RED ROBIN GOURMET BURGERS INC
Form DEF 14A
April 10, 2019

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

RED ROBIN GOURMET BURGERS, INC.

(Name of the Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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(3) Filing Party:

(4) Date Filed:

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RED ROBIN GOURMET BURGERS, INC.

6312 South Fiddler's Green Circle, Suite 200N
Greenwood Village, CO 80111
(303) 846-6000

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 30, 2019

To our Stockholders:

The annual meeting of stockholders of Red Robin Gourmet Burgers, Inc. will be held at 8:00 a.m. MDT, on Thursday, May 30, 2019, at Red Robin's Yummm U, located at 10000 East Geddes Avenue, Unit 500, Englewood, Colorado 80112, for the following purposes:

1) To elect Cambria W. Dunaway, Kalen F. Holmes, Glenn B. Kaufman, Aylwin B. Lewis, Steven K. Lumpkin, Pattye L. Moore, and Stuart I. Oran as directors of the Company for one-year terms;

2) To approve, on an advisory basis, the compensation of our named executive officers;

3) To approve an amendment of the Company's 2017 Performance Incentive Plan, which would increase the number of authorized shares available for issuance under the 2017 Performance Incentive Plan and enhance certain minimum vesting requirements applicable to certain awards thereunder;

4) To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 29, 2019; and

5) To transact such other business as may properly come before the meeting.

We direct your attention to the proxy statement, which includes information about the matters to be considered at the annual meeting and certain other important information and which we encourage you to review carefully. Our board of directors recommends you vote ***FOR*** the board's nominees for director, ***FOR*** approval of our executive compensation, ***FOR*** approval of the amendment of the 2017 Performance Incentive Plan, and ***FOR*** ratification of the independent auditor. Your vote is important.

Stockholders of record at the close of business on April 1, 2019 are entitled to notice of, and to vote at, the annual meeting or any postponement or adjournment thereof. This Notice of Annual Meeting of Stockholders and related proxy materials are being distributed or made available to stockholders beginning on or about April 11, 2019.

This year, we have again elected to provide access to our proxy materials on the Internet under the U.S. Securities and Exchange Commission's "notice and access" rules. Our proxy materials are available at the following website:

http://www.redrobin.com/eproxy

We cordially invite you to attend the annual meeting. Whether or not you plan to attend, it is important that your shares be voted at the meeting. Please refer to your proxy card or Notice Regarding the Availability of Proxy Materials for more information on how to vote your shares at the meeting and return your voting instructions as promptly as possible.

Thank you for your support.

By Order of the Board of Directors,

Pattye L. Moore
Chair of the Board of Directors

Greenwood Village, Colorado

April 10, 2019

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PROXY STATEMENT SUMMARY

This summary is intended to provide an overview of the items you will find elsewhere in this proxy statement about our Company and the upcoming 2019 annual meeting of stockholders. As this is only a summary, we encourage you to read the entire proxy statement for more information about these topics before voting.

ANNUAL MEETING OF STOCKHOLDERS

Time and Date:	8:00 a.m. MDT on Thursday, May 30, 2019
Location:	Red Robin Gourmet Burgers, Inc. Yummm U 10000 East Geddes Avenue, Unit 500 Englewood, Colorado 80112
Record Date:	April 1, 2019

PROPOSALS AND BOARD VOTING RECOMMENDATIONS

	Proposal	Board's Voting Recommendation	Page References (for more detail)
1	Election of Directors	FOR EACH NOMINEE	7
2	Advisory Vote to Approve Executive Compensation	FOR	61
3	Amendment of the 2017 Performance Incentive Plan	FOR	63
4	Ratification of Independent Auditor	FOR	71

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DIRECTOR NOMINEES (PROPOSAL NO. 1)

Our director nominees are listed in the table below. In 2019, all seven of our current directors are standing for re-election. Ms. Denny Marie Post, our former President and Chief Executive Officer, and former director, resigned from the board effective as of April 3, 2019 and is therefore not standing for re-election.

Director Nominee	Age	Director Since	Principal Occupation	Independent	Committee Assignments
Cambria W. Dunaway	56	2014	Chief Marketing Officer, Duolingo	X	*NGC, CC
Kalen F. Holmes	52	2016	Former Executive Vice President (Human Resources), Starbucks	X	*CC, NGC
Glenn B. Kaufman	51	2010	Managing Member, D Cubed Group investment firm	X	CC, NGC
Aylwin B. Lewis	64	2018	Former Chairman, CEO and President of Potbelly Corporation	X	AC, CC
Steven K. Lumpkin	64	2016	Consultant, Former Executive Vice President, CFO and director, Applebee's	X	*AC
Pattye L. Moore	61	2007	Former President and Director, Sonic Corp. Interim President and Chief Executive Officer, Red Robin		(C)
Stuart I. Oran	68	2010	Partner, Liberty Hall Capital Partners private equity firm	X	AC, NGC

AC	Audit Committee	(C)	Denotes Chair of the Board
CC	Compensation Committee	*	Denotes Chair of the Committee
NGC	Nominating and Governance Committee		

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Director Nominee Highlights:
Independence, Diversity of Background, Expertise, and Skills

All current directors and director nominees except our interim CEO, Ms. Moore, are independent. Therefore, independent directors currently represent 85.7% of our board.

Our board is committed to diversity and includes three women directors, one minority director, and directors with a diverse set of backgrounds, experience, and skills, including those represented below. In addition, each director attended at least 75% of the aggregate number of board and applicable committee meetings in 2018.

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The board recommends a vote FOR all director nominees. Directors are elected by a majority of votes cast. See "Proposal 1 Election of Directors Directors and Nominees" in this proxy statement for more information about our director nominees.

Key Corporate Governance Highlights

The board of directors recognizes the connection between good corporate governance and the creation of sustainable stockholder value and is committed to practices that promote the long-term interests of the Company, accountability of management, and stockholder trust. To this end, we continually evolve our practices to ensure alignment with our stockholders and emerging practices.

Highlights include:

- Declassified board of directors
- Independent chair of the board of directors
- All directors are independent other than our interim CEO
- All current committee members are independent
- Board members have diverse backgrounds, expertise, and skills
- Robust board, committee, and director self-evaluation process completed annually instead of age or term limits
- The board of directors and each committee regularly meet in executive session without members of management
- Frequent engagement by management with institutional investors
- Majority voting standard for uncontested director elections
- Annual review of our succession plan and talent development plan
- Directors receive regular governance updates to stay well-informed and evaluate governance trends
- Limits on outside board service for board members
- Formal policy prohibiting hedging and pledging of Company securities by executive officers and directors
- Directors regularly engage in in-boardroom and outside director education
- No poison pill in place

ADVISORY VOTE ON EXECUTIVE COMPENSATION (PROPOSAL NO. 2)

We are requesting stockholders approve, on an advisory basis, the compensation of our named executive officers as disclosed in this proxy statement. The board recommends a vote FOR Proposal No. 2 because it believes the Company's executive compensation program links incentives and rewards for our executives to the achievement of specific and sustainable financial and strategic goals, which are expected to result in increased stockholder value. In 2018, our executive compensation advisory vote proposal was supported by approximately 99.3% of the votes cast. Highlights of our executive compensation program and pay for performance compensation structure, including 2018 performance and 2018 compensation, are set forth below. Please see "Compensation Discussion and Analysis" in this proxy statement for a full discussion of the items below.

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Executive Compensation Program

Listed below are highlights of our executive compensation program that reflect our focus on strong corporate governance and prudent compensation decision-making:

- Pay for performance focused executive compensation structure, with a significant portion of executive pay "at-risk"
- Independent compensation committee reviews and approves executive compensation structure and performance goals
- The compensation committee engages an independent compensation consultant
- Annual evaluation of potential risks of our executive compensation program
- No excise tax gross ups
- Double trigger required for cash severance and equity vesting upon a change in control (other than certain performance awards)
- No repricing of underwater options without stockholder approval
- Meaningful stock ownership guidelines for executives and board members
- Formal policy prohibiting hedging and pledging of Company securities by executive officers and directors
- Clawback policy for the return of certain cash and equity executive incentive compensation in the event of a financial restatement
- Limited number of perquisites offered to our executives

Pay for Performance

Our compensation program is designed to pay our executives for performance, with 80% and 67% of compensation made up of short-term and long-term incentives that are "at-risk" for our CEO and other named executive officers, respectively. In 2018, our short-term annual cash incentive program used performance targets based on annual EBITDA (earnings before interest, taxes, depreciation, and amortization) goals, with an off-premise sales modifier, which could have increased the EBITDA-earned payout if off-premise sales had exceeded target level.

Our long-term incentive compensation program is based on the achievement of financial goals over multi-year periods that drive long term value creation and support retention. For the period from 2016 through 2018, the long-term incentive compensation program included performance-based cash awards measured over a three-year performance period based on three-year cumulative EBITDA and ROIC (return on invested capital) metrics. The long-term incentive compensation program also included restricted stock units and options that each vest ratably in annual increments over four years, with the amount realizable from such awards being dependent, in whole or in part, on increased stock price. Beginning in 2018, the performance-based portion of our long-term incentive program shifted to grants of equity (in the form of performance share units), instead of cash, to further align all of our executives.

2018 Performance Highlights

Overall, 2018 was a challenging sales year, but we made measurable progress on the operations fundamentals identified as critical to gradually regaining our momentum in 2019. We continue to focus on the fundamentals to deliver sustainable performance and return to positive sales and traffic. We are focused on strengthening operations, upgrading our marketing tactics, and making critical investments in technology and resources to help achieve our long-term goal of being both a destination and a source for gourmet burgers.

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Certain key metrics of our 2018 performance are set forth below.

GAAP loss per diluted share was $0.49 in 2018 compared to earnings per diluted share of $2.31 in 2017.

Total revenues were $1.3 billion, a decrease of 3.5% from the 53 weeks ended December 31, 2017, including the negative impact of $24.3 million from having one fewer week in 2018 compared to 2017.

Off-premise sales increased 31.5% in 2018, now comprising 9.9% of total food and beverage sales.

Comparable restaurant revenue decreased 2.6% in 2018 (using constant currency rates) compared to 2017.

Comparable restaurant guest counts decreased 1.5%.

2018 Pay for Performance

Based on our 2018 performance, our named executive officers did not meet the performance goals necessary to achieve any payout of the annual incentive program. In addition, our performance did not meet the performance goals for payout of the performance-based portion of the 2016-2018 long-term incentive program. Therefore, no incentive compensation was paid out to our named executive officers for the performance periods ending in 2018.

See "Compensation Discussion and Analysis Key Components of our Executive Compensation Program Incentive-Based Compensation" for further information and discussion on the annual corporate incentive and long-term incentive program.

See "Compensation Discussion and Analysis 2018 Executive Compensation Tables" and accompanying footnotes and narratives for information about the 2018 compensation for each named executive officer.

AMENDMENT OF THE 2017 PERFORMANCE INCENTIVE PLAN (PROPOSAL NO. 3)

The board of directors recommends a vote FOR approval of the amendment of the 2017 Performance Incentive Plan to increase shares authorized under the plan by 660,000 shares. We believe that an increase in the number of shares available for future grants is necessary as part of our ongoing commitment to align the interests of our employees (including executive officers) with those of our stockholders. We believe that incentives and stock-based awards focus employees on the objective of creating stockholder value and promoting the success of the Company. Moreover, approval of the Amendment to the 2017 Plan is central to the compensation committee's shift of executive officer compensation to include more equity and less cash. In addition, the amendment would enhance minimum vesting requirements for certain awards thereunder.

See "Proposal 3 Approval of Amendment to the 2017 Performance Incentive Plan" in this proxy statement for more information about this proposal.

INDEPENDENT AUDITORS (PROPOSAL NO. 4)

The board of directors recommends a vote FOR the ratification of the appointment of KPMG LLP ("KPMG") as the Company's independent auditor for the fiscal year ending December 29, 2019. The audit committee of the board believes the continued retention of KPMG is in the best interests of the Company and our stockholders based upon several factors.

See "Proposal 4 Ratification of Appointment of Independent Registered Public Accounting Firm" in this proxy statement for more information about this proposal.

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PROXY STATEMENT

The Board of Directors ("board" or "board of directors") of Red Robin Gourmet Burgers, Inc. ("Red Robin" or the "Company") is providing this proxy statement to stockholders in connection with the solicitation of proxies on its behalf to be voted at the annual meeting of stockholders. The meeting will be held on Thursday, May 30, 2019, beginning at 8:00 a.m. MDT, at Red Robin's Yummm U, located at 10000 East Geddes Avenue, Unit 500, Englewood, Colorado 80112. The proxies may be voted at any time and date to which the annual meeting may be properly adjourned or postponed.

PROPOSAL 1
ELECTION OF DIRECTORS

General

On April 3, 2019, Ms. Post notified the board of her retirement as President and Chief Executive Officer of the Company and her resignation from the board, in each case effective as of April 3, 2019. Effective the same date, Pattye L. Moore, the current chair of our board, was appointed as our Interim President and Chief Executive Officer.

The board reduced its size from eight to seven members effective as of April 3, 2019. Of our seven current directors, six (or 85.7%) are independent. However, it is anticipated that Ms. Post's successor as CEO, once appointed, will also serve as a director of the Company and therefore will not be an independent director. In addition to Ms. Post's successor, the board may decide at a later time to add one or more directors who possess skills and experience that may be beneficial to our board and the Company. All of our directors are elected on an annual basis for a one-year term.

The directors elected at this annual meeting will serve in office until our 2020 annual meeting of stockholders or until their successors have been duly elected and qualified, or until the earlier of their respective deaths, resignations, or retirements. Each nominee has consented to serve if elected and we expect each of them will be able to serve if elected. If any nominee should become unavailable to serve as a director, our board of directors can name a substitute nominee, and the persons named as proxies in the proxy card, or their nominees or substitutes, will vote your shares for such substitute nominee unless an instruction to the contrary is written on your proxy card.

Selecting Nominees for Director

Our board has delegated to the nominating and governance committee the responsibility for reviewing and recommending nominees for director. The board determines which candidates to nominate or appoint, as appropriate, after considering the recommendation of the committee.

In evaluating a director candidate, the nominating and governance committee considers the candidate's independence, character, corporate governance skills and abilities, business experience, industry specific experience, training and education, commitment to performing the duties of a director, and other skills, abilities, or attributes that fill specific needs of the board or its committees. While there is no policy for consideration of diversity in identifying director nominees, our board is committed to diversity and the nominating and governance committee considers diversity in business experience, professional expertise, gender, and ethnic background, along with various other factors when evaluating director nominees. The nominating and governance committee will use the same criteria in evaluating candidates suggested by stockholders.

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The nominating and governance committee is authorized under its charter to retain, at our expense, outside search firms and any other professional advisors it deems appropriate to assist in identifying or evaluating potential nominees for director.

Directors and Nominees

Below, you can find the principal occupation and other information about each of the director nominees standing for election at the annual meeting. Information related to each director nominee's key attributes, experience, and skills, as well as their recent public company board service is included with each director's biographical information.

Cambria W. Dunaway, 56

Director Since: June 2014

Current Committees:
Nominating and Governance (Chair)
Compensation

Other Public Company Board Service:
Planet Fitness Inc. (2017-present)

Other Board Service:
Go Health (2017-present)

Recent Past Public Company Board Service:
Nordstrom FSB (2014-2017)
Marketo (2015-2016)
Brunswick Corporation (2006-2014)

Ms. Dunaway serves as Chief Marketing Officer of Duolingo, a popular language learning platform. She previously served as the U.S. President and Global Chief Marketing Officer of KidZania, an international location-based entertainment concept focused on children's role-playing activities, from October 2010 to December 2014 and remains as an advisor to the company on an on-going basis. From October 2007 to October 2010, Ms. Dunaway served as Executive Vice President for Nintendo, with oversight of all sales and marketing activities for the company in the United States, Canada, and Latin America. Before joining Nintendo, Ms. Dunaway was Chief Marketing Officer for Yahoo! from June 2003 to November 2007. Prior to joining Yahoo!, Ms. Dunaway was at Frito-Lay for 13 years in various leadership roles in sales and marketing, including serving as the company's Chief Customer Officer and as Vice President of Kids and Teens brands. Ms. Dunaway holds a Bachelor of Science degree in business administration from the University of Richmond and an M.B.A. from Harvard Business School.

Ms. Dunaway brings to the board of directors, among her other skills and qualifications, more than 20 years of experience as a senior marketing and general management executive, launching and growing consumer businesses in entertainment, media, consumer electronics, and package goods. She brings experience in the areas of marketing strategy, communications, data analytics, loyalty, digital transformation, and governance. Based on the foregoing, our board of directors has concluded Ms. Dunaway should continue as a member our board.

Kalen F. Holmes, 52

Director Since: August 2016

Current Committees:
Compensation (Chair)
Nominating and Governance

Other Public Company Board Service:
Zumiez Inc. (December 2014-present)

Other Board Service:
OneMedical Group (2017-present)
Pacific Northwest Ballet, Governing Board of Trustees (2013-present)

Recent Past Public Company Board Service:
None

Ms. Holmes served as an Executive Vice President of Partner Resources (Human Resources) at Starbucks Corporation from November 2009 until her retirement in February 2013. Prior to her employment with Starbucks (coffee company), Ms. Holmes held a variety of leadership roles with human resources responsibility for Microsoft Corporation from September 2003 through November 2009. Prior to joining Microsoft, Ms. Holmes served in a variety of industries, including high-tech, energy, pharmaceuticals, and global consumer sales. Ms. Holmes holds a Bachelor of Arts in Psychology from the University of Texas and a Master of Arts and a Ph.D. in Industrial/Organization Psychology from the University of Houston.

Ms. Holmes brings to the board of directors, among her other skills and qualifications, more than 20 years of experience as a senior human resource executive, management of executive and compensation programs, and management across multiple industries including retail, technology, and consumer products. Based on the foregoing, our board of directors has concluded Ms. Holmes should continue as a member of our board.

Glenn B. Kaufman, 51

Director Since: August 2010

Current Committees:

Compensation

Nominating and Governance

Other Public Company Board Service:
None

Other Board Service:
KEH Holdings, LLC (2012-present)
Trading Company Holdings LLC (2014-present)
KPS Global LLC (2015-present)

Recent Past Public Company Board Service:
None

Mr. Kaufman has been a Managing Member of the D Cubed Group, a private-market investment firm, since January 2011. At D Cubed group, in addition to leading the firm and its investment committee, Mr. Kaufman Chairs the Boards of KEH Holdings, Trading Company Holdings and KPS Global. Prior to forming D Cubed, he consulted to boards and senior executives of operating businesses as well as to private investment firms from January 2009 to December 2010. Previously, he spent 11 years at American Securities Capital Partners, where he was a Managing Director. During his tenure at American Securities, Mr. Kaufman spearheaded the firm's investing in the restaurant, food service and franchising, and healthcare sectors. He served as Chairman or a Director of Potbelly Sandwich Works, El Pollo Loco, Press Ganey Associates, Anthony International, and DRL Holdings. He spent four years as an attorney with Cravath, Swaine & Moore and worked previously in the small business consulting group of Price Waterhouse. Mr. Kaufman holds a Bachelor of Science in Economics from the Wharton School of Business of the University of Pennsylvania and a law degree from Harvard University.

Mr. Kaufman brings to the board of directors, among his other skills and qualifications, valuable strategic, finance, budgeting, and executive leadership experience, as well as an extensive understanding of restaurant operations, direct/omni-channel marketing, and franchising. He has approximately 20 years of experience as an active, engaged, private market investor. Mr. Kaufman has extensive restaurant, food service, franchising, healthcare, and retail expertise as a result of his investing and business activities at both the D Cubed Group and American Securities Capital Partners. In addition, Mr. Kaufman also has legal and business consulting expertise. Based on the foregoing, our board of directors has concluded Mr. Kaufman should continue as a member of our board.

Aylwin B. Lewis, 64

Director Since: May 2018

Current Committees:

Audit

Compensation

Other Public Company Board Service:
Marriott International, Inc. (2016-present)

Recent Past Public Company Board Service:
The Walt Disney Company (2004-2019)
Potbelly Corporation (2008-2017)
Starwood Hotels & Resorts Worldwide (2013-2016)
Sears Holding Corp. (2005-2008)
Kmart Holding Corporation (2004-2008)

Mr. Lewis is retired and served as Chairman, Chief Executive Officer and President of Potbelly Corporation (sandwich company) from 2011 to 2017, and as President and Chief Executive Officer from 2008 to 2017. Prior to that, Mr. Lewis was President and Chief Executive Officer of Sears Holdings Corporation, a nationwide retailer, from 2005 to 2008. Prior to being named Chief Executive Officer of Sears, Mr. Lewis was President of Sears Holdings and Chief Executive Officer of Kmart and Sears Retail following Sears' acquisition of Kmart Holding Corporation in 2005. Prior to that acquisition, Mr. Lewis had been President and Chief Executive Officer of Kmart since 2004. Prior to that, Mr. Lewis held a variety of executive leadership positions at YUM! Brands, Inc., a franchisor and licensor of quick service restaurants from 2000 until 2004. Mr. Lewis holds a Bachelor of Arts in English Literature and a Bachelor of Science in Hotel and Restaurant Management from the University of Houston and an MBA from the University of Houston. He also received a master's degree from Houston Baptist University.

Mr. Lewis brings to the board of directors, among his other skills and qualifications, significant executive and team leadership skills in, and management and leadership of, complex worldwide retail and service businesses, branding, marketing, and financial skills, and business strategy and tactical skills. He has approximately 40 years of experience in the restaurant and retail industries, including over 12 years as CEO. At Yum! Brands, Mr. Lewis was responsible for marketing and branding of consumer-facing products and services in the quick-serve food industry, and at Kmart and Sears he was responsible for all aspects of complex, worldwide businesses offering consumer products. At Potbelly Corporation, Mr. Lewis's responsibilities included developing and implementing the company's growth strategy. Based on the foregoing, our board of directors has concluded Mr. Lewis should continue as a member of our board.

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Steven K. Lumpkin, 64

Director Since: August 2016

Current Committee:
Audit (Chair)

Other Public Company Board Service:
None

Other Board Service:
Hodgdon Powder Company (2015-present)
Trading Company Holdings, LLC (2015-present)
Trabon Companies (2013-present)
Fiorella Jack's Stack Restaurant Group (2009-present)

Recent Past Public Company Board Service:
Applebee's International, Inc. (2004-2007)

Mr. Lumpkin currently serves as Principal of Rolling Hills Capital Partners, a consulting firm. Mr. Lumpkin previously served as Executive Vice President, Chief Financial Officer, and a director of Applebee's International, Inc., where he held various executive positions from 1995 until his retirement in 2007. Prior to joining Applebee's, he was Executive Vice President and director at Kimberly Quality Care Inc. Mr. Lumpkin is a CPA, with a bachelor's in accounting from the University of Missouri Columbia.

Mr. Lumpkin brings to the board of directors, among his other skills and qualifications, extensive experience in the restaurant industry and an accounting and finance background. Based on the foregoing, our board of directors has concluded Mr. Lumpkin should continue as a member of our board.

Pattye L. Moore, 61

Director Since: August 2007 (Board Chair since February 2010)

Current Committee:
None

Other Public Company Board Service:
ONEOK, Inc. (2002-present)
ONE Gas, Inc. (2014-present)

Other Board Service:
Quicktrip Corporation (2005-present)

Recent Past Public Company Board Service:
Sonic Corp. (2000-2006)

Ms. Moore is a business strategy consultant and the author of Confessions from the Corner Office, a book on leadership instincts. Ms. Moore was on the board of directors for Sonic Corp. from 2000 through January 2006 and was the President of Sonic from January 2002 to November 2004. She held numerous senior management positions during her 12 years at Sonic, including Executive Vice President, Senior Vice President Marketing and Brand Development and Vice President Marketing. Prior to joining Sonic Corp., she served as a senior executive and account supervisor on the Sonic account at the advertising agency Advertising, Inc. Ms. Moore is an author, speaker, and consultant for multi-unit retail and restaurant companies.

Ms. Moore brings to the board of directors, among her other skills and qualifications, significant executive leadership, management, marketing, business strategy, brand and concept development, and public relations experience as well as deep knowledge of the restaurant industry. During her tenure at Sonic, the company grew from $900 million in system-wide sales with 1,100 units to over $3 billion in system-wide sales and 3,000 units. Ms. Moore was named to the 2017 National Association of Corporate Directors (NACD) Directorship 100 and is an NACD Board Leadership Fellow. Ms. Moore's directorships at other companies also provide her with extensive corporate governance experience. Based on the foregoing, our board of directors has concluded Ms. Moore should continue as a member of our board.

Stuart I. Oran, 68

Director Since: March 2010

Current Committees:

Audit

Nominating and Governance

Other Public Company Board Service:
OHA Investment Corporation (2014-present)

Other Board Service:
Accurus Aerospace Corporation (2015-present)
AIM Aerospace Corporation (2016-present)
Children's Cancer & Blood Foundation (2017-present)
Dunlop Aircraft Tyres (2017-present)

Recent Past Public Company Board Service:
FCB Financial Holdings, Inc. (2010-2018)
Spirit Airlines (2004-2015)
Deerfield Capital Corp. (2008-2010)
Hughes Telematics (f/k/a Polaris Acquisition Corp.) (2007-2009)
Wendy's International, Inc. (2005-2008)

Since 2011, Mr. Oran has been a partner at Liberty Hall Capital Partners, a private equity firm focused on the aerospace and defense sectors. Mr. Oran is also the co-founder of FCB Financial Holdings, Inc., a bank holding company formed to acquire failed banks in FDIC-assisted transactions. Mr. Oran founded Roxbury Capital Group LLC in 2002 and was its managing member until December 2011. From 1994 to 2002, Mr. Oran held a number of senior executive positions at UAL Corporation and its operating subsidiary, United Airlines, Inc., including Executive Vice President Corporate Affairs (responsible for United's legal, public, governmental and regulatory affairs, and all of United's properties and facilities), Senior Vice President International (P&L responsibility for United's international division comprised of its operations and employees (approximately 12,000) in 27 countries), and President and Chief Executive Officer of Avolar, United's aviation line of business. During that period, Mr. Oran also served as a director of United Air Lines (the operating subsidiary) and several of its subsidiaries, and on the Management Committee, Risk Management Committee, and Alternative Asset Investment Committee of UAL. Prior to joining UAL and United, Mr. Oran was a corporate partner at the New York law firm of Paul, Weiss, Rifkind, Wharton & Garrison LLP.

Mr. Oran brings to the board of directors, among his other skills and qualifications, valuable business, leadership, management, and strategic planning experience which he gained during his employment with UAL Corporation, as a private equity investor at Liberty Hall Capital Partners and as a board member of Wendy's International, Inc. He also brings significant knowledge of the restaurant industry from his board service at Wendy's. In addition, Mr. Oran has experience serving as a director of a number of other large public companies which provided him with extensive corporate governance experience. Based on the foregoing, our board of directors has concluded Mr. Oran should continue as a member of our board.

Vote Required

Proposal No. 1 requires the approval of a majority of the votes cast for each director.

Board Recommendation

Our board of directors recommends that you vote FOR the election of each of the nominees for director.

CORPORATE GOVERNANCE AND BOARD MATTERS

Governance Principles

The board of directors seeks to ensure good governance and responsible business practices are part of our culture and values. To ensure we achieve this goal, the board of directors has previously established corporate governance guidelines it follows with respect to corporate governance matters, which are available on the investor relations section of our website at *www.redrobin.com*. The board of directors reviews the governance guidelines annually to ensure they are timely, effective, and supportive of the board's oversight and other responsibilities.

Executive Development and Management Succession

Executive development and succession is an important responsibility of the board of directors. Under the Company's corporate governance guidelines, the board maintains an ongoing policy and plan for the development and succession of the CEO and other senior officers. The board has delegated some of this responsibility to the nominating and governance committee. As provided in our corporate governance guidelines, the succession policy and plan has a multi-year focus that encompasses, among other things, the following attributes:

- criteria that reflect the Company's ongoing business strategies;
- identification and development of potential internal candidates;
- formal assessment processes to evaluate such potential internal candidates and their development; and
- an emergency succession component to address the unforeseen loss of the CEO or other key executives through death, disability, or other similar emergency.

The nominating and governance committee and the board work closely with management to ensure development and succession are anticipated, planned for, and addressed in a timely manner. Under the guidance of the committee, our CEO and each of the other executive officers conduct annual succession planning activities. This process includes annual performance reviews, evaluations, and development plans of the CEO and executive officers, who also conduct evaluations and development of their direct reports.

Our CEO regularly meets with the full board on the CEO's performance, and the CEO's annual performance evaluation is conducted under the oversight of the compensation committee. Our CEO conducts annual and interim performance and development evaluations of the other senior executives and reviews these evaluations with the compensation committee or full board.

At least annually, and when otherwise necessary, the nominating and governance committee reviews, makes recommendations for, and reports to the board on programs that have been implemented by management for executive and leadership team development and succession planning.

Stockholder Engagement

The board and management believe the Company's relationships with our stockholders and other stakeholders are an important part of our corporate governance responsibility and recognize the value of continuing communications. Among other things, engagement with our stockholders helps us to:

- understand and consider the issues that matter most to our stockholders;
- share and discuss our strategy and objectives; and
- assess stockholder feedback and any emerging issues related to our governance practices, business, operations, or compensation.

This approach has resulted in our receiving essential input and additional perspectives from our stockholders. Throughout the year, we engage with our stockholders through attendance at investor conferences, issuance of press releases and quarterly conference calls, other stockholder communications, and individual meetings. We discuss topics of importance to both our Company and stockholders, including our business results and initiatives, overall strategy, and capital structure.

We also recognize the connection between good corporate governance and our ability to create and sustain value for our stockholders. In response to evolving governance practices, regulatory changes, and concerns of our stockholders, the Company has made a number of changes to our corporate governance practices over the past several years.

Highlights of our governance program include:

- Declassified board of directors
- Independent chair of the board of directors
- All directors are independent other than our interim CEO
- All current committee members are independent
- Board members have diverse backgrounds, expertise, and skills
- Robust board, committee, and director self-evaluation process completed annually instead of age or term limits
- The board of directors and each committee regularly meet in executive session without members of management
- Frequent engagement by management with institutional investors
- Majority voting standard for uncontested director elections
- Annual review of our succession plan and talent development plan
- Directors receive regular governance updates to stay well-informed and evaluate governance trends
- Limits on outside board service for board members
- Formal policy prohibiting hedging and pledging of Company securities by executive officers and directors
- Directors regularly engage in in-boardroom and outside director education
- No poison pill in place

Board Leadership Structure

The board recognizes one of its key responsibilities is to evaluate and determine the optimal leadership structure so as to provide independent oversight of management. Accordingly, at this time, we believe it is appropriate for our board to maintain the separation of the roles of board chair and chief executive officer. Pattye L. Moore currently serves as chair of the board due to, among other things, her prior experience on public company boards of directors, as well as her extensive leadership experience within the restaurant industry.

We believe having a non-executive, independent board chair is in the best interests of the Company and our stockholders at this time. The separation of the roles of board chair and chief executive officer allows our chief executive officer to focus on managing the Company's business and operations, and allows Ms. Moore to focus on board matters, which we believe is especially important in light of the high level of regulation and scrutiny of public company boards. Further, we believe the separation of these roles ensures the independence of the board in its oversight role of evaluating and assessing the chief executive officer and management generally.

On April 3, 2019, Ms. Post notified the board of her retirement as President and Chief Executive Officer of the Company and her resignation from the board, in each case effective as of

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April 3, 2019. Effective the same date, Ms. Moore was appointed as our Interim President and Chief Executive Officer. It is anticipated that Ms. Moore will serve in such position until the appointment by the board of a permanent president and chief executive officer.

Role in Risk Oversight

Our executive officers have the primary responsibility for enterprise risk management within our Company. Our board actively oversees the Company's risk management and regularly engages in discussions of the most significant risks the Company faces and how these risks are being managed. The board receives regular reports on enterprise risk areas from senior officers of the Company, including the areas of food safety and data security. The board delegates certain risk oversight functions to the audit committee. Under its charter, the audit committee is responsible for oversight of the enterprise risk assessment and management process framework and ensures the board or a designated committee is monitoring the identification, assessment, and mitigation of all significant enterprise risks. The audit committee oversees policies and guidelines that govern the process by which major financial and accounting risk assessment and management may be undertaken by the Company. The audit committee also oversees our corporate compliance programs and the internal audit function. In addition, the other board committees receive reports and evaluate risks related to their areas of focus. The committees regularly report to the full board on the assessment and management of these risks. The board believes the work undertaken by the audit committee, together with the work of the other committees, the full board, and the senior officers of the Company, enables the board to effectively oversee the Company's risk management.

Board Membership and Director Independence

Our board of directors has determined each of our directors, except our interim CEO, Ms. Moore, qualifies as an independent director under the rules promulgated by the U.S. Securities and Exchange Commission ("SEC") and The Nasdaq Stock Market® ("Nasdaq") listing standards. Therefore, 85.7% of our directors and director nominees are independent. However, we anticipate that Ms. Post's successor as CEO, once appointed, will also serve as a director of the Company and therefore will not be an independent director and that Ms. Moore, upon stepping down as interim CEO at that point, will likely be determined to be independent at that time. Pursuant to these rules, only independent directors may serve on the board's audit committee, compensation committee, and nominating and governance committee. Currently, all members of each of these committees are independent in accordance with SEC rules and Nasdaq listing standards. There are no family relationships among any of our executive officers, directors, or nominees for directors.

Our board is committed to diversity and includes three women directors, one minority director, and directors with a diverse set of backgrounds, experience, and skills, including those represented below.

Executive leadership	Accounting
Business transformation	Talent and organizational development
Technology strategy	Finance, investor relations, strategic transactions, and M&A
Marketing and consumer insights	Restaurant executive leadership
Governance	Value creation

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Director Attendance

The board of directors held eight meetings in 2018, including four in-person meetings. Each of our current directors attended at least 75% of the aggregate total of meetings of the board of directors and committees during their period of service in 2018. The non-management directors of the Company meet at least quarterly throughout the year and as necessary or appropriate in executive sessions at which members of management are not present.

The board of directors strongly encourages each of the directors to attend the annual meeting of stockholders. All of our directors serving at the time attended our 2018 annual meeting.

Committees of the Board of Directors

Our board of directors currently has three standing committees: an audit committee, a compensation committee, and a nominating and governance committee. Each of our standing committees generally meets at least once each quarter. In addition, other regular and special meetings are scheduled as necessary and appropriate depending on the responsibilities of the particular committee. Each committee regularly meets in executive session without management present.

Each board committee operates pursuant to a written charter. The charter for each committee is available on the corporate governance section of the investor relations tab of our website at *www.redrobin.com*. The committee charters are reviewed at least annually by the respective committee to revise and update the committee duties and responsibilities as necessary.

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Name of Committee and Principal Functions	Current Members and Number of Meetings in 2018
Audit Committee	***Committee Members:***
Oversees our financial reporting activities, including our annual report and the accounting standards and principles followed.	Steven K. Lumpkin Aylwin B. Lewis Stuart I. Oran
Reviews earnings releases and annual and quarterly reports, including use of any non-GAAP disclosures.	Chairperson Determined by the board to be an Audit Committee Financial Expert as defined under SEC rules ***Number of Meetings in 2018:*** The audit committee held nine meetings in 2018, of which three were in-person meetings.
Oversees the disclosure process, including understanding and monitoring of the Company's disclosure committee.	
Selects and retains the independent auditor.	
Participates in the process to rotate and select the lead audit partner at least every five years.	
Reviews the scope and results of the audit to be conducted by the independent auditor.	
Evaluates performance and monitors independence, commitment to objectivity, and skepticism of selected independent auditor.	
Approves the budget for fees to be paid to the independent auditor for audit services and non-audit services; evaluates fees for reasonableness and fairness based on benchmarking.	

Oversees the Company's internal audit function, scope and plan, and the Company's disclosure and internal controls.

Oversees the Company's ethical and regulatory compliance.

Provides oversight of the Company's enterprise risk management.

Regularly meets with independent auditor in executive session.

Participates in the evaluation of independent auditor and lead audit partner.

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Name of Committee and Principal Functions	Current Members and Number of Meetings in 2018
Compensation Committee	***Committee Members:***
Develops and performs an annual performance evaluation of our chief executive officer.	Kalen F. Holmes Cambria W. Dunaway Glenn B. Kaufman Aylwin B. Lewis
Approves salary, short-term, and long-term incentive compensation programs for the CEO and all executive officers.	Chairperson ***Number of Meetings in 2018:*** The compensation committee held six meetings in 2018, of which four were in-person meetings.
Reviews and adopts employee benefit plans.	
Reviews and approves compensation for directors.	
May engage, at our expense, compensation consulting firms or other professional advisors to assist in discharging its responsibilities, as necessary.	
Nominating and Governance Committee	***Committee Members:***
Identifies, evaluates, and recommends to the board of directors, candidates for appointment or election to the board and their independence.	Cambria W. Dunaway Kalen F. Holmes Glenn B. Kaufman Stuart I. Oran
Determines whether to recommend to the board to include the nomination of incumbent directors in the proxy statement.	Chairperson ***Number of Meetings in 2018:*** The nominating and governance committee held four meetings in 2018, one of which was an in-person meeting.

Considers candidates to fill any vacancies that may occur.

At least once a year, considers whether the number of directors and skill sets is appropriate for the Company's needs and recommends to the board any changes in the composition of the board.

Evaluates and recommends to the board committee structure and membership.

Develops and oversees the Company's corporate governance policies.

Oversees the Company's compliance with laws and regulations and insurance coverage.

Oversees the process to assess the performance of the board and its committees.

Limits on Outside Board Service

As provided in our corporate governance guidelines, without specific approval from our board, no director of the Company may serve on more than four public company boards (including the Company's board) and no member of the audit committee may serve on more than three public company audit committees (including the Company's audit committee). Any audit committee member's service on more than three public company audit committees will be subject to the board's determination that the member is able to effectively serve on the Company's audit committee.

Stockholder Submission of Director Nominees

A stockholder may submit the name of a director candidate for consideration by the nominating and governance committee by writing to: Nominating and Governance Committee, Red Robin Gourmet Burgers, Inc., 6312 South Fiddler's Green Circle, Suite 200N, Greenwood Village, CO 80111.

The stockholder must submit the following information in support of the candidate: (a) all information relating to such person as would be required to be disclosed in solicitations of proxies for the election of such nominees as directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and such person's written consent to serve as a director if elected; and (b) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Company's books, and of such beneficial owner, (ii) the class and number of shares of the Company that are owned beneficially and of record by such stockholder and such beneficial owner, (iii) a description of any agreement, arrangement, or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of such stockholder's notice by, or on behalf of, such stockholder and such beneficial owner, whether or not such instrument or right shall be subject to settlement in underlying shares of capital stock of the Company, the effect or intent of which is to mitigate loss to, manage risk of share price changes for, or increase or decrease the voting power of, such stockholder or such beneficial owner, with respect to shares of stock of the Company, and (iv) whether either such stockholder or beneficial owner intends to deliver a proxy statement and form of proxy to holders of, in the case of a proposal, at least the percentage of the Company's voting shares required under applicable law to carry the proposal or, in the case of a nomination or nominations, a sufficient number of holders of the Company's voting shares to elect such nominee or nominees.

Communications with our Board of Directors

You may communicate with any director, the entire board of directors, the independent directors, or any committee by sending a letter to the director, the board of directors, or the committee addressed to: Board of Directors, 6312 South Fiddler's Green Circle, Suite 200N, Greenwood Village, CO 80111, or by sending an e-mail to: *Board@redrobin.com*. The Company's chief legal officer will review all communications, categorize them, and forward them to the appropriate board member(s). Messages pertaining to administrative matters, ordinary business matters, personal grievances, and similar issues will be forwarded to the appropriate member of management.

With respect to issues arising under the Company's Code of Ethics, you may also communicate directly with the chair of the audit committee, director of internal audit, or the compliance officer in the manner provided in the Company's Problem Resolution and Whistleblower Policy and Reporting Procedures. Both the Code of Ethics and the Problem Resolution and Whistleblower Policy and Reporting Procedures may be found on the corporate governance section of the investor relations tab of our website at: *www.redrobin.com*.

Certain Relationships and Related Transactions

Transactions with Related Persons

For 2018, we had no material related party transactions which were required to be disclosed in accordance with SEC regulations.

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Review, Approval, or Ratification of Transactions with Related Persons

The board of directors recognizes transactions between the Company and certain related persons present a heightened risk of conflicts of interest. To ensure the Company acts in the best interest of our stockholders, the board has delegated the review and approval of related party transactions to the audit committee. Pursuant to our Code of Ethics and the audit committee charter, any related party transaction required to be disclosed in accordance with applicable SEC regulations must be reviewed and approved by the audit committee. In reviewing a proposed transaction, the audit committee must:

- satisfy itself that it has been fully informed as to the related party's relationship and interest, and as to the material facts of the proposed transaction; and

- consider all the relevant facts and circumstances available to the committee.

After its review, the audit committee will only approve or ratify transactions that are fair to the Company and not inconsistent with the best interests of the Company and our stockholders.

Compensation Committee Interlocks and Insider Participation

During the last completed fiscal year, Cambria W. Dunaway, Kalen F. Holmes, Glenn B. Kaufman, Aylwin B. Lewis, and Richard J. Howell (who retired and concluded his board service on May 30, 2018, the date of last year's annual meeting) each served as members of the Company's compensation committee for all or a portion of such period. None of the members of the compensation committee is, or at any time was has been, an officer or employee of the Company. None of our current executive officers serves as a director of another entity that has an executive officer who serves on our board.

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Director Compensation

The compensation of our directors was determined by the compensation committee after reviewing market data and analyses from its independent compensation consultant. Set forth below are the elements of our director compensation for 2018.

Annual Retainer

Each non-employee director of the Company received an annual cash retainer of $70,000, payable in substantially equal quarterly installments. In addition, the following amounts were paid to the chair of the board and each board committee chair in substantially equal quarterly installments:

Chair of the board	$85,000
Chair of audit committee	$15,000
Chair of compensation committee	$12,500
Chair of nominating and governance committee	$7,500

Equity Awards

In 2018, each non-employee director received an annual grant of restricted stock units with a grant date value of approximately $110,000 and a vesting term of one year or the date of the next annual meeting of stockholders, whichever is earlier. The vesting term is consistent with the Company's declassification of its board of directors with annual elections for one-year terms (until the next annual meeting) in accordance with governance best practices. Prior to 2019, each new non-employee director generally received a non-qualified stock option grant covering 5,000 shares upon initial appointment or election to the board. These options vested and became exercisable in equal monthly installments over the 24-month period following the date of grant. The board discontinued the initial option grant to new non-employee directors beginning in 2019.

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2018 Director Compensation

The following table sets forth a summary of the compensation earned by our non-employee directors in fiscal 2018.

Name	Fees Earned or Paid in Cash ($)(1)	Option Awards ($)(2)	Stock Awards ($)(3)	All Other Compensation ($)(4)	Total ($)
Current Directors					
Cambria W. Dunaway	77,500	-	109,964	-	187,464
Kalen F. Holmes	82,500	-	109,964	-	192,464
Glenn B. Kaufman	68,705	-	109,964	-	178,669
Aylwin B. Lewis	61,322	82,800	109,964	-	254,086
Steven K. Lumpkin	83,141	-	109,964	-	193,105
Pattye L. Moore	155,000	-	109,964	-	264,964
Stuart I. Oran	70,000	-	109,964	-	179,964
Former Director					
Richard J. Howell(5)	8,617	-	-	-	8,617

(1) Fees for Mr. Kaufman include the pro-rated amount for chairing the board's finance committee which was discontinued on February 14, 2018. The fee for the chair of the finance committee was $10,000 per year paid quarterly.

(2) Mr. Lewis was awarded options to purchase 5,000 shares of common stock upon joining the board in May 2018. The fair value of such options was computed in accordance with the authoritative guidance for accounting for stock compensation at $16.56 per share covered by the option.

(3) Each director was awarded 2,184 restricted stock units in May 2018. The fair value of such restricted stock units was computed in accordance with the guidance for accounting for stock compensation at $50.35 per share for all directors. All such restricted stock units are subject to vesting in full one year from the date of grant, or the date of the next annual meeting of stockholders, whichever is earlier.

(4) The aggregate amount of all other compensation paid to each director in fiscal year 2018 did not exceed $2,500 per director.

(5) Mr. Howell retired and concluded his board service at the annual meeting on May 30, 2018.

As of the end of the fiscal year 2018, the aggregate number of options and restricted stock units outstanding for each non-employee director is set forth below. Options are considered outstanding until exercised and restricted stock units are considered outstanding until vested and paid.

Director	Options	Restricted Stock Units
Cambria W. Dunaway	5,000	2,184
Kalen F. Holmes	5,000	2,184
Glenn B. Kaufman	0	2,184
Aylwin B. Lewis	5,000	2,184
Steven K. Lumpkin	5,000	2,184
Pattye L. Moore	0	2,184
Stuart I. Oran	5,000	2,184

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Director Stock Ownership Guidelines

The compensation committee has stock ownership guidelines in place for non-employee directors which requires non-employee directors to own Company securities with a cumulative cost basis of at least five times the director's annual retainer. Based on the current annual retainer for non-employee directors, that dollar amount is $350,000. The value of the director's holdings is based on the cumulative cost basis of securities held, which is calculated using the price of the Company's common stock at the date of acquisition. All forms of equity owned of record or beneficially, including vested in-the-money options, are credited toward the guidelines. New non-employee directors have five years from the time the director joins the board to reach the minimum ownership threshold. Non-employee directors may not sell, transfer, or otherwise dispose of common stock that would decrease such director's cumulative cost basis below the ownership guideline amount. All our directors are currently in compliance with the guidelines.

Indemnification of Directors

The Company has entered into agreements to indemnify its directors, executive officers, and certain other key employees. Under these agreements, the Company is obligated to indemnify its directors and officers to the fullest extent permitted under the Delaware General Corporation Law for expenses, including attorneys' fees, judgments, fines, and settlement amounts incurred by them in any action or proceeding arising out of their services as a director or officer. The Company believes these agreements are necessary in attracting and retaining qualified directors and officers.

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STOCK OWNERSHIP INFORMATION

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Except as indicated by footnote, and except for community property laws where applicable, the persons named in the tables below have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them. The percentage of beneficial ownership for each table is based on 12,968,145 shares of common stock outstanding as of March 1, 2019.

Stock Ownership of Certain Beneficial Owners

The following table sets forth information regarding beneficial owners of more than 5% of our common stock as of March 1, 2019 (unless otherwise indicated). All information is taken from or based upon ownership filings made by such persons with the SEC or upon information provided by such persons to the Company.

	Shares Beneficially Owned	
Name and Address of Beneficial Owner	**Amount and Nature of Beneficial Ownership**	**Percent of Class**
T. Rowe Price Associates, Inc.(1)	2,126,645	16.40%
BlackRock, Inc.(2)	1,902,567	14.67%
Dimensional Fund Advisors LP(3)	1,101,985	8.50%
AllianceBernstein L.P.(4)	800,956	6.18%

(1) This information is based on an amendment to Schedule 13G filed with the SEC on February 14, 2019 jointly by T. Rowe Price Associates, Inc. ("Price Associates") and T. Rowe Price Small-Cap Stock Fund, Inc. ("Price Small-Cap Fund"). These securities are owned by various individual and institutional investors, including Price Associates (which was the beneficial owner with sole dispositive power as to an aggregate of 2,126,645 shares and sole voting power as to an aggregate of 495,702 shares) and Price Small-Cap Fund (which was the beneficial owner with sole voting power as to an aggregate of 770,321 shares, which amount such amended Schedule 13G reports is also included in the aggregate amount reported by Price Associates). For the purposes of the reporting requirements of the Exchange Act, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities. The address for Price Associates' principal business office is 100 E. Pratt Street, Baltimore, Maryland 21202.

(2) This disclosure is based on an amendment to Schedule 13G filed with the SEC on January 31, 2019. At the time of filing, the reporting person reported being a holding company that has sole voting power over 1,868,328 shares and sole dispositive power over 1,902,567 shares. The filing also reports that the interest of one person, iShares Core S&P Small-Cap ETF, in the shares is greater than five percent (5%) of the total number of outstanding shares. The address of this reporting person is 55 East 52nd Street, New York, New York 10055.

(3) This disclosure is based on an amendment to Schedule 13G filed with the SEC on February 8, 2019 by Dimensional Fund Advisors LP ("Dimensional"). At the time of filing, Dimensional reported being an investment advisor that has sole voting power over 1,053,626 shares and sole dispositive power over 1,101,985 shares. The filing also reports that various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of the shares and that, to the knowledge of

Dimensional, no one person's interest in the shares is greater than five percent (5%) of the total number of outstanding shares. For the purposes of the reporting requirements of the Exchange Act, Dimensional is deemed to be a beneficial owner of such securities; however, Dimensional disclaims that it is, in fact, the beneficial owner of such securities. The address for Dimensional's principal business office is Building One, 6300 Bee Cave Road, Austin, Texas 78746.

(4) This disclosure is based on a Schedule 13G filed with the SEC on February 13, 2019 by AllianceBernstein L.P. ("AllianceBernstein"). At the time of filing, AllianceBernstein reported being an investment advisor that has sole voting power over 624,317 shares and sole dispositive power over 800,956 shares. The filing also reports that AllianceBernstein acquired its shares for investment purposes in the ordinary course of its investment management and insurance business. The address for AllianceBernstein's principal business office is 1345 Avenue of the Americas, New York, New York 10105.

Stock Ownership of Directors and Management

The following table contains information about the beneficial ownership (unless otherwise indicated) of our common stock as of March 1, 2019 by:

- each of our directors and director nominees;
- each named executive officer set forth in the Summary Compensation Table; and
- all directors and executive officers as a group.

	Shares Beneficially Owned(1)	
Name of Beneficial Owner	**Amount and Nature of Ownership**	**Percent of Class**
Denny Marie Post(2)	96,455	*
Guy J. Constant(3)	27,653	*
Jonathan A. Muhtar(4)	32,805	*
Beverly K. Carmichael(5)	4,624	*
Michael L. Kaplan(6)	17,793	*
Carin L. Stutz(7)	6,697	*
Cambria W. Dunaway(8)	11,553	*
Kalen F. Holmes(9)	8,328	*
Glenn B. Kaufman(10)	22,987	*
Aylwin B. Lewis(11)	2,292	*
Steven K. Lumpkin(12)	8,328	*
Pattye L. Moore(13)	26,395	*
Stuart I. Oran(14)	12,670	*
Directors and executive officers as a group (14 persons)(15)	273,163	2.08%

* Represents beneficial ownership of less than one percent (1.0%) of the outstanding shares of our common stock.

(1) If a stockholder holds options, restricted stock units, or other securities that are currently vested or exercisable or that vest or become exercisable within 60 days of March 1, 2019, in accordance with the rules of the SEC, we treat the common stock underlying those securities as owned by that stockholder and as outstanding shares when we calculate the stockholder's percentage ownership of our common stock, and we do not consider that

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common stock to be outstanding when we calculate the percentage ownership of any other stockholder.

(2)
Consists of 13,018 shares of common stock held directly by Ms. Post and 83,437 shares of common stock subject to options that are currently exercisable or were exercisable within 60 days of March 1, 2019. Ms. Post retired as President and Chief Executive Officer of the Company effective as of April 3, 2019.

(3)
Consists of 13,679 shares of common stock held directly by Mr. Constant and 13,974 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 1, 2019.

(4)
Consists of 4,256 shares of common stock held directly by Mr. Muhtar and 28,549 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 1, 2019.

(5)
Consists of 657 shares of common stock held directly by Ms. Carmichael and 3,967 shares of common stock subject to options that are currently exercisable or were exercisable within 60 days of March 1, 2019. Ms. Carmichael resigned from her employment as Chief People, Culture and Resource Officer of the Company, effective April 5, 2019.

(6)
Consists of 2,007 shares of common stock held directly by Mr. Kaplan and 15,786 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 1, 2019.

(7)
Consists of 1,867 shares of common stock held directly and 4,830 shares held indirectly by Ms. Stutz (based on the most recent Form 4 filed by Ms. Stutz). Ms. Stutz's employment as Chief Operating Officer of the Company was terminated effective September 5, 2018 without cause.

(8)
Consists of 6,553 shares of common stock held directly by Ms. Dunaway and 5,000 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 1, 2019.

(9)
Consists of 3,328 shares of common stock held directly by Ms. Holmes and 5,000 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 1, 2019.

(10)
Consists of 22,987 shares of common stock held directly by Mr. Kaufman.

(11)
Consists of 2,292 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 1, 2019.

(12)
Consists of 3,328 shares of common stock held directly by Mr. Lumpkin and 5,000 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 1, 2019.

(13)
Consists of 26,395 shares of common stock held indirectly by an entity owned and managed by Ms. Moore and her husband.

(14)
Consists of 5,670 shares of common stock held directly by Mr. Oran, 2,000 shares of common stock held indirectly by Mr. Oran in two trusts of which Mr. Oran is co-trustee,

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and 5,000 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 1, 2019.

(15) Includes 169,021 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 1, 2019.

Equity Compensation Plan Information

We maintain three equity-based compensation plans the Second Amended and Restated 2007 Performance Incentive Plan (the "2007 Plan"), the 2017 Performance Incentive Plan (the "2017 Plan"), and the Amended and Restated Employee Stock Purchase Plan (the "ESPP"). Our stockholders have approved each of these plans.

The following table sets forth our equity compensation plans in the aggregate, the number of shares of our common stock subject to outstanding options and rights under these plans, the weighted average exercise price of outstanding options, and the number of shares remaining available for future award grants under these plans as of December 30, 2018:

Plan Category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)**	**Weighted average exercise price of outstanding options, warrants and rights (b)**	**Number of securities remaining available for issuance under equity compensation plans (excluding securities reflected in column (a)) (c)**
Equity compensation plans approved by security holders			
2007 Plan	374,019	$55.56	-
2017 Plan(1)	121,333	$60.27	417,001
ESPP	N/A	N/A	82,033
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	495,352	$56.62	499,034

(1) Shares reported in column (a) under the 2017 plan include shares underlying performance share units (PSUs) awarded to our executive officers in 2017 and 2018. The PSU awards cliff-vest at the end of a three-year performance cycle, generally subject to executive's continued employment through the applicable vesting date, with the number of PSUs determined based on achievement of performance goals as approved by the compensation committee. Column (b) does not take such shares into account.

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COMPENSATION DISCUSSION AND ANALYSIS

In this Compensation Discussion and Analysis, we provide an analysis and explanation of our executive compensation program and the compensation derived from this program by our executive officers, including our "named executive officers." For 2018, our named executive officers were:

- Guy J. Constant, Executive Vice President and Chief Operating Officer(1)
- Jonathan A. Muhtar, Executive Vice President and Chief Concept Officer
- Michael L. Kaplan, Senior Vice President and Chief Legal Officer
- Denny Marie Post, Former President and Chief Executive Officer(2)
- Beverly K. Carmichael, Former Executive Vice President and Chief People, Culture and Resource Officer(3)
- Carin L. Stutz, Former Executive Vice President and Chief Operating Officer

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(1) Effective January 28, 2019, Mr. Constant became our Executive Vice President and Chief Operating Officer and Lynn S. Schweinfurth began serving as our Executive Vice President and Chief Financial Officer. Prior to January 28, 2019, and for the duration of fiscal year 2018, Mr. Constant served as our Executive Vice President and Chief Financial Officer.

(2) Following the departure of Ms. Stutz effective September 4, 2018, Ms. Post also served as our interim Chief Operating Officer through January 28, 2019. Ms. Post retired as President and Chief Executive Officer of the Company effective as of April 3, 2019.

(3) On March 20, 2019, Ms. Carmichael informed the Company of her resignation from her employment with the Company, which became effective as of April 5, 2019.

Overview

Red Robin Gourmet Burgers, Inc., together with its subsidiaries, primarily develops, operates, and franchises full-service restaurants in North America and focuses on serving an imaginative selection of high quality gourmet burgers in a fun environment welcoming to guests of all ages. Red Robin's goal is to differentiate itself from casual dining establishments based on quality, service, and value. To differentiate on quality, we offer a large and varied selection of highly craveable and customizable burgers. To differentiate on service, our goal is to serve food and beverages quickly and attentively so guests can spend more time enjoying their food and less time waiting. We also strive to deliver competitive value by providing abundant portions at a range of price points. Red Robin Team Members seek to live our B.U.R.G.E.R. values everyday: Bottomless Fun, Unwavering Integrity, Relentless Focus on Improvement, Genuine Spirit of Service, Extraordinary People, and Recognized Burger Authority.

To ensure the continued success of Red Robin in a rapidly evolving marketplace, we focus on four strategic areas:

- Attract, retain, and engage high performance teams.
- Evolve to better serve middle income families.
- Embrace the "gift of time" as a key differentiator.
- Improve company and "4-wall" economics.

We believe these strategic initiatives provide the foundations for scalable and sustainable long-term growth, profitability, and increased stockholder value.

Company Performance in 2018

Overall, 2018 was a challenging sales year, but we made measurable progress on the operations fundamentals identified as critical to gradually regaining our momentum in 2019. We continue to focus

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on the fundamentals to deliver sustainable performance and return to positive sales and traffic. We are focused on strengthening operations, upgrading our marketing tactics, and making critical investments in technology and resources to help achieve our long-term goal of being both a destination and a source for gourmet burgers.

Certain key metrics of our 2018 performance are set forth below.

- GAAP loss per diluted share was $0.49 in 2018 compared to earnings per diluted share of $2.31 in 2017.
- Total revenues were $1.3 billion, a decrease of 3.5% from the 53 weeks ended December 31, 2017, including the negative impact of $24.3 million from having one fewer week in 2018 compared to 2017.
- Off-premise sales increased 31.5% in 2018, now comprising 9.9% of total food and beverage sales.
- Comparable restaurant revenue decreased 2.6% in 2018 (using constant currency rates) compared to 2017.
- Comparable restaurant guest counts decreased 1.5%.

2018 Pay for Performance

Our incentive programs demonstrate our commitment to a pay for performance compensation philosophy. The Company's 2018 performance impacted the named executive officer's compensation as follows:

- No payout of the annual incentive program because the performance goals were not met.
- No payout for the 2016-2018 long-term incentive program because the three-year EBITDA and ROIC goals were not met.

See "Compensation Discussion and Analysis Key Components of our Executive Compensation Program Incentive-Based Compensation" for further information and discussion on the annual corporate incentive and long-term incentive program.

2018 EXECUTIVE SUMMARY

Following is an executive summary of our 2018 executive compensation program.

Compensation Philosophy

Our executive compensation program is designed to pay for performance and link incentives to current and long-term sustained achievement of Company strategic and financial goals. It encourages our executive officers to think and act like owners, because they are owners and as such are compensated in significant part based on the performance of the Company.

Pay Objectives

Under our current leadership, the Company continues to pursue improvement in performance designed to drive top-line growth in sales and lay the foundation for scalable and sustainable long-term growth, profitability, and increased stockholder value. Our compensation objectives are designed to link incentives and rewards with current and long-term sustained achievement of these goals:

- *Attracting, retaining, and motivating* the best possible executive talent who have the experience and leadership skills capable of driving performance and top-line growth in sales;
- *Creating value for our stockholders* by linking executive compensation to the achievement of measurable corporate objectives and the minimization of unreasonable or excessive risk-taking; and
- *Paying for superior results* through a program that incentivizes and rewards achievement of both short-term and long-term organizational and functional objectives with a mix of compensation elements that place a significant portion of cash and equity compensation at risk.

Pay Elements

Our 2018 executive compensation program was comprised of three primary elements: base salaries, annual performance-based cash incentives, and long-term incentives that include: (i) performance share units (PSUs) based on three-year performance cycles, (ii) stock options, and (iii) restricted stock units. We believe financial metrics used for both the annual performance-based cash incentive and long-term incentive grants drive stockholder value. The goals for our incentive plans are linked to the Company's financial and strategic business plans.

In 2018, approximately 80% of our CEO's and 67% of our other named executive officers' target total compensation was performance based and made up of either annual cash incentives or long-term incentives.

Setting Compensation

Executive compensation decisions are made by our compensation committee, which is comprised solely of independent directors.

When making compensation decisions, our compensation committee receives input from its independent compensation consultant and recommendations from our CEO for the CEO's direct reports. Our compensation committee reviews benchmarking data of a peer group of restaurant companies as one input into the pay decision process. Other factors that influence pay decisions include, but are not limited to: company performance, individual performance, succession planning, and retention.

2018 Compensation Highlights

The compensation committee did not make significant structural changes to our executive compensation program for 2018. We believe this is consistent with the wishes of our stockholders, who have expressed overwhelming support (greater than 98% of votes cast) for our executive compensation program at each of our last three annual "say-on-pay" advisory votes.

Based on our total compensation philosophy and peer compensation levels as well as successful individual performance, the compensation committee approved salary increases for certain named executive officers in the beginning of 2018.

- The salary of Ms. Post, our former President and Chief Executive Officer, was increased from $750,000 to $800,000. Ms. Post retired from the Company effective as of April 3, 2019.
- Mr. Constant's salary increased from $500,000 to $515,000.
- Mr. Muhtar's salary increased from $385,000 to $425,000, which increase also reflected his promotion from Senior Vice President and Chief Marketing Officer to Executive Vice President and Chief Concept Officer, effective January 1, 2018.
- Mr. Kaplan's salary increased from $355,000 to $365,000.
- The salary of Ms. Stutz, our former Executive Vice President and Chief Operating Officer, was increased from $475,000 to $505,000. Her employment was terminated effective September 5, 2018 without cause.

The basic structure and primary metric (EBITDA) of our annual performance-based cash incentive program remained the same in 2018.

- Because we did not achieve pre-set company EBITDA goals for 2018, our named executive officers did not receive a payout of their annual performance-based cash incentive for 2018.
- The incentive modifier based on the achievement of off-premise sales was not triggered because the Company EBITDA target was not achieved.

The structure of our long-term incentive program opportunities remained the same in 2018 for our chief executive officer and chief financial officer. In 2018, the compensation committee shifted the structure of the long-term incentive component for the remainder of our named and other executive officers to include more equity and less cash, similar to the approach adopted in 2017 for our chief executive officer and chief financial officer.

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- Certain of our executive officers' long-term incentive targets as a percent of salary were increased to improve market competitiveness, recognize individual performance and growth in roles, increase stockholder alignment, increase portion of "at risk" pay, and enhance retention. Ms. Post's long-term incentive target was increased from 275% to 290%. Mr. Constant's long-term incentive target was increased from 150% to 165%.
- In addition to the foregoing, the compensation committee considered and approved a one-time grant of RSUs to Mr. Constant in May 2018 with a grant date value of $850,000 and a five-year vesting schedule of 20% on each of the second, third, and fourth anniversaries of the grant and 40% on the fifth anniversary of the grant. This award was designed to recognize Mr. Constant's depth of experience, skilled management of stockholders, and the Company's need for continuity and continued development of CEO successors.
- Because we did not meet threshold performance measures for the three-year EBITDA and return on invested capital (ROIC) targets for the 2016-2018 long-term incentive cash award, our named executive officers did not receive a payout for that award.

Governance Standards and Compensation Best Practices Currently in Effect

Pay for performance focused executive compensation structure, with a significant portion of executive pay "at-risk"

Independent compensation committee reviews and approves executive compensation structure and performance goals

The compensation committee engages an independent compensation consultant

Annual evaluation of potential risks of our executive compensation program

No excise tax gross ups

Double trigger required for cash severance and equity vesting upon a change in control (other than certain performance awards)

No repricing of underwater options without stockholder approval

Meaningful stock ownership guidelines for executives and board members

Formal policy prohibiting hedging and pledging of Company securities by executive officers and directors

Clawback policy for the return of certain cash and equity executive incentive compensation in the event of a financial restatement

Limited number of perquisites offered to our executives

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Executive Compensation Decision-Making

The compensation committee approves target total direct compensation levels for named executive officers by establishing base salaries and setting annual and long-term incentive compensation targets. When appropriate, the committee also approves special awards and relatively modest perquisites. The Company makes pay decisions based on a variety of factors, including:

- Company performance
- Company strategy and alignment of incentives
- Benchmarking data for our restaurant peer group for target total direct compensation (base salaries, short-term incentives, and long-term incentives), based on disclosure in peer proxy statements and other applicable survey data
- Individual performance and areas of responsibility relative to the market data
- Compensation relative to other executive officers in the Company
- Advice from the committee's independent compensation consultant
- The CEO's recommendations with respect to the compensation of the executives who report directly to the CEO, including the other named executive officers
- Whether our compensation program encourages unnecessary or excessive risk taking
- Results of the Company's say-on-pay advisory votes in prior years
- Management succession planning and retention

Pay for Performance Alignment

Our compensation program is designed to pay for performance and is comprised of performance-based short-term and long-term awards. Such compensation varies in value and is at-risk of forfeiture or reduced payout if performance goals are not achieved or our stock price declines. Financial measures such as EBITDA and ROIC used for the annual and long-term cash incentive grants are reviewed and approved by the compensation committee. Restricted stock units and stock options vest ratably over four years, the value of which is dependent, in whole or in part, on an increase in the Company's stock price.

2018 Named Executive Officer At-Risk Compensation. In 2018, "at-risk" pay (incentive pay subject to forfeiture or partial or complete loss of value) comprised 80% of total target compensation for CEO compensation and 67% of total target compensation for the other named executive officers as a group. The charts below reflect the portion of our named executive officers' 2018 total target compensation that is considered at risk.

CEO

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Other Named Executive Officers

Benchmarking

Restaurant Peer Group. Restaurant peer group companies were selected and approved by the compensation committee upon the recommendation of management and the committee's independent compensation consultant and are based on their similarity to us with respect to several criteria, including revenue, size, and scope. The peer group used for 2018 compensation benchmarking consists of the 19 restaurant companies identified in the chart below.

In 2018, the compensation committee evaluated and updated its peers to the "New Peer Group" identified in the chart below. Buffalo Wild Wings, Inc. and Ruby Tuesday, Inc. were removed from the Company's peer group because they are no longer public companies. No other changes were made to the Company's peer group in 2018. The New Peer Group will be used for setting 2019 compensation.

2018 Peer Group	New Peer Group
Biglari Holdings, Inc.	Biglari Holdings, Inc.
BJ's Restaurants, Inc.	BJ's Restaurants, Inc.
Brinker International, Inc.	Brinker International, Inc.
Buffalo Wild Wings, Inc.	Carrols Restaurant Group, Inc.
Carrols Restaurant Group, Inc.	The Cheesecake Factory, Inc.
The Cheesecake Factory, Inc.	Cracker Barrel Old Country Store, Inc.
Cracker Barrel Old Country Store, Inc.	Denny's Corporation
Denny's Corporation	DineEquity, Inc.
DineEquity, Inc.	Domino's Pizza, Inc.
Domino's Pizza, Inc.	Fiesta Restaurant Group, Inc.
Fiesta Restaurant Group, Inc.	Jack in the Box, Inc.
Jack in the Box, Inc.	Noodles & Company
Noodles & Company	Papa John's International, Inc.
Papa John's International, Inc.	Ruth's Hospitality Group, Inc.
Ruby Tuesday, Inc.	Sonic Corp.
Ruth's Hospitality Group, Inc.	Texas Roadhouse, Inc.
Sonic Corp.	The Wendy's Company
Texas Roadhouse, Inc.	
The Wendy's Company	

2018 Compensation Setting. The compensation committee uses competitive compensation data from the annual total compensation study of peer and other restaurant companies and other relevant survey sources to inform its decisions about overall compensation opportunities and specific compensation elements. Additionally, the compensation committee uses multiple reference points when establishing targeted compensation levels. The committee applies judgment and discretion in establishing targeted pay levels, considering not only competitive market data, but also factors such as company, business unit, and individual performance, scope of responsibility, critical needs and skill sets, leadership potential, and succession planning.

Independent Compensation Consultant

In 2018, the compensation committee retained Meridian Compensation Partners, LLC ("Meridian") as its independent compensation consultant. The independent compensation consultant assists with the compensation committee's annual review of our executive compensation program, cash and equity compensation practices, ongoing development of our executive compensation philosophy, and acts as an advisor to the compensation committee on compensation matters as they arise. The compensation consultant also advises the compensation committee on compensation for the board of directors. The compensation committee evaluated Meridian's independence as its compensation consultant by considering each of the independence factors adopted by Nasdaq and the SEC. Based on such evaluation, the compensation committee believes no conflict of interest exists that would prevent Meridian from independently representing the compensation committee.

Risk Mitigation

The compensation committee considers, in establishing and reviewing our executive compensation program, whether the program encourages unnecessary or excessive risk taking. The factors considered by the committee include:

- the general design philosophy of our compensation policies and practices for employees whose behavior would be most affected by the incentives established by our compensation policies and practices, as such policies and practices relate to or affect risk taking by employees on our behalf, and the manner of their implementation;
- our risk assessment and incentive considerations in structuring our compensation policies and practices or in awarding and paying compensation;
- how our compensation policies and practices relate to the realization of risks resulting from the actions of employees in both the short term and the long term;
- our policies regarding adjustments to our compensation programs and practices to address changes in our risk profile; and
- material adjustments we have made to our compensation policies and practices as a result of changes in our risk profile.

The compensation committee believes it has mitigated unnecessary risk taking in both the design of the compensation plans and the controls placed upon them because:

- payouts under our annual and long-term incentive compensation plans are capped;
- the compensation committee has the ability to reduce payouts under our annual incentive compensation plans in its discretion;
- executives are subject to robust stock ownership guidelines;
- executives are subject to anti-hedging policies with respect to our common stock;
- the performance goals under our incentive programs relate directly to the business plan approved by the board of directors; and
- there is an appropriate balance between our annual operating achievements and longer-term value creation, with a particular emphasis on longer-term value creation for our executives.

The compensation committee completes this evaluation annually. Accordingly, based upon the foregoing, the Company believes the risks arising from its compensation policies and practices are not reasonably likely to have a material adverse effect on the Company.

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Consideration of Prior Say-on-Pay Advisory Votes

At our 2018 annual meeting of stockholders, holders of approximately 99.3% of the votes cast on such proposal approved the advisory vote ("say-on-pay") on the 2017 compensation of our named executive officers, which was consistent with the level of support we received in 2017 and 2016, when 98.5% and 98.2% of stockholders voted for our "say-on-pay" proposal.

We believe the level of support we received from stockholders for the last three years was driven in part by our commitment to pay for performance and link incentives to current and long-term sustained achievement of Company strategic goals. The compensation committee did not make significant structural changes to our executive compensation program for 2018. The compensation committee considered the results of the advisory vote when setting executive compensation for 2018 and will continue to do so in future executive compensation policies and decisions.

Key Components of our Executive Compensation Program

Base Salary

Base salary provides a minimum level of remuneration to our named executive officers for their efforts. The compensation committee sets base salaries for our executives to reflect the scope of each executive's responsibilities, experience, and performance. The compensation committee reviews base salaries annually as part of the benchmarking process and adjusts them from time to time to account for relevant factors such as market changes. The compensation committee also considers the CEO's evaluation of each executive's performance and reviews the CEO's salary recommendations for our executives.

Incentive-Based Compensation

For our incentive-based compensation, the compensation committee utilizes a mix of performance metrics and different forms of LTI. Each type serves a different purpose. The annual incentive and PSU (which replaced long term cash) components of the long-term incentive awards are performance-based and require achievement of certain financial targets, measured over either one or three years. If the financial metrics are not achieved at a minimum threshold level at the end of the performance period, no payment (or shares) is earned or made. Each of the equity vehicles granted vest ratably over four years, other than the PSUs, which are currently "banked" over a three-year period and are payable at the end of the third year. Restricted stock units are used to support stockholder alignment and retention. The stock options require improved stock price performance to realize value and provide long term direct stockholder alignment.

Annual Performance-Based Incentive. Annual performance-based cash incentives are intended to reward achievement of annual financial performance that drives long-term, sustained creation of stockholder value. Our annual incentive goals are established with reference to the annual portion of our multi-year strategic plan. The annual performance metrics are financial-based measures the compensation committee believes are aligned with our goals described above. The compensation committee continually evaluates the measures against which we gauge our performance and may incorporate additional or alternative metrics to incentivize executives to achieve appropriate performance targets and respond to industry changes or market forces.

Each of our executives participates in the annual incentive plan under which the compensation committee uses EBITDA as the primary metric. The EBITDA measure was selected because we believe it best captures our operating results without reflecting the impact of decisions related to our growth, non-operating factors, and other matters. We believe our EBITDA performance goals require "stretch" performance and encourages superior performance.

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The compensation committee approves any payouts earned under the annual incentive program following review of actual results at the end of the year. The corresponding dollar payout value varies up or down depending on the actual EBITDA performance level versus threshold, target, and maximum goals that are set at the beginning of the year. The compensation committee sets the EBITDA ranges each year based on performance expectations and other factors. No payouts are earned if the threshold EBITDA goal is not achieved. The compensation committee may also use various factors to exercise negative discretion when evaluating performance for purposes of awarding annual incentive compensation.

In addition, in 2018, the annual performance-based incentive plan included a modifier. The modifier was based on the achievement of off-premise sales, measured as a percentage of overall restaurant sales, in excess of a pre-determined increase to the Company's budgeted increase in off-premise sales. If off-premise sales increased above the threshold, the amount of any annual incentive program payout could have been increased by a percentage up to 120%. The modifier only applied if the annual EBITDA target would have been achieved. The Company grants the annual performance-based incentive awards and all cash incentive awards, if any, under the 2017 Plan.

Long-Term Performance-Based Incentives. The compensation committee determines the long-term incentive grants for the executive officers, including the named executive officers, by reviewing peer group market data analysis from its compensation consultant, impact of share usage and affordability, internal equity, and recommendations from the CEO, among other factors. The compensation committee believes the current mix of performance and service-based incentives aligns the interests of executive officers with our stockholders and was appropriate for 2018.

The 2018 long-term incentive grants consisted of a mix of equity awards in the form of restricted stock units and stock options, and a long-term performance-based incentive component (the "LTIP"), payable in PSUs. We began using PSUs as the LTIP component beginning with the 2017 grants for our CEO and CFO, and continuing in 2018 for all other executives. Prior to that, the LTIP component was paid in cash. Through 2018, the long-term incentive award grants for our named executive officers consisted of 20% restricted stock units and 40% stock options (both of which vest ratably over four years), and a 40% LTIP. These awards are designed to focus management on our strategy of driving consistent, sustainable, achievement of long-term goals, both incrementally and over long performance periods. The annual granting of multi-year performance compensation (including performance targets measured annually over a three-year period beginning in 2017) is designed to ensure the execution of our evolving strategic plan considers appropriate risks and returns and allows for initiatives that span several fiscal years.

Beginning in 2017, the LTIP component is payable if annual targets selected by the committee are achieved for that tranche within the three-year performance period. When the performance measure has been met and approved by the compensation committee for a particular tranche during the three-year period of the award, that portion of units is determined but remains subject to a service-vesting requirement until the three-year period has concluded. That determined portion of units is considered "banked," but is not considered "earned" or vested and will not be delivered until the applicable three-year period has concluded. The annual LTIP metrics are independent of each other. For the second tranche of the 2017 long-term incentive grant and the first tranche of the 2018 long-term incentive grant, the compensation committee selected an earnings metric (EBITDA) and an operational metric (Relative Guest Traffic) in the design of the LTIP to achieve a balance between earnings, growth, and driving Guest traffic relative to the restaurant industry (not limited to casual dining) and to effectively reward both. For the first tranche of the 2017 long term incentive grant, the compensation committee selected EBITDA and a return on investment metric (ROIC) in the design of the LTIP to achieve a balance between earnings, growth, and return on investment and to effectively reward both. Like the goals in our annual performance-based plan, all of the goals in the LTIP

(EBITDA, ROIC, and Relative Guest Traffic) are intended to be "stretch" goals, or challenging targets, and are meant to encourage superior performance.

The transition to annual goals measured and assessed over a three-year period reflects the challenges of multi-year forecasting in the current volatile restaurant operating environment, which continues to be impacted by changes in traditional consumer dining behavior, including a shift from traditional dine-in consumption to increased off-premise dining activity and the use of technology-based food ordering systems. The 2007 Plan and 2017 Plan permit the compensation committee to make adjustments, in its discretion, for non-cash, non-recurring, or unusual items. While there is overlap with one of the metrics in our annual performance-based cash and LTIP awards (EBITDA), the compensation committee believes this is appropriate because the annual performance-based incentive is focused on earnings in a particular year, whereas the individual annual EBITDA targets within LTIP are focused on year-to-year progress over the three-year performance period. The compensation committee believes the longer-term nature of the LTIP links performance to our multi-year strategic plan and growth objectives while encouraging management's collaboration on strategic initiatives. In 2018, all long-term performance-based incentive awards were granted under the 2017 Plan.

Employee Benefits

We also provide certain other customary retirement and health and welfare benefits and other ancillary compensation to executives, which are in line with those offered to other groups of our employees, and which comprise a modest portion of our named executive officer compensation.

Modest Perquisites

We offer a limited number of modest perquisites to our named executive officers, which include a car allowance, phone allowance, and in-restaurant meal discounts. In addition, where appropriate, we offer usual and customary relocation expense reimbursements including related tax reimbursements on relocation. We review the perquisites we offer to our executives and compare them to those offered by our competitors from time to time.

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Summary of 2018 Compensation Activity

Base Salary

Named executive officer salaries for 2018, along with any corresponding increases from their 2017 salaries, are set forth below. The compensation committee considers various factors when setting base salaries including peer compensation practices, market competitiveness, the Company's performance, individual contributions, growth in roles, enhance retention, CEO recommendations for the CEO's direct reports, and other relevant matters.

Named Executive Officer	2017 Salary	2018 Salary	% Change
Guy J. Constant Executive Vice President and Chief Operating Officer	$ 500,000	$ 515,000	3.0%
Jonathan A. Muhtar Executive Vice President and Chief Concept Officer	$ 385,000	$ 425,000	10.4%
Michael L. Kaplan Senior Vice President and Chief Legal Officer	$ 355,000	$ 365,000	2.8%
Denny Marie Post Former President and Chief Executive Officer	$ 750,000	$ 800,000	6.7%
Beverly K. Carmichael Former Executive Vice President and Chief People, Culture and Resource Officer	(1)	$ 420,000	0%
Carin L. Stutz Former Executive Vice President and Chief Operating Officer	$ 475,000	$ 505,000	6.3%

(1) Ms. Carmichael joined the Company in December 2017 at an annual base salary rate of $420,000, which remained unchanged for fiscal year 2018.

Incentive-Based Compensation

2018 Annual Performance-Based Cash Incentives. For the primary component of our 2018 annual performance-based cash incentive program, actual payouts were determined by comparing the Company's fiscal year EBITDA to a target level of EBITDA for the year established by our compensation committee. Potential payout amounts ranged from 0% to 200% of the executive's target opportunity based on achievement of EBITDA ranging from 90% to 120% of the target level of EBITDA for the year. For 2018, named executive officers did not receive an incentive opportunity because the minimum pre-set EBITDA target was not achieved.

EBITDA Target and Preliminary Annual Incentive %

	EBITDA Target Achieved	*Payout as a % of Target*
Actual	87%	0%
Minimum	90%	50%
Target	100%	100%
Maximum	≥120%	200%

In addition, our 2018 annual performance-based cash incentive program included a modifier for off-premise sales relative to target levels of such sales for the year set forth in the board-approved budget for 2018, payable only if the EBITDA target was achieved. Off-premise sales are a percentage

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of total restaurant sales, and the plan target for 2018 of 9.6% was based on a 2.3% increase over 2017. The modifier could have increased payout by up to 120% of the EBITDA target incentive had off-premise as a percent of total sales achieved 11.6% for the year. For 2018, the incentive modifier was not triggered because the Company EBITDA target was not achieved. Had the EBITDA target been achieved, a partial payout relative to the modifier would have been achieved, because 2018 off-premise sales was 9.9% of total sales.

Each of our named executive officers has a target opportunity expressed as a percentage of the executive's salary and is set based on, among other factors, market and peer comparisons, and internal equity. The actual amounts of our 2018 annual performance-based cash incentives paid to our named executive officers in March 2019 for fiscal 2018 performance are as follows:

Named Executive Officer(1)	2018 Annualized Salary	Target (% of Actual Salary)	$ Amount at Target	2018 Actual Payout
G. Constant	$ 515,000	75%	$ 386,250	$ 0
J. Muhtar	$ 425,000	75%	$ 318,750	$ 0
M. Kaplan	$ 365,000	70%	$ 255,500	$ 0
Former Executives				
D. Post	$ 800,000	120%	$ 960,000	$ 0
B. Carmichael	$ 420,000	70%	$ 294,000	$ 0

(1) Ms. Stutz is not included in the above table because she was not eligible to receive an annual performance-based cash incentive due to her termination prior to the end of the fiscal year.

2018 Long-Term Incentive ("LTI") Program. The 2018 LTI grants made to named and other executive officers consisted of 40% stock options, and 20% restricted stock units, and a 40% LTIP payable in PSUs.

2018 Long-Term Incentive Grants. In March 2018, the Company made the following annual grants to our named executive officers:

Named Executive Officer	Total Long-Term Incentive Target Value ($)	Long-Term Incentive PSUs ($)	Non-Qualified Stock Options ($)	Time-Based Restricted Stock Units ($)
G. Constant	849,750	339,900	339,900	169,950
J. Muhtar	595,000	238,000	238,000	119,000
M. Kaplan	328,500	131,400	131,400	65,700
Former Executives				
D. Post	2,320,000	928,000	928,000	464,000
B. Carmichael	504,000	201,600	201,600	100,800
C. Stutz	833,250	333,300	333,300	166,650

The amounts listed in the table above represent the target intended value of the grant. The estimated fair value of each option granted is calculated using the Black-Scholes multiple option-pricing model. The fair value of the restricted stock units and performance stock units is based on the grant date market value of the common shares.

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Long-Term Performance-Based PSUs. In 2018, the compensation committee shifted the structure of the long-term incentive component for the remainder of our named and other executive officers to include more equity and less cash, similar to the approach adopted in 2017 for our chief executive officer and chief financial officer. In 2018, the 40% long-term incentive component for executive officer compensation was comprised of equity grants in the form of PSUs, as follows:

Named Executive Officer	**Long-Term Incentive PSUs**	**Grant Date Fair Value ($)**
G. Constant	5,549	339,900
J. Muhtar	3,885	238,000
M. Kaplan	2,145	131,400
Former Executives		
D. Post	15,151	928,000
B. Carmichael	3,291	201,600
C. Stutz	5,441	333,300

In 2018, the LTIP metrics for the PSUs were EBITDA and Relative Guest Traffic. Relative Guest Traffic is measured relative to top quartile perfor