PLAN.

(a) RESERVATION OF SHARES. The shares of Common Stock reserved under this Plan will be Nine Million Three Hundred Seventy Three Thousand Four Hundred Twenty-Eight (9,373,428) Shares (adjusted, proportionately, in the event of any stock split or stock dividend with respect to the Shares) consisting of (i) Seven Million Five Hundred Thirty Three Thousand Four Hundred Twenty Eight (7,533,428) shares reserved as of March 31, 2021, plus (ii) One Million Eight Hundred Forty Thousand (1,840,000) additional Shares authorized by the Board and subject to approval of this Amended and Restated Equity Incentive Plan by the shareholders at the Company's 2021 Annual Meeting of Shareholders. All of reserved shares under the Plan may be granted as Incentive Stock Options under the Plan. The aggregate number of Shares available for issuance under the Plan will be reduced by one Share for each Share delivered in settlement of an Option or SARs and by one and one-half (1.5) Shares for each Share delivered in settlement of any Award of Restricted Stock, Restricted Stock Units, or Performance Shares or Performance Units unless a greater reduction is specified by the Committee with respect to a specific Award grant. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan. The Shares may be authorized but unissued, or reacquired shares of Common Stock.

(b) AVAILABILITY OF SHARES FOR FUTURE AWARDS. If an Award expires, is forfeited or becomes unexercisable for any reason, the undelivered Shares which were subject thereto shall, unless the Plan shall have been terminated, become available for future Awards under the Plan. Notwithstanding anything to the contrary set forth in this Section 4(b), with respect to Option or SAR Awards, any Shares tendered or withheld as payment of an exercise price and any Shares withheld to satisfy withholding tax obligations, shall not be available for subsequent issuance under the Plan.

(c) TIME OF GRANTING AWARDS. The date of grant of an Award shall, for all purposes, be the date on which the Company completes the corporate action relating to the grant of such Award and all conditions to the grant have been satisfied, provided that conditions to the exercise of an Award shall not defer the date of grant. Notice of a grant shall be given to each Participant to whom an Award is so granted within a reasonable time after the determination has been made.

(d) **SECURITIES LAW COMPLIANCE.** Shares shall not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated under either such Act, and the requirements of any stock exchange or quotation system upon which the Shares may then be listed or quoted, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(e) **SUBSTITUTIONS AND ASSUMPTIONS.** The Board or the Committee shall have the right to substitute or assume Awards in connection with mergers, reorganizations, separations, or other transactions to which Section 424(a) of the Code applies, provided such substitutions and assumptions are permitted by Section 424 of the Code and the regulations promulgated thereunder. The number of Shares reserved pursuant to Section 4(a) may be increased by the corresponding number of Awards assumed and, in the case of a substitution, by the net increase in the number of Shares subject to Awards before and after the substitution.

**SECTION 5. ADJUSTMENTS TO SHARES SUBJECT TO THE PLAN.** If any change is made to the Shares by reason of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change affecting the outstanding Shares as a class without the Company's receipt of consideration, appropriate adjustments shall be made to (i) the maximum number and/or class of securities issuable under the Plan, (ii) the number and/or class of securities and/or the price per Share covered by outstanding Awards under the Plan and (iii) the Maximum Annual Participant Award. The Committee may also make adjustments described in (i)-(iii) of the previous sentence in the event of any distribution of assets to shareholders other than a normal cash dividend, if any. In determining adjustments to be made under this Section 5, the Committee may take into account such factors as it deems appropriate, including the restrictions of applicable law and the potential tax consequences of an adjustment, and in light of such factors may make adjustments that are not uniform or proportionate among outstanding Awards. Adjustments, if any, and any determinations or interpretations, including any determination of whether a distribution is other than a normal cash dividend, made by the Committee shall be final, binding and conclusive. For purposes of this Section 5, conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration."

Except as expressly provided herein, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to an Award.

## **PART II.**

### **TERMS APPLICABLE TO ALL AWARDS**

**SECTION 6. GENERAL ELIGIBILITY; AWARD LIMITATIONS.**

(a) **AWARDS.** Awards may be granted to Participants who are Employees, Directors or Consultants; provided however that Incentive Stock Options may only be granted to Employees.

(b) **MAXIMUM ANNUAL PARTICIPANT AWARD.** The aggregate number of Shares with respect to which an Award or Awards may be granted to any one Participant in any one taxable year of the Company (the "Maximum Annual Participant Award") shall not exceed 500,000 shares of Common Stock (increased, proportionately, in the event of any stock split or stock dividend with respect to the Shares). In addition, no Non-Employee Director shall be granted one or more Awards within any fiscal year of the Company, solely with respect to service as a Director, that in the aggregate exceed five hundred thousand dollars (\$500,000) in aggregate value of cash-based and other Awards, with such value determined by the Committee as of the date of grant of the Awards. For purposes of clarification regarding the foregoing limit, Awards granted in previous fiscal years will not count against the Award limits in subsequent fiscal years even if the Awards from previous fiscal years are earned or otherwise settled in fiscal years following the fiscal year in which they are granted.

(c) **NO EMPLOYMENT/SERVICE RIGHTS.** Nothing in the Plan shall confer upon any Participant the right to an Award or to continue in service as an Employee or Consultant for any period of specific duration, or interfere with or otherwise restrict in any way the rights of the Company (or any Subsidiary employing or retaining such person), or of any Participant, which rights are hereby expressly reserved by each, to terminate such person's services at any time for any reason, with or without cause. ).

(d) **AWARDS TO NON-EMPLOYEE DIRECTORS.** Subject to the limitations set forth in this Plan, Non-Employee Directors shall receive periodic Awards under the Plan with the exact amount and nature of such Awards being approved from time to time by the Committee and/or the Board.

(e) **CLAWBACK/RECOVERY.** All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of Nasdaq or any other national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Committee may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Committee determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of cause as determined by the Committee.

(f) **MINIMUM VESTING PERIOD.** Notwithstanding anything to the contrary contained in this Plan, no Award granted under this Plan may have a vesting period of less than one year (other than as a result of a Participant's death or Disability or as a result of a Change of Control in accordance with Section 9(a) of this Plan); provided, however, the Board or Committee may authorize the grant of Awards with no minimum vesting periods or vesting periods of less than one year so long as the total number of Shares issued or issuable with respect to such Awards does not exceed five percent (5%) of the total number of Shares authorized under the Plan.

(g) **COMPLIANCE WITH SECTION 409A.** It is the intention of this Plan that any Awards granted hereunder shall satisfy the additional conditions applicable to nonqualified deferred compensation under Section 409A of the Code. No Award shall provide for deferral of compensation that does not comply with Section 409A of the Code, unless the Board or Committee, at the time of grant, specifically provides that the Award is not intended to comply with Section 409A of the Code. In the event that an Award is determined to constitute "nonqualified deferred compensation" that would be subject to the additional tax under Section 409A(a)(1)(B) of the Code (or any successor provisions), the Committee shall have the authority to impose such additional conditions as it deems necessary to avoid the imposition of the additional tax. Notwithstanding anything to the contrary set forth in this Plan, the Company shall have no liability to any Participant or any other person (i) if an Award does not satisfy the additional conditions applicable to nonqualified deferred compensation under Section 409A of the Code or (ii) for any other unexpected tax consequence affecting any Participant or other person due to the receipt or settlement of any Award granted hereunder.

#### SECTION 7. PROCEDURE FOR EXERCISE OF AWARDS; RIGHTS AS A SHAREHOLDER.

(a) **PROCEDURE.** An Award shall be exercised when written, electronic or verbal notice of exercise has been given to the Company, or the brokerage firm or firms approved by the Company to facilitate exercises and sales under this Plan, in accordance with the terms of the Award by the person entitled to exercise the Award and full payment for the Shares with respect to which the Award is exercised has been received by the Company or the brokerage firm or firms, as applicable. The notification to the brokerage firm shall be made in accordance with procedures of such brokerage firm approved by the Company. Full payment may, as authorized by the Committee, consist of any consideration and method of payment allowable under Section 7(b) of the Plan. The Company shall issue (or cause to be issued) such share certificate promptly upon exercise of the Award. In the event that the exercise of an Award is treated in part as the exercise of an Incentive Stock Option and in part as the exercise of a Nonqualified Stock Option pursuant to Section 10(a), the Company shall issue a share certificate evidencing the Shares treated as acquired upon the exercise of an Incentive Stock Option and a separate share certificate evidencing the Shares treated as acquired upon the exercise of a Nonqualified Stock Option, and shall identify each such certificate accordingly in its share transfer records. No adjustment will be made for a dividend or other right for which the record date is prior to the date the share certificate is issued, except as provided in Section 5 of the Plan.

(b) **METHOD OF PAYMENT.** The consideration to be paid for any Shares to be issued upon exercise or other required settlement of an Award, including the method of payment, shall be determined by the Committee at the time of settlement and which forms may include: (i) with respect to an Option and subject to any restrictions or limitations imposed under applicable law, a request that the Company or the designated brokerage firm conduct a cashless exercise of the Option; (ii) cash; and (iii) tender of shares of Common Stock owned by the Participant in accordance with rules established by the Committee from time to time. Shares used to pay the exercise price shall be valued at their Fair Market Value on the exercise date. Payment of the aggregate exercise price by means of tendering previously-owned shares of Common Stock shall not be permitted when the same may, in the reasonable opinion of the Company, cause the Company to record a loss or expense as a result thereof.

(c) **WITHHOLDING OBLIGATIONS.** To the extent required by applicable federal, state, local or foreign law, the Committee may and/or a Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise with respect to any Incentive Stock Option, Nonqualified Stock Option, SAR, Restricted Stock or Restricted Stock Units, Performance Shares, Performance Units or any sale of Shares. The Company shall not be required to issue Shares or to recognize the disposition of such Shares until such obligations are satisfied. These obligations may be satisfied by having the Company withhold a portion of the Shares that otherwise would be issued to a Participant under such Award or by tendering Shares previously acquired by the Participant in accordance with rules established by the Committee from time to time.

(d) **SHAREHOLDER RIGHTS; DIVIDENDS.** Except as otherwise provided in this Plan, until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the share certificate evidencing such Shares, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares subject to the Award, notwithstanding the exercise of the Award. Notwithstanding anything to the contrary contained in this Plan, Awards of Restricted Stock, Restricted Stock Units, and Performance Compensation Awards may, in the Committee's discretion, include dividend equivalent rights so long as payment of any such dividends or dividend equivalents shall be subject to the same vesting requirements as the underlying Award.

(e) **NON-TRANSFERABILITY OF AWARDS.** An Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in exchange for consideration, except that an Award may be transferred by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant; unless the Committee permits further transferability, on a general or specific basis, in which case the Committee may impose conditions and limitations on any permitted transferability.

(f) **AUTOMATIC EXERCISE OF IN-THE-MONEY OPTIONS AND SARS.** The Committee, in its sole discretion, may provide in an Award Agreement or otherwise that any Option or SAR outstanding on the Automatic Exercise Date with an exercise price per Share that is less than the Fair Market Value per Share as of such date shall, automatically and without further action by the Participant (or, in the event of Participant's death, Participant's personal representative or estate) or the Company, be exercised on the Automatic Exercise Date if the Committee, in its sole discretion, determines that such exercise would provide economic benefit to the Participant after payment of the exercise price, applicable taxes and any expenses to effect the exercise. In the sole discretion of the Committee, payment of the exercise price of any such Option or SAR may be made pursuant to Section 7(b), and the Company may deduct or withhold an amount sufficient to satisfy all taxes associated with such exercise in accordance with Section 7(c). Unless otherwise determined by the Committee, this Section 7(f) shall not apply to an Option or SAR if the Participant incurs a termination of Active Status on or before the Automatic Exercise Date.

#### SECTION 8. EXPIRATION OF AWARDS.

(a) **EXPIRATION, TERMINATION OR FORFEITURE OF AWARDS.** Unless otherwise provided in the applicable Award Agreement or any severance agreement, vested Option or SAR Awards granted under this Plan shall expire, terminate, or otherwise be forfeited as follows:

- (i) three (3) months after the effective date of termination of Active Status for a Participant other than a Non-Employee Director, other than in circumstances covered by (ii), (iii), or (iv) below; or six (6) months after the date a Non-Employee Director ceases to be a Director or Consultant other than in circumstances covered by (ii) and (iv) below:
- (ii) immediately upon termination of a Participant's Active Status for Misconduct;
- (iii) twelve (12) months after the date on which a Participant other than a Non-Employee Director ceased performing services as a result of his or her total and permanent Disability; and
- (iv) twelve (12) months after the date of the death of a Participant whose Active Status terminated as a result of his or her death.

(b) **EXTENSION OF TERM.** Notwithstanding subsection (a) above, the Committee shall have the authority to extend the expiration date of any outstanding Option, other than an Incentive Stock Option, or SAR in circumstances in which it deems such action to be appropriate (provided that no such extension shall extend the term of an Option or SAR beyond the date on which the Option or SAR would have expired if no termination of the Employee's Active Status had occurred).

SECTION 9. EFFECT OF CHANGE OF CONTROL. Notwithstanding any other provision in the Plan to the contrary, the following provisions shall apply unless otherwise provided in the most recently executed agreement between the Participant and the Company, or specifically prohibited under applicable laws, or by the rules and regulations of any applicable governmental agencies or national securities exchanges or quotation systems.

(a) **ACCELERATION.** Awards of a Participant shall be Accelerated (as defined in Section 9(b) below) as follows:

- (i) With respect to Non-Employee Directors, upon the occurrence of a Change of Control described in Section 2(g);



- (ii) With respect to any Employee, upon the occurrence of a Change of Control described in Section 2(g)(i);
  - (iii) With respect to any Employee who Resigns for Good Reason or whose Active Status is terminated for reasons other than Misconduct, so long as such resignation or termination occurs within one year after a Change of Control described in Section 2(g)(ii), (iii) or (iv); and
  - (iv) With respect to any Employee, upon the occurrence of a Change of Control described in Section 2(g)(iv) in connection with which each Award is not assumed or an equivalent award substituted by such successor entity or a parent or subsidiary of such successor entity.
- (b) DEFINITION. For purposes of this Section 9, Awards of a Participant being “Accelerated” means, with respect to such Participant:
- (i) any and all Options and SARs shall become fully vested and immediately exercisable, and shall remain exercisable for the greater of (1) the time period specified in the original Award (but subject to termination upon termination of Active Status in accordance with the terms of the original Award) or, (2) one year following the date of such acceleration;
  - (ii) any restriction periods and restrictions imposed on Restricted Stock or Restricted Stock Units that are not performance-based shall lapse;
  - (iii) any restriction periods and restrictions imposed on Restricted Stock, Restricted Stock Units, and Performance Compensation Awards that are performance-based shall lapse, unless such performance-based Awards remain outstanding after the Change of Control (or are assumed by any successor entity) and the applicable Performance Criteria can be accurately tracked following the Change of Control; and
  - (iv) the restrictions and deferral limitations and other conditions applicable to any other Awards shall lapse, and such other Awards shall become free of all restrictions, limitations or conditions and become fully vested and transferable to the full extent of the original grant.

### **PART III.**

#### **SPECIFIC TERMS APPLICABLE TO OPTIONS, STOCK AWARDS AND SARs**

##### **SECTION 10. GRANT, TERMS AND CONDITIONS OF OPTIONS.**

(a) DESIGNATION. Each Option shall be designated in an Award Agreement as either an Incentive Stock Option or a Nonqualified Stock Option. However, notwithstanding such designations, to the extent that the aggregate Fair Market Value of the Shares with respect to which Options designated as Incentive Stock Options are exercisable for the first time by any Employee during any calendar year (under all plans of the Company) exceeds \$100,000, such excess Options shall be treated as Nonqualified Stock Options. Options shall be taken into account in the order in which they were granted.

(b) TERMS OF OPTIONS. The term of each Option shall be no more than ten (10) years from the date of grant. However, in the case of an Incentive Stock Option granted to a Participant who, at the time the Option is granted, owns Shares representing more than ten percent (10%) of the voting power of all classes of shares of the Company or any Parent or Subsidiary, the term of the Option shall be no more than five (5) years from the date of grant.

(c) OPTION EXERCISE PRICES.

(i) The per Share exercise price under an Incentive Stock Option shall be as follows:

(A) If granted to an Employee who, at the time of the grant of such Incentive Stock Option, owns shares representing more than ten percent (10%) of the voting power of all classes of shares of the Company or any Parent or Subsidiary, the per Share exercise price shall be no less than 110% of the Fair Market Value per Share on the date of grant.

(B) If granted to any other Employee, the per Share exercise price shall be no less than 100% of the Fair Market Value per Share on the date of grant.

(ii) The per Share exercise price under a Nonqualified Stock Option or SAR shall be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(iii) In no event shall the Board or the Committee be permitted to Reprice an Option after the date of grant without shareholder approval.

(d) VESTING. Unless otherwise provided in the applicable Award Agreement, to the extent Options vest and become exercisable in increments, such Options shall cease vesting as of the date of the Optionee's Disability or termination of such Optionee's Active Status for reasons other than Retirement or death of a Non-Employee Director, in which cases such Options shall immediately vest in full.

(e) EXERCISE. Any Option granted hereunder shall be exercisable at such times and under such conditions as determined by the Committee at the time of grant, and as are permissible under the terms of the Plan. An Option may not be exercised for a fraction of a Share.

#### SECTION 11. GRANT, TERMS AND CONDITIONS OF STOCK AWARDS.

(a) DESIGNATION. Restricted Stock or Restricted Stock Units may be granted either alone, in addition to, or in tandem with other Awards granted under the Plan. Restricted Stock or Restricted Stock Units may include a dividend equivalent right, as permitted by Section 5 or Section 7. After the Committee determines that it will offer Restricted Stock or Restricted Stock Units, it will advise the Participant in writing or electronically, by means of an Award Agreement, of the terms, conditions and restrictions, including vesting, if any, related to the offer, including the number of Shares that the Participant shall be entitled to receive or purchase, the price to be paid, if any, and, if applicable, the time within which the Participant must accept the offer. The offer shall be accepted by execution of an Award Agreement or as otherwise directed by the Committee. Restricted Stock Units may be paid as permitted by Section 7(b). The term of each award of Restricted Stock or Restricted Stock Units shall be at the discretion of the Committee.

(b) PERFORMANCE BASED STOCK AWARDS. The Committee may elect to grant Restricted Stock and/or Restricted Stock Units that are subject to the attainment of Performance Goals relating to Performance Criteria selected by the Committee and specified at the time such Restricted Stock and/or Restricted Stock Units are granted.

(c) VESTING. Subject to the provisions of Section 9 of this Plan, unless the Board or Committee determines otherwise, the Award Agreement shall provide for the forfeiture of the non-vested Shares underlying Restricted Stock or Restricted Stock Units upon the termination of a Participant's Active Status for reasons other than Retirement or death of a Non-Employee Director, in which case such Awards shall immediately vest in full.

#### SECTION 12. GRANT, TERMS AND CONDITIONS OF SARs.

(a) GRANTS. The Committee shall have the full power and authority, exercisable in its sole discretion, to grant SARs to selected Participants. The terms of SARs shall be at the discretion of the Committee; provided, however, that in no case shall the term of any SAR be in excess of ten (10) years following the grant date. In no event shall the Board or the Committee be permitted to Reprice a SAR after the date of grant without shareholder approval.

(b) STAND-ALONE SARs.

(i) A Participant may be granted stand-alone stock appreciation rights ("Stand-Alone SARs") that are not tied to any underlying Option under Section 10 of the Plan. The Stand-Alone SAR shall cover a specified number of Shares and shall be exercisable upon such terms and conditions as the Committee shall establish. Upon exercise of the Stand-Alone SAR, the holder shall be entitled to receive a distribution from the Company in an amount equal to the excess of (A) the aggregate Fair Market Value (on the exercise date) of the Shares underlying the exercised right over (B) the aggregate base price in effect for those Shares.

(ii) The number of Shares underlying each Stand-Alone SAR and the base price in effect for those Shares shall be determined by the Committee at the time the Stand-Alone SAR is granted. In no event, however, may the base price per Share be less than the Fair Market Value per underlying Share on the grant date.

(iii) The distribution with respect to an exercised Stand-Alone SAR may be made in Shares valued at Fair Market Value on the exercise date, in cash, or partly in Shares and partly in cash, as the Committee shall deem appropriate.

SECTION 13. GRANT, TERMS AND CONDITIONS OF PERFORMANCE COMPENSATION AWARDS.

(a) **GRANTS.** The Committee shall have the full power and authority, exercisable in its sole discretion, to grant Performance Compensation Awards in the form of Performance Units or Performance Shares to Employees (including Officers) and shall evidence such grant in an Award Agreement that is delivered to the Participant setting forth the terms and conditions of the Award.

(b) **ELIGIBILITY.** The Committee shall, in its sole discretion, designate within the first 90 days of a Performance Period (or, if shorter, within the maximum period allowed under Section 162(m) of the Code) which Participants will be eligible to receive Performance Compensation Awards in respect of such Performance Period; provided, however, that such 90 day restriction shall not apply to Performance Compensation Awards initially granted subsequent to December 31, 2017. However, designation of a Participant eligible to receive an Award hereunder for a Performance Period shall not in any manner entitle the Participant to receive payment in respect of any Performance Compensation Award for such Performance Period. The determination as to whether or not such Participant becomes entitled to payment in respect of any Performance Compensation Award shall be decided solely in accordance with the provisions of this Section 13. Moreover, designation of a Participant eligible to receive a Performance Compensation Award hereunder for a particular Performance Period shall not require designation of such Participant eligible to receive a Performance Compensation Award hereunder in any subsequent Performance Period and designation of one person as a Participant eligible to receive a Performance Compensation Award hereunder shall not require designation of any other person as a Participant eligible to receive a Performance Compensation Award hereunder in such period or in any other period.

(c) **DISCRETION OF COMMITTEE WITH RESPECT TO PERFORMANCE COMPENSATION AWARDS.** With regard to a particular Performance Period, the Committee shall have full discretion to select the length of such Performance Period, the type(s) of Performance Compensation Awards to be issued, the Performance Criteria that will be used to establish the Performance Goal(s), the kind(s) and/or level(s) of the Performance Goals(s) that is (are) to apply, or any combination of the foregoing, and the Performance Formula. Within the first 90 days of a Performance Period (or, if shorter, within the maximum period allowed under Section 162(m) of the Code), the Committee shall, with regard to the Performance Compensation Awards to be issued for such Performance Period, exercise its discretion with respect to each of the matters enumerated in the immediately preceding sentence and record the same in writing; provided, however, that such 90 day restriction shall not apply to Performance Compensation Awards initially granted subsequent to December 31, 2017..

(d) **MODIFICATION OF PERFORMANCE GOALS.** The Committee is authorized at any time during the first ninety (90) days of a Performance Period (or, if shorter, within the maximum period allowed under Section 162(m) of the Code), or any time thereafter (but only to the extent the exercise of such authority after such 90-day period (or such shorter period, if applicable) would not cause the Performance Compensation Awards granted to any participant for the Performance Period to fail to qualify as "qualified performance-based compensation" under Section 162(m) of the Code), in its sole discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period to the extent permitted under Section 162(m) of the Code (i) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event or development affecting the Company (to the extent applicable to such Performance Goal) or (ii) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company (to the extent applicable to such Performance Goal), or the financial statements of the Company (to the extent applicable to such Performance Goal), or of changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange, accounting principles, law or business conditions. Notwithstanding anything to the contrary contained in this Section 13(d), the foregoing ninety (90) day restriction shall not apply to Performance Compensation Awards initially granted subsequent to December 31, 2017.

(e) **PAYMENT OF PERFORMANCE COMPENSATION AWARDS.**

(i) A Participant must be employed by the Company on the last day of a Performance Period to be eligible for payment in respect of a Performance Compensation Award for such Performance Period. Notwithstanding the foregoing, in the discretion of the Committee, Performance Compensation Awards may be paid to a Participant whose Active Status as an employee has terminated after the beginning of the Performance Period for which a Performance Compensation Award is made, or to the designee or estate of a Participant who died prior to the last day of a Performance Period.

(ii) A Participant shall be eligible to receive payments in respect of a Performance Compensation Award only to the extent that (1) the Performance Goal(s) for such period are achieved and certified by the Committee in accordance with Section 13(e)(iii) and (2) the Performance Formula as applied against such Performance Goal(s) determines that all or some portion of such Participant's Performance Compensation Award has been earned for the Performance Period.

(iii) Following the completion of a Performance Period, the Committee shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Period have been achieved and, if so, to calculate and certify in writing that amount of the Performance Compensation Awards earned for the period based upon the Performance Formula. The Committee shall then determine the actual size of each Participant's Performance Compensation Award for the Performance Period.

(iv) [Intentionally omitted]

(v) The Performance Compensation Awards granted for a Performance Period shall be paid to Participants as soon as administratively possible following completion of the certifications required by Section 13(e)(iii), unless the Committee shall determine that any Performance Compensation Award shall be deferred.

(vi) In no event shall any discretionary authority granted to the Committee by the Plan be used to (1) grant or provide payment in respect of Performance Compensation Awards for a Performance Period if the Performance Goals for such Performance Period have not been attained, or (2) increase a Performance Compensation Award for any Participant at any time after the first 90 days of the Performance Period (or, if shorter, the maximum period allowed under Section 162(m)); provided, however, that such 90 day restriction shall not apply to Performance Compensation Awards initially granted subsequent to December 31, 2017.

(vii) With respect to Performance Compensation Awards initially granted subsequent to December 31, 2017, the Committee may, in its discretion, either at the time it grants a Performance Compensation Award or at any time thereafter, provide for the positive or negative adjustment of the Performance Goals applicable to a Performance Compensation Award granted to any Participant to reflect such Participant's individual performance in his or her position with the Company or such other factors as the Committee may determine. If permitted under a Participant's Award Agreement, the Committee shall have the discretion, on the basis of such criteria as may be established by the Committee, to reduce some or all of the value of the Performance Compensation Award that would otherwise be paid to the Participant upon its settlement notwithstanding the attainment of any Performance Goal and the resulting value of the Performance Compensation Award determined in accordance with the Performance Formula.

#### **PART IV.**

##### **TERM OF PLAN AND SHAREHOLDER APPROVAL**

SECTION 14. TERM OF PLAN. The Plan shall continue in effect until (i) midnight on June 30, 2030, or (ii) until terminated under Section 15 of the Plan or extended by an amendment approved by the shareholders of the Company pursuant to Section 15(a).

SECTION 15. AMENDMENT AND TERMINATION OF THE PLAN.

(a) **AMENDMENT AND TERMINATION.** The Board or the Committee may amend or terminate the Plan from time to time in such respects as the Board may deem advisable (including, but not limited to amendments which the Board deems appropriate to enhance the Company's ability to claim deductions related to stock option exercises); provided that to the extent required by the Code or the rules of Nasdaq (or if Nasdaq shall cease to be the principal exchange or quotation system upon which the shares of Common Stock are listed or quoted, then the rules of such exchange or quotation system as the Company elects to list or quote its shares of Common Stock) or the SEC, shareholder approval shall be required for any amendment of the Plan. Subject to the foregoing, it is specifically intended that the Board or Committee may amend the Plan without shareholder approval to comply with legal, regulatory and listing requirements and to avoid unanticipated consequences deemed by the Committee to be inconsistent with the purpose of the Plan or any Award Agreement.

(b) **PARTICIPANTS IN FOREIGN COUNTRIES.** The Committee shall have the authority to adopt such modifications, procedures, and sub-plans as may be necessary or desirable to comply with provisions of the laws of foreign countries in which the Company or its Subsidiaries may operate to assure the viability of the benefits from Awards granted to Participants performing services in such countries and to meet the objectives of the Plan.

(c) **EFFECT OF AMENDMENT OR TERMINATION.** Any amendment or termination of the Plan shall not affect Awards already granted and such Awards shall remain in full force and effect as if this Plan had not been amended or terminated, unless mutually agreed otherwise between the Participant and the Committee, which agreement must be in writing and signed by the Participant and the Company.

SECTION 16. SHAREHOLDER APPROVAL. The effectiveness of the Plan, or any amendment thereof requiring approval of the shareholders of the Company, is subject to approval by the shareholders of the Company in accordance with applicable Nasdaq rules (or if Nasdaq shall cease to be the principal exchange or quotation system upon which the shares of Common Stock are listed or quoted, then the rules of such exchange or quotation system as the Company elects to list or quote its shares of Common Stock).